Anglo American

2026 Interim Results – Q&A

30 July 2026

Matt Green (Goldman Sachs): I just want to touch on your near-term copper. Congratulations on the Los Bronces-Andina agreement. When we think about the preparation period between now and when the JV kicks in, what needs to be done to get the asset ready? You've touched on the tailings and the desalination plant ramp-up, but is there anything else we should be thinking about?

Duncan Wanblad: The critical path now runs through the permitting process. We've got a very good view of what the shape of the mine should be from the agreement work that we did. We also need to keep doing what we're doing in terms or the removal of Perez Caldera. That's pretty important because, as soon as the Perez Caldera tailings are removed, we can bring back the second plant, and we will need that plant when we start the joint operations with Andina. So that is the critical path, but all on track and making good progress there.

As far as permitting is concerned, it is a complex environment, both generally in South America and in Chile. It's particularly complex around Los Bronces because it's so closely located to the city of Santiago.

Normally, a permitting process of this nature can take three to four years. That said, we have a government that is supportive of responsible copper growth and, importantly, this is a good outcome environmentally. It makes more efficient use of water and land and has a lower environmental impact than two standalone growth options in the same place.

We still have a number of legal and regulatory processes to work through, but we are expecting a reasonable path through permitting. But it will probably still be around three years.

Matt Green: That's great. Then, longer term, Quellaveco delivered an outstanding first half, so congratulations on the performance. When the concentrator was originally scoped, water was the limiting factor. You've been able to manage that and are pushing towards around 142,000 tonnes a day by the end of this year, I think with scope to move towards 150,000 tonnes a day beyond that. Where do you see the concentrator topping out, and how should we think about the next phase of growth at Quellaveco?

Duncan Wanblad: Quellaveco is a great example of continuous improvement and innovation at the same time. The ore body is what it is, and originally we were constrained by water. When the project was permitted, we could only process around 127,500 tonnes a day. We have progressively increased that to around 140,000 tonnes a day and now believe there is potential to approach 150,000 tonnes a day.

We've achieved that through a complete optimisation of the internal water balance within the plant, making sure we're recycling as much of that water as we can, not allowing it to evaporate, etcetera.

We also implemented our first full-scale coarse particle flotation unit, and that made a very big difference in terms of the application and use of water. Plus there has been a bit of debottlenecking. In every plant you have, you want your primary constraint to be your SAG mill. To the extent that you can debottleneck anything around that, it gives you benefit.

The primary constraint will continue to be water. We're not using any more water than we planned for 175,000 tons a day. I think given the primary constraint in the SAG mill now probably correlates with the primary constraints in water, so around about 150,000 tons is where it's going to be. Really, this just helps us smooth out the production variability, particularly during that transition period to the hypogene.

Maxime Kogge (Oddo BHF): First question is on Collahuasi, because it's a bit difficult to understand the situation there with regard to the desalination plant. A lot of money has been invested, more than $3 billion over the last few years, and yet we've had this 11th-hour stoppage. What are your views on the situation and your discussions with the administration? And can you give us some sense of the timeline for a restart?

Duncan Wanblad: As I said earlier, this is a permit that was granted by the SEA more than five years ago, following a fully fledged consultation process with all the stakeholders involved. What has subsequently happened is that a stakeholder group has challenged the permit. The matter then escalated through a number of steps to get to the environmental tribunal who suggested that the SEA who granted the permit will need to review it. This related only to the desalination plant infrastructure and not the whole Collahuasi EIA.

The process now requires the government to reset including the consultation process. We are hopeful that within the next six months or so, we should be able to get back on track and be able to restart that plant. As I said earlier, it had no impact in terms of production because we have a number of alternative water sources. But in the long term, we will need the desalination plant to come back on - which is what we are expecting.

Maxime Kogge: And a second question on copper. We've seen a big spike in sulphuric acid prices. I was wondering what the net impact is for Anglo American. On the one hand you have smelting, while on the other hand you have consumption in leaching operations. Do you see opportunities around smelting going forward and, conversely, any constraints around leaching production?

Duncan Wanblad: As far as smelting is concerned, the Chagres smelter is one of the best operated smelters in that region. It’s an integrated smelter for us, so processing our own material - we don't take custom material through it.

There are interesting views today on the role of smelting in the system, but at this point we're not looking to expand our smelting capacity within the group. It is quite capital intensive and we're very happy with the capacity that exists in the market today. If that environment changes, then we would relook at it. But right now so long as Chagres continues to perform in the way that it does, it's a very viable component of our portfolio.

In terms of leaching, it’s a technology that the mining industry has been poking at for a very long time in terms of a technology breakthrough. Many mining companies have got various different views of which technologies are good and which technologies are not. I am very clearly of the view there isn't a silver bullet in terms of leaching technology that applies to all mining.

Different leaching technologies work to different degrees on different ore bodies. Traditionally, leaching technology has worked very well on oxidized ores, but not as well in terms of a recovery basis on sulfidic ore. The technology does seem to be advancing on sulfidic ore. That would be a very big positive if you had an ore body that was amenable to that sort of leaching because the capital intensity of leaching plant is just so much lower than the capital intensity of concentrators. It does come with other environmental permitting issues though.

Operations like Collahuasi, where there is a leaching operation already, albeit shuttered, we have optionality to bring it back on. I think leaching technology is an interesting space to watch, but it's not a silver bullet for the whole of the industry. It’s not something that I see completely dropping the cost curve of copper mining industry in the near term.

Ian Rossouw (Barclays): Just following up on the copper side. With the restart of the Los Bronces plant earlier this year you've been able to add additional volumes. You mentioned the Collahuasi leaching plant. Is there an opportunity to do more of that into next year, perhaps run the Los Bronces plant a bit longer before you move Perez Caldera, or accelerate plans to bring back leaching at Collahuasi? And then a second question on the steelmaking coal business. Unit costs were pretty high, with a large fixed-cost component as Moranbah ramps up. How should we think about profitability in the second half?

Duncan Wanblad: When we shut the Los Bronces plant down it wasn't making any money at all. There were two key drivers of that. One, was the underlying cost base of Los Bronces and the plant specifically, and second was the quality of the ore that we were able to feed to it. The mine was very constrained in those days, you’ll remember we were monophasic, stuck at the bottom of that phase and struggling to get the volumes at a quality that could support both of the plants. The decision was an economic one. Value over volume is a very important driver for me.

What has changed is that the mine has made excellent progress on their cost management. They've implemented a number of programs that have sustainably delivered better cost performance across the whole of Los Bronces. Secondly, and probably far more importantly, is that the progress on development of Donoso two, which is the phase that will replace the current phase, is ahead of schedule. The consequence of this is that we have access to softer and higher grade ore. The combination of those things, of course with some very robust copper prices, made restarting the plant a materially viable value solution. So we started up.

Now the constraint is absolutely the removal of the Perez Caldera tailings. This is a longstanding commitment that we have, that goes back almost to the Exxon days. And it is even more important in terms of what we understand about tailings dams under the new GISTM process. Moving the tailings needs the water that we're currently using in that plant. The big prize here is to have everything back up and running smoothly for when we've combined Andina Los Bronces so that we can optimize the copper production from the combined asset at that point in time.

So the real critical path is Perez Caldera. I'm not sure whether we can accelerate it yet, but to the extent that we can optimize the way that we extract it, there is a small probability we can delay turning off the plant. But I'm talking about months, not years.

Ian Rossouw: And on Collahuasi leaching?

Duncan Wanblad: The team is working very hard on that. There is a view that we may be able to bring some of that production back during the course of next year, although the work is still being evaluated. We already have a plant there, but it would need some refurbishment and it's a specific process.

We're really looking at leaching in two phases. The first is a restart of the existing plant, which is increasingly supported by the current copper price environment. The team is working through the feasibility study now. The second is the application of some of the newer leaching technologies that may be suitable for the Collahuasi ore body.

What gives us real optionality is that we’ve got this massive mineralized stockpile, which is what the mine has actually been running off for the last 18 months and which may be more amenable to leaching than concentration. And if some of these sulphide leaching technologies continue to develop successfully, there are additional opportunities elsewhere in the resource base. That's further out, but that's the technological dream and the optionality that we have embedded in Collahuasi.

Then you asked on steelmaking coal and the unit costs. The guys had a pretty rough start to the year with weather there. We had three mega weather events across the group.

In Australia at the beginning of the year the open pits were completely inundated with water. Honestly, I've never seen anything like this in my life. We had conveyors that are already 10 meters above the ground that were submerged, so all the resilience things that have been put in place were beaten by Mother Nature. It was probably a one in 400-year flood.

That inevitably found its way into the cost base. And then we had to be very cautious in how we were ramping up Moranbah and go a bit slower to get it right. But I'm thrilled to say that over the last sort of two months or so, the guys are consistently hitting their straps kind of getting around about 150,000 tons a week of production out of Moranbah.

On that basis, we should see some adjustment to the unit cost because the production is increasing and so long as we don't have another weather event in this year, the open pits are well on their way to recovery there, too.

Alain Gabriel (Morgan Stanley): On the integration with Teck, your teams are clearly doing a lot of integration planning. What have you learned so far that has surprised you, either positively or negatively, given the limitations on what you can say? And a second question on De Beers. What are the long-term provisions, pension liabilities and tax liabilities sitting within that business?

Duncan Wanblad: On integration, I'm thrilled to say no big surprises.

The challenge is the volume of work right now. And of course, we're prevented from seeing commercial data on either side because the companies are competitors until the day that we close. That’s the really cool stuff that I want to get my teeth into, but I can't do that until we've completed.

We’ve got a very clear view of where the announced synergies are. Now we need to set the organization up to be able to hit the ground running hard in terms of the rapid delivery of those synergies.

You also have to have an operating model for the company. One that everybody knows and everybody understands from day one, and that's a lot of work.

Then we've got two new listings in New York and Toronto. What you're required to do in terms of the statutory information, the financial reporting, the Sarbanes-Oxley stuff and so on - that's an enormous amount of work to first understand and then plumb systemically through the businesses, both in Teck and Anglo.

So that's the volume of work. It’s not the most exciting work, well, unless you’re Siobhan – she loves this stuff! But it is very important work to get right.

John Heasley: On De Beers, the pension schemes are in great shape, as they are across all of Anglo American. They are very well funded and we’re in the process of moving the majority of those long-term defined benefit plans to buy-in or buy-out arrangements, which effectively means we transfer those liabilities to insurance providers.

On taxes, there is nothing of concern on De Beers on long-term tax liabilities. It’s all pretty much in the ordinary course, so no unusual long-term liabilities. The bigger long-term liabilities and in De Beers, as with any mining company, are the closure provisions and rehabilitation provisions, et cetera, but all in ordinary course.

Myles Allsop (UBS): A few quick questions, maybe for John to start with. Could you give us a sense of how much you are looking to get from Peabody? Is it $500 million, $1 billion, $1.5 billion? Obviously, you've got a better sense now of what you're going to realise and the losses that have been incurred.

Secondly, I know it's early days and ultimately a decision for the new Board, but how are you thinking about the dividend policy for Anglo Teck? Is it more likely to be aligned with the current Anglo policy or a more North American structure?

And then for Duncan, on manganese. You've done most of the heavy lifting on the restructuring. Is manganese now on the list of things to tidy up?

John Heasley: On Peabody, the arbitration has been initiated. That's a confidential matter, and therefore I won't comment any further in terms of quantums or amounts. But, as we've said consistently, we are very, very confident in our legal position.

On the dividend for Anglo Teck, you quite rightly say that will be a decision for the Anglo Teck Board which, is not yet formed. As Duncan talked about in the phasing of communication, that’s one of the things we'd hope to be able to clarify very early post completion of the merger.

Duncan Wanblad: On manganese. We look at all the assets in the portfolio all of the time. And to the extent we can see more value for them in a different way or in a different format, we would deal with that. So, nothing specific planned for Manganese, but absolutely in line with how we think about asset management and planning for the whole of the business at a portfolio level, it will be looked at in the same way.

Tony Robson (Global Mining Research): The US$4.5 billion special dividend is being paid just prior to completion of the merger. Was there any thought given to doing that as a buyback rather than a special dividend? Presumably both would have had a similar impact on shareholders' equity and the merger ratios. Why choose a special dividend?

Duncan Wanblad: John can comment on the detail of this, but I can assure you that when we were looking at the merger ratios and what we needed to do to put the company together, we considered all of the options.

The best option for us was the return of some capital to Anglo American shareholders and so that was the decision we took. It's not going to change now. It is a return of US$4.5 billion prior to completion. John, do you want to add anything?

John Heasley: No, that's it.

Felicity Robson (Bank of America): The steelmaking coal disposal is valued at up to US$3.9 billion, with US$2.3 billion upfront. How should we think about the likelihood and timing of the contingent payments?

Duncan Wanblad: John may have to help me with the timing, but the key point is that the contingency is all price related. It’s measured over a five year period depending on where the steelmaking coal price is. The reference point moves around a little bit, but on average it's in the high $250s per tonne. It’s then quarterly review tested. So over five years we'll get any participation in the upside of that.

Richard Hatch (Berenberg): It's been a while since by-products have been this attractive or received this much attention. Can you remind us how much silver and molybdenum you're producing, so we can better understand the benefit you've highlighted this morning?

Secondly, you teased us on working capital. How much do you think comes back in the second half?

And thirdly, on non-controlling interests. You're making a lot of money from Quellaveco, but I noticed there was no dividend paid to your minority partners in cash. When should we expect to see cash flowing out to Mitsubishi and the other minority partners?

John Heasley: First, on the byproducts, there's a number of things in there: a bit of silver, a bit of gold, bit of moly, bit of acid. Of course, it moves around depending on where you're at in the ore body, so we're not giving volumes.

Given the quantum, we felt it was appropriate to give the number this time. As I said, in terms of revenue it was $0.6bn, or $575m to be precise. Beyond that, I don’t think there’s more detail to give given the variability and the fact that it changes by mine.

On working capital, it was nice to see working capital remain flat in the first half of the year. Ordinarily, you would have expected an increase given commodity prices. A number of things offset that. Actual sales volumes in December last year were very high, and therefore that caused the receivables to be a bit higher going in to the year. Then June volumes this year were actually a little bit lower, which helped offset that. We also had a number of timing benefits: we got some receipts from customers a little bit quicker, there was a number of capital creditors that were delayed out a little bit, et cetera, et cetera.

To answer your question on what working capital would have done without those offsets. The price impact, as you saw in my waterfall was $1.2 billion. If you took your receivables somewhere between 30 and 60 days, it's probably somewhere between $200 million and $400 million timing benefit that we had in the first half of the year.

On the non-controlling interests, as I mentioned earlier, there is naturally a difference in timing between the earnings coming through and when those dividends are actually paid out. So yes, over the course of the second half of the year I would expect to see dividends paid out to those minorities, not only at Quellaveco but also at some of our other operations.

Liam Fitzpatrick (Deutsche Bank): Just one question on the Collahuasi-Quebrada Blanca opportunity. Have discussions advanced much in recent months with Glencore and the other partners at both assets? And, in order to meet the target of starting construction in 2028, when would you need to reach an agreement and make the relevant permit applications?

Duncan Wanblad: Discussions are ongoing. It’s not only with Glencore, it's with all the other stakeholders too.

Fundamentally, this is going to rely on the stand-alone options that exist at both of the assets and getting those to a level that people can value properly. That sets the base for the combination ratio between the partners, and also how the synergies will be shared.

That work is ongoing. Those conversations have started, but definitely not concluded at this particular point in time. I think we do need to get that technical work done properly. That is the bit that actually takes time. That said, we should absolutely be able to get that work done in time to move into permitting and support our objective of having this up and running before the end of the decade. Don’t forget, the permitting is materially less complex than would be the case on either of the stand-alone options. This is, by and large, a conveyor belt that just connects two existing operations as opposed to the construction of a brand-new plant which would be kind of Quellaveco-size on a stand-alone basis. I do think there is time to do this and get it right. Discussions have started and will continue over the next year or so.

Chris LaFemina (Jefferies): Back in 2020 and 2021, coming out of COVID, Collahuasi delivered two fantastic years. Grades were up and production was up materially, despite the operational challenges at the time. Here we are five or six years later and you're dealing with geotechnical issues, the transition through stockpiles this year and more complex faulting next year. Are some of the challenges you're seeing today a consequence of changes to the mine plan during COVID? And secondly, what risks do those faulting issues pose to 2027 production?

Duncan Wanblad: Great questions, Chris.

My adage is that once you stop mining to the plan, you pay the piper at some particular point in time. Collahuasi is not immune to this. They have a little more insulation given the high quality of the ore body, but they are absolutely not immune.

It doesn't take too much imagination to work out that during COVID, the operation prioritised the resources that they had into the production benches. The development benches fell behind. The consequence of that started to play out about two years ago when they had to catch up the stripping required for the next phase.

In their defense, they do have the stonking big stockpile! It is a 0.6% grade waste pile. There are many fresh ore mines that would love to have that as their primary grade. What they miscalculated was not the grade, but the rate at which this material would recover. The trials and testing they did gave them confidence that they would get the recoveries embedded within the plan. They had a plan, but what turned out differently was the homogeneity and refractory nature of the ore source.

So over the last two years the focus has been on working through that period and opening up the next mine phase. We’re already starting to switch into a higher proportion of fresh ore compared to the stockpile.

Chris LaFemina: And the faulting issues?

Of course, all mines have faults. If it wasn't for the fault, there'd be no mine at all because that's how copper porphyries are formed. The complexity of this particular one is just the facets that exist within it.

As we move into Phase 15, we are effectively mining against the grain. Instead of mining straight into the fault, we've got a number of cross faults that creates a bit of wedging. The geotechs are trying to work out whether we need to slack the angle of the slope. I don't know whether that's going to be needed at this particular point in time but it is something that we have to consider.

I'm pretty confident in our copper guidance. It may mean we get a bit of lumpy production out of Collahuasi for a period, but there are other sources of ore available, including the leach plant and so on. So there’s nothing untoward here. It’s simply recognition that we’re moving into that phase of the mine now and managing the geology that comes with it.

Grant Sporre (Bloomberg): You called out net debt of US$6.6 billion excluding shareholder loans. I'm guessing you're referring primarily to the Mitsubishi shareholder loans at Quellaveco. Is there any specific reason for presenting that number separately and are there any particular terms around those loans that investors should understand?

John Heasley: The reason for calling it out is that there's some judgment as to whether you consider those balances to be debt or whether they're more akin to equity. In reality, it's simply how those partners chose to fund their share of the project.

Some companies present debt excluding shareholder loans and some include them, so we wanted to show both and allow people to make their own judgment as to which measure they consider most appropriate.

The important thing is that when you're comparing a debt number with an EBITDA number for leverage purposes you're comparing like-for-like. If you're looking at attributable EBITDA, then it can be appropriate to exclude the shareholder loans. That's really the reason for showing it.

Grant Sporre: Are those loans ultimately repayable, or should investors think of them more as equity

John Heasley: They do get paid back over time and they have been paid back over time. The most significant balance is at Quellaveco with Mitsubishi and that balance is coming down quite quickly given the strong performance of the business

Grant Sporre: And then just on copper cost guidance. You've reduced the guidance. Is that simply a combination of stronger by-product pricing in the first half and higher assumptions for the second half than you were using at the beginning of the year?

John Heasley: Yes. If you look at Peru, for example, we achieved US$0.45/lb in the first half and we're now guiding to US$0.65/lb for the full year. The second half isn't assumed at the original guidance level and our pricing assumptions still aren't at current spot prices.

They're somewhere between the conservative assumptions we were using at the beginning of the year, which were largely based on last year's pricing, and what we achieved in the first half. So there's still a little bit of opportunity there through the second half.

Alan Spence (Exane BNP Paribas): Just following up on the unit costs. You mentioned the more conservative by-product assumptions for the second half. But is there anything, on a gross cost basis, particularly in copper, that you see as an inflationary headwind into the second half?

John Heasley: Into the second half, the main one would be what's happening with oil / diesel. We saw that through the first half with oil about 20% higher than the first half of the prior year.

Beyond diesel, there’s nothing dramatic that I would point to in terms of uncertainty. As I said in the presentation, I'm really delighted with how we've managed controllable costs through the first half, so there’s nothing surprising that I expect to come through in the second half.

Alan Spence: And then back to Peabody. Without asking you for any specific dollar amount, what are the buckets of compensation you'd be looking for? Is it care and maintenance costs, a break fee, or something else?

John Heasley: Listen, it's a complex legal process. I wouldn't want to comment on any live legal dispute.

I think you should take us at our word that we're very confident. We've initiated the process, we're pursuing it, and when we have something more to say, we'll say it. There's nothing more I can really add at this point

Patrick Mann (Investec): Just on the De Beers sale. Are you still considering the capital markets options that you were talking about before, or have you progressed far enough with the sale process that you're confident this is going to be the exit route

Duncan Wanblad: No, we don't think that the market has capacity for a listing of De Beers at this particular point in time. We probably got to that position a good few months ago, to be honest with you.

That was also supported by the fact that we had some real traction in the divestment process with a number of parties that are deeply strategic-type of partners. We drew some confidence from that. So there is no work going on around a listing at this particular point in time. Right right now it's a trade sale that we're looking at.

Ben Davis (RBC Capital Markets): Just two quick questions. Firstly, on the proposed S&P/TSX index changes, would Anglo Teck qualify through its Canadian nexus? And secondly, assuming Botswana gives its blessing to a De Beers transaction, what regulatory approvals would still be required?

Duncan Wanblad: We have a Tzar in the business for indexation and that's Mr Broda, so I'm going to ask him to answer that question.

Tyler Broda: Thank you, Duncan, for bestowing the Tzar status... Let's all pray for me, especially that it doesn't go wrong! Back in April, the S&P TSX launched a consultation asking the market for feedback on the potential for adding companies that have material business in Canada, but are not domiciled in Canada to the TSX Index. This is obviously very relevant for Anglo Teck and I think there's a very widespread base of support within the financial markets in Canada for wanting Anglo Teck to be in the index.

They finished that consultation a few weeks ago. And now - I think it was last week – they've come out with an official rule change consultation. So it's the same thing, but this one is based on a specific rule.

It would mean that it would be 50% attribution to Anglo Teck within the index. But I think from a binary perspective, just being part of that index means we'll be part of the Canadian capital markets infrastructure which we're very excited by with some great investors and obviously the whole analyst cohort there.

The consultation process is expected to conclude over the summer, with a determination on a rule change expected in September. Anglo Teck would, in theory, be eligible for inclusion if that rule change was to go through. And back to you, Duncan.

Duncan Wanblad: Very good answer, Tyler. Good job. On the statutory approvals for a De Beers on a sale, it will depend to some extent on the final makeup of the consortium. I think we can probably expect the U.S., China, Europe and so on to be involved at very least.

Tyler Broda: Duncan has to go off to do some more interviews, so we'll have to close it there. Over to Duncan for any last words.

Duncan Wanblad: Thanks, everybody. It's a good half. Building on some tough work that we had to do in terms of resetting the portfolio and changing the accountability model within the business.

It's mining. There are always going to be ups and downs, but I'm confident that we've got the right people in the right place to deal with that. I'm very pleased with where we are, both from an operations point of view and from a transformation point of view, and very excited about getting the merger completed so we can build on the strengths of both of these companies.

Tyler Broda: And any other further questions, obviously we're around. Thank you.

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