

## Q&A

**Jason Fairclough (Bank of America):** In terms of your life's work there, the deal in Chile, how long have you been working on it for? And I guess with that, do you actually have the legal structure in place? I think there is constitutional restrictions on Codelco giving up resources.

**Duncan Wanblad:** Yes, thanks Jason, my life's work. Yes, so actually the first meeting I had on this was with Thomas Keller when he was the chief executive of Codelco, and so that would have been in and around 2012, so it has been a long time coming. However, this is the end of what is a three-stage process.

The first part of this arrangement was making sure that we could work more effectively together, given the interfaces and the interference between the two mines. The second phase was to physically create proper legal easements that allowed us to operate more freely between the two, and that operating and working arrangement has been incredibly good between the management of Los Bronces and Andina. And then the final bit was given the constraints of the constitution in Chile, effectively come up with a mine plan that mines without impacting negatively at all on any of the interpretation of the constitution, the combined resource.

You can imagine that this has been well-treaded by Codelco and by a number of lawyers, constitutional lawyers, etc. The arrangement that we have got in place under the memorandum of understanding (MOU) is absolutely constitutional and therefore, you know, quite innovative in the context of how it has been set up.

**Jason Fairclough:** As a follow-up, are there further opportunities for cooperation between Anglo and Codelco?

**Duncan Wanblad:** Well, you know, they may very well be going forwards. They are a good partner. Codelco has actually been a partner of Anglo American for a long time because they are a shareholder in Anglo American Sur. And they have excellent operations people, and to the extent that there is more that we could do or would do, we would look to do it. However, there is nothing on the table right now.

**Matt Green (Goldman Sachs):** Hi, Duncan. On Los Bronces and Andina, first of all, congratulations. I think the industry needs to see more transactions like this.

You pointed out there is a big old wedge in between the two mines. What are the moving parts to try to utilise material between the two concentrators? And then just what is your thinking on Los Bronces underground? Is this project now getting pushed back because of this MOU?

**Duncan Wanblad:** Yes. So if you had to stack up the value of the copper in the wedge and the efficiencies associated with the mine plan, Los Bronces underground naturally gets moved back in that process. I mean, to the extent that copper prices change very materially in the next few years, we have the ability under this arrangement to bring Los Bronces underground into this arrangement.

What happens now is that, one, we have got to get to the final definitive agreements signed, but then we have got to, given that both of us retain the underlying mineral rights to each of our properties, we have to submit an EIA on both sides for the new mine plan. That then has to get approved, and then we can start actually mining, the combined mine plan over the two pits or the joint mine plan, as we are calling it. And so we expect that the process of all of that happening will mean that real copper starts to come in from around 2030.

**Matt Green:** Can I follow up on the timing of this? As you say, it is in the 2030s. The last few years, you have been quite constrained with that wedge. So perhaps you could just give us a bit of background as to how this transaction has come today as opposed to a couple of years ago or in the future.

**Duncan Wanblad:** I mean, as I say, it is a transaction that we have been working on for a very long time. And for a transaction like this to work, it takes the meeting of minds of all of the parties that are involved in it. And so in a large part, that was it.

The industrial logic and the synergies here, for me, were always obvious. And it just took that amount of time to actually get it set up, properly recognised by both parties, and then design an implementable and executable structure to be able to deliver it.

**Liam Fitzpatrick (Deutsche Bank):** First one on working capital and cost-cutting – it is a really strong performance in 2024. Do you worry just as the pressure perhaps comes off the organisation, and you deliver more of the simplification, that some of this could reverse? And how much of that \$800 million that you are flagging for 2025 is in the remainco (simplified portfolio)?

**Duncan Wanblad:** I am not worried it is going to come out because this is the way we are driving the company. Good mining companies are run lean. You invest the capital where you need to invest the capital, and this is becoming an embedded philosophy and discipline throughout the whole of the company. We are not going to let that unravel.

John, you want to deal with the other question?

**John Heasley:** Yes, likewise, no concern on an unravelling. The focus is there in the organisation. The working capital, when you stand back, obviously, we had some significant outflows over the last couple of years. Big focus this year on reducing that down. Some of what we saw this year, of course, was price and volume. However, when I stand back and look at the level today, at the receivables days and at inventory terms, it feels broadly in the right space. I would not expect any significant movements in working capital over the course of 2025. Of course, there is going to be many moving parts with businesses coming in and coming out, so the numbers themselves will be a little bit messy. However, underlying working capital, I think, is in roughly the right place.

The only caveat that I would put on it, of course, in our marketing business, then we have got variation margins that can move around on a timing perspective, depending on commodity prices right at the year-end. However, fundamentally, I think we have got working capital to a pretty good level, and it should be broadly consistent through the short term from here.

On the cost savings, \$300 million of the \$800 million has already been achieved on a run-rate basis in 2024. So, as you look at where is that going to come from, then the \$300 million is probably going to be broadly spread over the same mix that I showed on the slide across the different businesses. The incremental \$500 million that is still to come is largely going to be on the remainco, as I said in my comments a lot of that is in the corporate centre.

Now, the only slight caveat to put on that is that, as you can see from the Plats results and our commentary on that, there are some small recharges from the corporate centre to those businesses that are leaving. However, in the case of Plats, from what we published earlier this week, that is around \$100 million. So the vast majority of that \$500 million will stick with remainco.

**Liam Fitzpatrick:** My second question is on De Beers. You have made some comments this morning on the process. Can you share anything in terms of where you are leaning between trade sale or demerger? And do you think this will be a clean single transaction, or could it be similar to what we see with Amplats, like a series of sales?

**Duncan Wanblad:** Yes. So, look, we are running the dual track really hard at this particular point in time. There is no real difference between the prep work that we need to do for the dual track or a trade sale. There will come a point where we may have to prioritise one over the other. I do not see us needing to do that much before the middle of the year. However, in terms of prioritising one versus the other, you would not actually stop one versus the other. So the dual track always remains the base case. And at the last moment, a trade sale could prevail over a listing or a demerger.

My preference actually would be to sell to the right trade buyer in some way, shape or form. However, I cannot say for sure that that is going to happen, hence the dual track. Is there a possibility that we could end up with a similar sort of structure to Amplats on exit? I would prefer not to, is my honest answer on that. However, I think it will very much depend on who the buyer is, and when that sale happens.

**Ian Rossouw (Barclays):** Duncan, it would be good to get an update just on the Quellaveco mine plan and changes. In December 2023, when you downgraded production guidance, you said that production over the five years will go up. And it does not seem like that is really coming through in 2027. Can you give a bit of an update on that?

And then secondly, just on the QFBS statement and cost-cutting, you give a breakdown, but you do not say how much of that gets recharged to the various divisions. John, I wonder if you can give a bit of details on that sort of split.

**Duncan Wanblad:** On Quellaveco, what we said is that actually with the resequencing of the mine plan, all of that copper was there, and it will come out over the next five years or so. Some of it in lumps because that is just how the mine plan works. However, on average, what you should be thinking about is Quellaveco as a 300,000 tonne per annum copper producer. Some years will be slightly higher, around 325,000 tonnes, some years will be sort of at or around about the 300,000 tonnes. And to answer your question specifically, it is clearly in 2028 or 2029 rather than in 2027 or 2026.

**Ian Rossouw:** Because at some stage you talked about closer to 400,000 tonnes in some years before the downgrade. Should we see one or two years that high, or are you smoothing out your profile?

**Duncan Wanblad:** No, I do not think we will see years at 400,000 tonnes.

**John Heasley:** On the QFBS question, I think it was addressed in Liam's response. The \$800 million savings, of course, some of that is recharged. Clearly, Plats, you can see what that number is, which was roughly \$100 million. Being one of the biggest businesses, then you can see it is not going to be materially more than that across the Group. So again, the takeaway would be that the vast majority of those savings would stick with the Group.

**Dominic O'Kane (JP Morgan):** Good morning. Two questions. First one, going back to working capital. It is a really strong working capital release, particularly in the second half. Could you maybe just give us some insight and granularity as to what that looks like in De Beers? So specifically, what does the stockpile look like? And given some of the market challenges that you have talked to in De Beers, is there a risk that the inventory that you have in De Beers is carried at the correct or the appropriate value?

**Duncan Wanblad:** Yes, John can speak to the valuation of the inventory. However, the inventory in De Beers is still sitting at around about that \$2 billion mark. What was really pleasing during the course of last year, given the focus on the management of working capital, and the way De Beers managed the business in the context of the market that they were operating in, was that that working capital never grew.

Last year would have been the perfect year to see working capital increase quite materially. However, it never did. In fact, it actually came down slightly. So that is the way that De Beers is really focused on managing themselves through the bottom of the cycle. And we are doing everything that we can to help them get through that as effectively as they can.

It would not be ideal if working capital built. We have no intention of allowing that to happen, neither does De Beers. And hence, the actions that they have taken across the board, not only in Botswana, in terms of actually reducing production to prevent that happening.

**John Heasley:** On the inventory valuation, as you will know, we are under very strict rules as to how we value inventory. And the essence being that you have to value inventory at the lower of the cost, what you paid for it, or the net realisable value, what you expect to be able to receive for that when you sell it. Obviously, the cost of our own production is going to be typically quite a bit below what we expect to be able to sell the inventory for, so no concern there.

Clearly, on the inventory that we purchase through Debswana, then there is a margin that is applied to that, so we are carrying that. The cost to De Beers is a little bit higher than the true cost of mining. However, what I can say is that on the review at the end of 2024, we did all those tests and there was no significant movement in the provision for inventory.

So the fact we have held inventory flat at the end of 2024, none of that has to do with provisioning. That is a real physical inventory number, and absent any significant falling of prices, then I would not be expecting any material impairment of inventory from a valuation perspective.

**Dominic O'Kane:** And second question, just turning attention to Minas-Rio and Serpentina. The announcement this morning on Los Bronces and Andina, was really helpful, but over a very similar time frame. I wonder if there is any update you can give on a comparable transaction? And also you gave us a synergy number for Los Bronces this morning. Is there any estimate that you can share with how you are thinking about that project evolving?

**Duncan Wanblad:** Well, not much to add to what I said at the half of last year. The only thing that has changed, of course, between the half and the end of the year is we actually completed that transaction. You know, the benefits of the combination of the Serpentina resource and the Minas-Rio resource are two-fold.

In the first instance, it gives us the possibility, depending on market conditions, of moving into softer, higher-grade ores than we would ordinarily get into on the same timeline in the Minas-Rio pit. So there is already, just on the assumption that production stays flat, a real cost benefit with minimal capital investment. The alternative is you increase the throughput processing capacity in the plant to keep the production flat if we are in the same pit. So that is a real synergy benefit.

And then, of course, depending on where DRI markets go, and we are absolutely seeing some proper demand for the high-quality DRI type of products going forwards, and to the extent that that becomes a really high premium sector of the market, the possibilities then, given the size and scale of that Serpentina resource, are such that physically we could potentially double the production coming out of Minas-Rio today. So that is the size of it over a materially long period of time. That, of course, would come with whatever the project costs are, and we have not got a feasibility study on that at all at this particular point in time.

We know that that is what it would sustain. We have got the concept studies that we did prior to getting the deal done, but we have not taken any decision on that just yet. However, right now, the primary focus is to switch the production from five years' time to the Serpentina pit or enlarge to the Serpentina pit from the current Minas-Rio pit.

**Chris LaFemina (Jefferies):** Good morning. Just quickly on De Beers, the new carrying value, is \$4.1 billion? Should we think about that as being the price that you would accept for some form of separation? In other words, if the market conditions do not dictate a price that high, do you wait, or would you consider selling at a lower price if markets weaken more than you think?

**Duncan Wanblad:** Chris, they are completely unrelated. So the carrying value of any of the assets in the book are completely unrelated to the value that a buyer would attribute to them at the time that they are buying. So there is no correlation between the write-down and our perception of what a buyer is going to buy. I think we value that business very highly. Timing on this thing is absolutely just a function of us getting some more green shoots in the market, I think, and then being able to attract the right buyer at what we think is a fair value for the company.

**Chris LaFemina:** Okay, thanks. And for John - basically the pro forma EBITDA you showed for the copper and iron assets was \$6.6 billion. If we assume you get three quarters of the \$800 million incremental cost savings, you get to \$7.2 billion. You have this copper growth pipeline, which presumably in a flat commodity price environment, you get EBITDA higher than where it was last year, just from iron ore, and copper. So kind of the big picture way to think about Anglo American here is that you get EBITDA at least back to where it was last year, but instead of having \$11 billion of net debt, you have no net debt with a higher free cash flow generative business, and bigger capital returns. Is that kind of the big picture vision for Anglo American?

**John Heasley:** I will leave the modelling to you guys. You are better at it than me. However, yes, directionally, as I said, higher EBITDA margins. The pro forma does represent already, some of the QFBS benefit in there, so I think you are maybe double counting to it to add that in. However, we are believers in copper. And with the copper prices we've realised, if you run the maths through, I think you are directionally right that we are going to be a strong EBITDA business. Is net debt going to go to zero? Well, again, you need to form your own views on that. However, what I am very focused on is making sure that we get the balance sheet in a strong place. And you can see from what I have described there with what we have done this year, the proceeds that are still to come, we are heading in a very positive direction. However, I will leave the specific numbers to you.

**Tony Robson (Global Mining Research):** A small question on Los Bronces. Apologies if I have missed it in the fine print. How do you share the copper tonnes? High-grade and the ore goes into your mill. There is always an economic value with the ore, but there is an economic value for providing a mill as well. How is the 120,000 tonne split?

**Duncan Wanblad:** Yes, you effectively true it up beforehand and everything is 50-50 going forwards between the two contracting parties. So it is very similar in nature to some of those agreements that we used to have in platinum, where from the time that you are operating, whatever comes out is 50-50.

**Bob Brackett (Bernstein):** If we think about the creative things you have done with Serpentina and with Andina, what is the progress on the third rabbit in that hat?

**Duncan Wanblad:** No material progress to report.

**Bob Brackett:** And then a follow-up around Woodsmith. If we think about you being 10 metres into the 250-metre sandstone, you mentioned water management issues which suggest permeability. You mentioned hardness. At the sort of CAPEX per metre you are running at, are you happy with that number? Do you have expectations that it will normalise? And how do we think about the last 240 metres?

**Duncan Wanblad:** Yes, that is absolutely the right question to be asking, and that is why we are so focused on getting this data and information. The average run-rate in the base case here is a metre a day, so that would be the cycle. If we have real water problems, and they are all going to be manageable, it is just a question of cost and time to be able to do it - that could go to half a metre a day or 0.2 metres a day, and that would have a material impact on the scale and size of the CAPEX, and the time to get the project to shaft bottom.

10 metres is 10 metres, right? It is not much to tell, but very, very encouraging results so far. We have changed the design of the picks in the cutterhead and they actually now have lab-grown diamonds in them. Just cannot think of a better use for lab-grown diamonds than for cutting rocks. We have also got a big grout-curtaining regime that is happening in that area specifically, so all seems to be really, really manageable.

So without declaring victory at all, I think Tom made 0.7 of a metre in an eight-hour shift in the last couple of days, and that was still with tweaking some of the system process parameters and so on. So currently, I am cautiously optimistic that we will do or better the baseline penetration rates through that sandstone.

**Myles Allsop (UBS):** A couple of questions, maybe one kind of philosophically.

Obviously, you are going through this great restructuring. Do you see yourself now as a copper company that should trade at 7x, 8x, 9x EBITDA or a diversified mine that trades at 4x, 5x, 6x EBITDA? In terms of the way that you are managing this business and taking it forward, how do you see yourself in the market?

**Duncan Wanblad:** We are clearly still a diversified mine insofar as we have got three commodities. In the first instance, what I really care about is that we do not attract a massive discount to the underlying components of the portfolio. However, given that the very large proportion of the portfolio is copper, given that the most significant near-term organic expansion options are copper, I am expecting it that it will trade without discount closer to a copper multiple than it will to a conventional diversified multiple.

**Myles Allsop:** Maybe linked to that as well, you set out the three conditions for Woodsmith. Is there a fourth condition that you kind of did not mention around investor approval as well? Would you consult all investors before hitting the button if you have got everything else in line in 2027?

**Duncan Wanblad:** If it is the right project, and it is the right returns on the project, and we are in a position to be able to effectively execute it, then I believe the investors will support the execution of it. If any of those conditions are not true and are not met, then I do not expect the investors would support it. We care a lot about what the investors think. We have taken a lot of feedback and input from the investors during the course of our strategy refresh, and we continue to listen very carefully to them.

**Alain Gabriel (Morgan Stanley):** A couple of questions probably for John.

On the Andina JV proposal, you currently fully consolidate Anglo American Sur. Will you move towards equity consolidation once you set up the JV, i.e., your share of production and EBITDA or will you have a different structure there?

**John Heasley:** There is no change to the legal ownership structure of the businesses. So, we still have a majority holding, and that will continue to be the case. So, I would not anticipate any change to the accounting.

**Alain Gabriel:** Okay, thank you. And the second question is on the capital allocation framework. Now that you move towards the new Anglo American, are you having any conversations of revisiting your dividend policy or capital allocation framework at all?

**John Heasley:** Well, clearly that is a Board decision. We are very much focused just now on delivering on our commitments on the transformation. And the capital allocation policy seems fit for purpose at this point in time, but of course, that is a Board matter that will be subject to ongoing discussion. And to the extent there were any changes, we would communicate that. However, no plans right at this point in time.

**Alain Gabriel:** Thank you.

**Richard Hatch (Berenberg):** Two questions. First one, just to follow up on Quellaveco. Is there a problem with recoveries at that mine? We are kind of running it at about 80%. I would have thought you may have hoped to get a bit more when you reported it, or is 80% the right number to be running this mine at long term?

**Duncan Wanblad:** No problem with recoveries. I think recoveries are very consistent with the GeoMet model that we see coming through. It does fluctuate depending on which part of the orebody we are in and relative to the amount of clay that is in the orebody at that particular point in time. So absolutely no problem with recoveries there.

**Richard Hatch:** Okay. Understood. Thanks. And then secondly, just on slide 29, just looking at the CAPEX profile of the simplified portfolio, \$3 billion into the long term, I am sort of curious that there

is no Lifex in there, and perhaps that may just be because you have got long-life assets that you do not need to extend. However, also, is there some risk that that \$3 billion becomes \$4 billion when you green-light Woodsmith again? Just interested to see how that profile goes.

**Duncan Wanblad:** Yes. So there is no capital in that profile beyond next year for Woodsmith. Woodsmith has to justify its own capital if it goes forward. There is still \$100 million of operating costs that go into maintaining Woodsmith and the options there. However, as I said earlier this morning, there is no chance that that is going to happen before 2027.

**Richard Hatch:** Okay. And the Lifex?

**Duncan Wanblad:** The Lifex on?

**Richard Hatch:** The fact that there's no Lifex in the guidance. Is that just because the assets are long-life so you do not need to extend?

**Duncan Wanblad:** The stay-in-business is a kind of Lifex, right? So there is stay-in-business in there.

**John Heasley:** Yes. There is \$2 billion per annum of stay-in-business. I mean, the \$1 billion of growth is where the incremental capital is focused. So you have got in there Quellaveco going to 140,000 tonnes. You have got the \$185 million at Collahuasi. And as we said before, we started to put in a little bit of some of the unapproved projects in 2026 and 2027, \$200 million in 2026, I think \$600 million in 2027 across Los Bronces underground, fourth line at Collahuasi. On the Lifex point - nothing major in there, I think well covered within stay-in-business. However, I think it goes to the quality of the copper assets that we have - they really are good long-life assets as they are set up at this point in time.

**Ben Davis (RBC):** Congrats on the Andina deal. It is great to see. With Woodsmith, with the progress you are making through the sandstone, has the timing of the study work that you were doing moved at all into the second half? And will that slow down the syndication process for partners?

**Duncan Wanblad:** Yes, absolutely. So look, I mean, when we made the decision to slow the project down, it slowed the studies down, because what you need is all this data and this information and so on. So the impact in terms of data acquisition for the sandstone was pushed out by about three months as a result of that.

To sanction the project, we need a feasibility study. The feasibility study relies not only on the information that we are gathering here for the engineering of the project, but it also requires us to understand the timing of the execution so we can filter through the escalations that we expect on CAPEX and so on. So it is very market-dependent at that particular point in time.

So as far as selling a stake in the project, it will be much closer to the time where we have a feasibility study and where we believe that we would be ready to sanction the project, given the fact that it actually did hurdle, and we are in a good position to execute it, and we would be able to then get a partner to sign up for it.

Now, we started the work of syndication quite a long time ago actually, and up until May of last year, we had appointed banks, and we were actively engaged with potential partners, and that remains true today. So the partners that we were soliciting that came to us are still very interested in the project and still looking forward to the point in time where it might be sanctioned. So we have not really lost anything in terms of potential partner acquisition in this period, probably only gaining as a result of it because we are getting better information, certainly on the market study side now.

**Ben Davis:** And just to follow up on that, are you able to give any sort of flavour of what those partners might look like in terms of type of investor? And then secondly, is there any scenario,

given that you are going to be overflowing with cash and likely be in a net cash position, that you would ever do it alone?

**Duncan Wanblad:** We will never do it alone. I think that is not the right project model for us, irrespective of whether you have got loads of cash or not. We partnered on Quellaveco, and I think it makes sense that we find the right partner for something the size and shape of Woodsmith.

In terms of the flavour of the partners, they are broad-based in this context. So there are the potential usual upstream partners, so those that really like the returns associated with mining. There is a small potential of midstream partners. I mean, we have a very unusual set up with Woodsmith here. And one of the most unique attributes of this project is that it is in control of 100% of its logistics from mine to port. For a bulk product, that is very unusual. And so there are some logistics partners that are potentially interested in it. And then finally, of course, there are downstream partners, which we are interested in, of course, because we think that they bring more than just capital to the project. They bring their own experience and their own ability to create value in the downstream.

This is not a terminal market product, as far as we believe. It is a real value-in-use type of product. And the higher we can get that value in use, the better it will be for all of us at the end of the day. And so hopefully, in that space, there are potential partners too.

**Alan Spence (BNP Paribas):** So just a quick one for me. Going back to the growth CAPEX and copper allocated to the currently unapproved projects, in 2026 and 2027, how much have you earmarked for Los Bronces underground and Sakatti?

**Duncan Wanblad:** Yes, actually, Los Bronces underground is in there. And we may have to adjust that post this deal with Codelco. John, I do not recall exactly the quantum.

And there is a small amount for Sakatti in there, given that over the next three years, it's still very much in permitting phase, therefore the major implementation CAPEX will be sort of post-2027 onwards. So it is not in those numbers.

**John Heasley:** Yes, I do not have the specific number. I think it is in the order of \$100-200 million of the total.

**Alan Spence:** All right. Thanks.

**Duncan Wanblad:** All right. Look, thanks, everybody. Going back to the point I made at the beginning, it has been one hell of a year. And we took on loads in the context of restructuring this company and setting it up for more shareholder value. We are determined to see it through. I hope that you can see that, against what many people were suggesting might or might not be possible, we have delivered and perhaps overdelivered. And I think you can expect more of the same to come.

Thanks very much.

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