



Anglo American plc 2021 Full Year Results

Thursday 24 February 2022

Introductory Comments

Stuart Chambers

Chairman, Anglo American plc

[Stuart Chambers] Slide 2 – Introductory comments

Good morning, everyone. Before I turn to this morning's proceedings, let me acknowledge the rather grave news we all awoke to this morning in Ukraine. All I can say is the obvious, which is I hope – and I think most of us, if not all of us hope – that all the members of the United Nations, including Russia, return to some calmness and some restoration of the world order, because it is not a great direction. But that is going to play out one way or another. Meanwhile, I think we press on.

A warm welcome to all, particularly nice to see many of you in person and of course, a warm welcome to all those joining by phone and joining the webcast.

You will have seen our numbers a couple of hours ago. Very strong financial numbers for us, but also for others in our industry. That is good for shareholders, but it is also very good for our stakeholders more broadly. When we do well, our host countries do well, as do the communities surrounding our operations - as they should.

Strong prices on many of our products, but also a really resilient operational performance. I would like to commend Mark, his team, and all of our employees for delivering a record set of financial results. As you know, there has been significant improvement in the last nine years, and if Mark does not mention it, I certainly will. He has been an outstanding leader and he hands the reins over to Duncan with the company in good shape.

Of course, we see plenty of opportunity for Duncan for further operational improvement for the deployment of certain technologies, making it safer, more sustainable, more productive going into the future, and of course, importantly delivering on our organic growth opportunities that we have. So no pressure, Duncan.

We also had some further Board moves in the last 12 months. We welcomed three new Non-Executive Directors to our Board, Elisabeth Brinton, Hilary Maxson, and more recently Ian Tyler. And in April, we say farewell to Byron Grote and Anne Stephens, two excellent contributors to our Board, both of whom have served nine years.

And finally, be kind to Stephen today, because it is his birthday. I would like to publicly wish you a very happy birthday, Stephen. I am sure he could think of a no other way to celebrate his birthday than to talk to you about our results today.

And without anything further, let me now hand over to Mark and Stephen.

2021 overview and look ahead

Mark Cutifani

CEO, Anglo American plc

[Mark Cutifani] Slide 3 – Cautionary Statement

Thanks very much for the introduction, Stuart. I would also like to say thanks to you and the Board. I was asked about leadership in the industry a few months back and I said the one thing about doing things at Anglo and making some tough calls, I have never once had to look over my shoulder and worry about where the Board was. That support has been absolutely key in helping us travel the road we have travelled.

And thank you to all of you for joining us on my last set of results. While Duncan is with us today, he will not have the task of presenting or answering your questions at this one.

Please read this slide carefully but your own time.

[Mark Cutifani] Slide 4 – 2021 results agenda

Our order of play will be consistent with how we have done things in the past. I will touch on performance, highlight a few key points. Stephen will take you through the numbers and explain where the results came from and what to expect. And to close, I will take you through how we are positioning the business for the future.

[Mark Cutifani] Slide 5 – ‘WeCare’ approach: COVID & resilience

Starting up with people, and in particular, our WeCare approach. I have described our holistic approach to looking after people through the pandemic. Good news is that in the last three months, we have not lost a colleague, but it has been devastating, and 2021 was tougher than 2020 for us, in terms of COVID.

We are seeing an improvement, we are getting better than 95% production but still a way to go to get to full production. The work that we have done on keeping employees and those in the community safe, in particular, looking after people through our Living with Dignity programme – to tackle gender-based violence and domestic violence, and through separate programmes for mental health, have been two key themes for us to try and make sure we look after our people.

The feedback we have had from our communities has been really positive, and in many ways, it has helped create a new relationship, particularly as people start to understand what we do in our local communities, whether it is in energy, water, or making food deliveries. I think it has helped cement a much better relationship and helped us realise how we can better articulate and engage with people around the things that we do, that most people take for granted.

We have got to be careful of COVID variants and we are certainly watching things very carefully.

[Mark Cutifani] Slide 6 – SHE performance – drive for a safe & healthy future

Consistent with the theme around people, Safety, Health and Environment continue to be points of focus for us. We have come a long way. Starting with safety, whilst I am pleased with the progress and the great work in the last couple of years of the Elimination of Fatalities Taskforce, sadly, we still lost a colleague. Carlos Gonzalo Rodriguez tragically lost his life in a vehicle accident at Quellaveco.

That tells us we have still got work to do. But in terms of where we have come from, we are proud of the good work that is being done. From my perspective, I am sad that I did not finish where we wanted to,

which is zero. But I am sure Duncan and the team will get there and continue to improve the business on all fronts.

Our injury frequency rates backtracked a little bit during the course of the year, particularly in the first half, reflecting a preoccupation with matters associated with Covid and driven by a number of restarts taking place in the year. The good news is in the second half of the year, we improved 7% against the first half. So we are making sure people are focused on the detail in planning and executing safe work, but we have still got work to do.

Health cases, people being exposed to hazards at source have all improved significantly as the charts show. And on the environment, the one issue that we did have, which was an intermittent leak in the Base Metals Refinery, has been corrected. Again, we are looking for that zero outcome on the environmental side, so as we made good progress, we can always do better, and we will continue with that focus across the business.

[Mark Cutifani] Slide 7 – Driving a healthy environment & thriving communities

In terms of the broader ESG performance, we continue to make good progress on our critical targets that underpin the sustainable mining plan. We are targeting an absolute reduction of 30% in both energy and greenhouse gases by 2030, and that is from the 2016 levels.

The recovery from COVID has been patchy, so we need to continue to improve our operating stability to see that flow through the other measures that are measured in terms of energy consumption. As we get the stability back, I think a few more percentage points will come from that.

But given our carbon neutrality strategy, which will also positively impact energy intensity due to the electrification of our operations, we remain on track to meet our targets.

We have also made good progress on decarbonising our operations. With the commissioning of Quellaveco and with the changes we have made in our South American operations, we will have fully renewable electricity to the sites by year end. That is a big milestone for us and will mean that about 56% of the total Group's electricity consumption is from renewables. So that is a big shift.

And as you know, we are working with the South African government on a whole range of strategies to do the same sort of thing in South Africa, and that for us is an important part of the overall programme.

We are also upgrading our social engagement processes, Social Way. Most of the sites were at 90% to 95% of all of the social programmes that we have in place. We have then upgraded the Social Way, to Social Way 3.0 and so you will see that the scores may look low, but this is because we have made a significant change to what we are doing on site. We are implementing a new, higher bar and industry benchmark for community engagement and social performance. And I would expect the teams over the next couple of years will make significant progress and I have got no doubt within two or three years, there will be a Social Way 4.0.

It is a journey, and we continue to make good progress.

[Mark Cutifani] Slide 8 – FY 2021 results

In terms of the results, on controllables, our production volumes were up 5% compared to last year, again, COVID has continued to impact productivity across the operations, and we had some remaining issues, such as in the Met Coal operations.

The good news is we are moving into the next longwall for Moranbah, Aquila, the replacement mine for Grasstree, has now been commissioned on time and on budget, and we are now cutting coal at Grosvenor as well. But again, we are going to take things carefully.

The Grosvenor mine is a very new set of technologies that have been introduced. We are literally running the longwall from the surface and it is probably the most modern underground mine in Australia today. A lot of lessons have been learnt and a lot of lessons we will take into our other operations. So it is another milestone for us in the business.

EBITDA primarily driven by very strong prices, and the work we have done over the years in terms of the portfolio. EPS of \$7.22 per share compared to our previous record. The biggest difference between the previous record in 2011 versus today, is that our costs are 19% lower in nominal terms.

Our full year mining margin of 56% and ROCE at 43%. We target ROCE through the cycle doing better than 15%, and so with the higher prices, you get a much better ROCE.

[Mark Cutifani] Slide 9 – 2021 – solid operating performance

In terms of operations and results, De Beers, demand has been very strong and the US has recovered well. Sight sales in 2021 were strong, averaging nearly \$500 million per sight. As expected, there was solid growth in consumer demand, particularly in the US. China has been pretty solid as well. As a result, the first sight sales this year was about \$660 million, so good start to the year.

We have seen a price increase of around 30% over the last 14 months. If you remember back in November 2020, we were saying that we would expect to see around a 30% increase over two years. We have seen it in 14 months, and we think the fundamentals are still strong.

Our new vessel is actually in its commissioning as we speak, three months early, on budget. The De Beers team have done a great job. And certainly, I think, De Beers is well positioned in the market as they go forward.

In Base Metals, the copper business has continued to deliver consistent operating and cost performance. It has been a tough year, both from a COVID perspective and with water challenges. We are continuing work focussed on the longer term solutions to reduce our water footprint, as we know this is an area where we face increasing challenges. To note that the water availability challenges have been factored into 2022 guidance. At Collahuasi, we saw a record production performance for the year, in particular, a pleasing cost performance at 61c/lb.

Nickel performance was stable. Production decreased slightly on a bit of a grade drop and due to some licensing delays in the second half, but these have now been received.

On PGMs, good mine performance for the year, reflecting strong recovery from COVID impact last year. The ACP unit continues to perform really well and resulted in record refined production and processing of the previous build-up in work-in-progress inventory that we saw last year-end. We have got the second [B] unit ready and we have incorporated the new technologies in that unit as well.

In Bulks, we generated strong iron ore margins despite slightly lower sales volumes and higher costs – reflecting the quality of our iron ore products and our success in reducing costs over the last few years.

Operationally, there was some unplanned maintenance at the Minas-Rio beneficiation plant, but the team have been working to safely recover most of the volumes and a more permanent replacement of the affected ball mill part is due to take place in the first half of 2022. At Kumba – the team managed the

impact of rain in Q1 and continue to work closely with Transnet on the rail bottlenecks to manage these constraints.

Met coal, as I said earlier, it has been a tough year, Moranbah has faced challenging geological conditions since the restart in June, but the longwall move is now in progress. So the past two years have been tough, but I think we have set met coal up to start improving during the course of this year. Again, we will take it carefully and make sure we keep people safe.

[Mark Cutifani] Slide 10 – Our improvement journey

Consistent with growing cash flow and returns, the improvement journey continues. We have established a foundation for taking the business forward both through our organisation model and our operating model, which is a subset of the way we run the businesses.

We have reported a 56% mining margin for the year, which is a fantastic performance, and you can see how far we have come since 2013. Our 2023 target was to be greater than 45% - but that is using long-term prices which are over one third lower than we saw this year.

The long term improvement approach has been driven by portfolio restructuring, our technical reconfiguration of the remaining assets and the introduction of industrial operating disciplines achieved through the Anglo Operating Model – the total change package supporting a 45% real improvement in our operating assets. If you then add the progressive acceleration of implementation of Futuresmart projects and programs – the forward look is positive.

It is not just about growth, but about quality growth.

[Mark Cutifani] Slide 11 – Significant improvement in our cost curve position

Without going into more detail – it is a simple story. In 2013 we were the highest cost producer across our aggregated commodity mix, compared to our 4 major industry colleagues. The light blue column for Anglo American shows our average competitive cost position at the 49th percentile. We explained back in 2014 we needed to get it to better than the 35th percentile, to deliver our target +40% margin – which delivers our capital return targets and delivering industry competitive sustainable cash flows and competitive dividends. And at the same time we can also invest in value accretive growth. As Stephen correctly articulates – positioning us to be a balanced value delivery story.

And so, we have gone from the 49th percentile to the 29th percentile, while growing and positioning for longer term top line growth. And given the diversity of our commodity mix, the quality of our assets and the weighting towards forward facing markets – we are in good shape.

And just to remind you that there is still more improvement to come as Duncan picks up the reins going forwards. And with that I'll hand over to Stephen.

Financial Results

Stephen Pearce

CFO, Anglo American plc

[Stephen Pearce] Slide 12 – The numbers

Thanks Mark. Hopefully, one of the traits you like to see from a CFO is consistency and so the three messages I want you to take away from today are the same that I have talked to since I started. First one

is consistency of operations and cash flows. I think we are in a pretty good space here but we know we have still got a little bit more to do from some of the issues that we have had in 2021.

The second one is returns to shareholders. So our 40% base dividend is maintained but we have also taken that opportunity to return excess cash, where that has arisen, back to shareholders.

And finally we have got a strong balance sheet, so investing for the future. You know a CFO's job is done when the CEO starts talking about balance as well. So pleased that that is taking hold. But that balance really does set us up for a strong and sustainable future as we go forward.

[Stephen Pearce] Slide 13 – 2021 results

EBITDA, a strong recovery from the prior year at \$20.6 billion - as we know, a record year. Underpinned by strong prices but we are seeing some operational recovery, and hopefully that should set us up for a good 2022.

EPS significantly up at \$7.22 compared to \$2.53 in last year's result. That not only drives that base dividend but gives us that ability to make those additional returns.

Net debt ended the year at \$3.8 billion. Probably a little bit lower than what the market was expecting. And that benefited not only from the strong operational cash flows but also that reduction in working capital of \$1.1 billion.

Free cash flow for the year at \$9.6 billion and that was after paying the higher dividends and returns that we announced in the first half. Higher dividends to non-controlling interests and higher taxes across all of the countries that we operate in, and I will come to that a little bit later.

[Stephen Pearce] Slide 14 – Strong margins drive record EBITDA

Diamonds

Diamonds, as Mark mentioned, a good recovery particularly from the COVID impacts that we saw in that prior year. Demand for polished product is strong and we have tighter supply. That has resulted in that magic 30% number that Mark often speaks to in terms of the prices recovering from the low point that we had in 2020. Through 2021, we saw a 10% increase in the year, nearly 25% up from the low point by the end of last year, and then we have seen further increases early in 2022. Unit costs were held broadly flat. Great effort from the team.

Base metals

Robust operating performance despite the water challenges that we had across the copper operations. Unit costs saw some increase in the year but Collahuasi, in particular, we saw some unit cost decrease despite that challenge.

Margin in Nickel a healthy 45% and overall really solid work from the team.

PGMs

PGMs a strong refining performance in the year, with the ACP up and running very strongly through the year. Prices remained quite healthy in the first half, came off a little bit in the second half. Obviously, we have seen that rebound in recent weeks and that is despite high US dollar unit costs in the business.

Bulks

Iron ore - a 62% margin. Strong pricing and as Mark mentioned, that high quality product and premium really sought after by the market. Just a quick note from the CFO. Very pleasing to see \$2.7 billion cash from Minas-Rio in the year. Just if you could note that one down, that would be much appreciated.

It was a challenging year for met coal, as we all know, but the team did a great job. 33% margins even with the issues that they had to work through. Again, hopefully sets us up for a strong 2022.

[Stephen Pearce] Slide 15 – Prices, operational recovery/improvement drive earnings

EBITDA

Looking quickly at those drivers of EBITDA. You can see the impact that prices had. Really pleasing to see that recovery in terms of COVID volumes coming through the result - that is particularly evident in diamonds, as well as the operational recovery evident in PGMs, and that increased cost and volume combined at \$1.2 billion.

But we know there is more work to do. As we have previously said, COVID has impacted our ability to crystallise all of those initiatives that we would love to get implemented through the operations, but really confident we can drive those through to that target that we have through 2023.

[Stephen Pearce] Slide 16 – Cyclical inflationary headwinds driven by strong prices

Unit costs

2021 unit costs up 10% on an FX-neutral basis. Obviously foreign exchange was probably the bigger impact at 6%, as the producer currencies strengthened, so up 16% in total across the year.

General CPI across the countries that we operate around 5% and that is translated into about \$0.5 billion impact on our EBITDA this year. If you recall at the half year we were not really seeing inflation impact, so most of that flowed through in the second half. But given this is demand led, a lot of our input costs are coming from the same products that we actually produce, and so we do expect some of that to continue into 2022 and this is happening quite widely across the industry. We did include our estimates of how that would play out in the unit cost guidance that we gave in December.

Just a reminder that this is a unit cost that we are discussing. Obviously, productivity, efficiency and technology can all play their part in driving absolute and relative unit cost performance, and so can volume growth. And a reminder that we have around 18% volume growth by 2023, around 35% volume growth by 2030. If we do see a sustained period of demand driven higher prices, I think we are well set up to be extremely competitive on a unit cost basis, with obvious benefits flowing through into our revenue line.

[Stephen Pearce] Slide 17 – Capex recovering post initial Covid impact

Capex

Turning to the balance sheet. On Capex we came in broadly as forecasted for the year. Higher than 2020 as we saw some recovery from the more significant Covid delays and disruptions. We were not able to catch up quite as much as we would have liked, so we have got a little bit of carry over into the next year or two, but pleasingly that was not really in sustaining Capex, it was largely in growth Capex.

[Stephen Pearce] Slide 18 – Strong cash generation drives robust balance sheet

Again, on the balance sheet, we started the year in a really good position from a net debt perspective. We were in great shape at the half year and that enabled us to make those additional shareholder returns and that has continued for the year as a whole. We also saw a reduction in working capital, \$1.1 billion, and that reflected in our sell-down of the PGM build-up that we had in the prior year, if you recall, and also diamonds, we were able to reduce working capital into a very strong market.

Across the year, net debt down by \$1.7 billion and obviously balance sheet in great shape to support our spend as we go forward.

[Stephen Pearce] Slide 19 – Healthy dividend pay-out with additional returns

We remain committed to our 40% dividend pay-out ratio and we really do believe that is appropriate for a company like ours with that balance of growth and returns to shareholders. With the impact of continued strong pricing, we were pleased to announce that additional \$2 billion of return at the half year and a further \$600 million with these results, bringing total returns in respect of the year to \$6.2 billion. And that represents a total pay-out of 69% for the year.

In addition, we did distribute Thungela shares to shareholders and the price of those shares has done very well across the year. I hope some of you still own some, I certainly do.

This reaffirms our commitment to that capital discipline and that balance that we often speak about.

[Stephen Pearce] Slide 20 – Transparent taxes and royalties in host countries builds trust

As Mark said, this has been a record year for our shareholders, but also for all of our stakeholders that we interact with. I showed you this slide for the first time at the half year and told you how proud I was of the contribution that we make in the countries in which we operate. We have continued to make significant payments in the countries through the second half and as a result, our activities have resulted in \$7.1 billion of royalties and taxes collected and paid to the host governments in the year. That is up 89% from the prior year. Not on this map clearly at the moment is Peru and Quellaveco, but as that ramps up, the contribution that we make to that economy will transition from capital spend and the activity that that drives into revenue-related activities and the taxes that that will in turn drive.

But importantly, we pay our taxes where the profits arise. That is, in our host communities and countries. And when prices rise, so do our tax payments and royalty contributions. It is a win-win and this large number is a sign that the tax systems are working as they should in relation to our activities and growing with the cycle.

Clearly this is an important topic in a number of jurisdictions and we continue to have very constructive conversations with the full range of stakeholders. The contribution we make is widely recognised, including that broader economic value that we deliver in country.

[Stephen Pearce] Slide 21 – Balanced capital allocation framework

As you know, I like to recap our performance across the year against our capital allocation model.

Cash generation for the year, \$9.6 billion after sustaining capital. This continues to drive our 40% pay-out ratio based dividend, and that base dividend for the year was \$3.6 billion. As ever, it is about balance we offer, as we invest both for the near term while returning excess cash to shareholders. We allocated \$1.8 billion to growth capital in the year, an additional \$2 billion in the first half and the \$0.6 billion with these results. Again, capital discipline. We also by the year end had bought back \$800 million of the \$1 billion buyback that we announced at the half year and that was completed about two weeks ago.

[Stephen Pearce] Slide 22 – Cost and volume improvements on track

Mark mentioned earlier, we have seen some delays in term of driving those cost and volume benefits through to the bottom line. And so at the half year, given the impacts COVID had had, we had moved that target period back one year to 2023 and then in December, given that we have a more extended period of Quellaveco and other initiatives flowing through, we increased that target by \$0.5 billion to then be \$3.5 to \$4.5 billion.

We have made some good progress in the year. But we have always said that these would be loaded towards the back end of the timeline, and Technology & Innovation gains will go on well beyond the 2023 target period.

For 2022, Quellaveco and the new vessel in Namibia will start to contribute volumes.

Bulk ore sorting will progressively start to contribute to the bottom line across a number of our operations as we continue to roll that out.

And obviously operational stability still provides a huge prize for us.

[Stephen Pearce] Slide 23 – Balanced, disciplined and sustainable approach

To recap from me, a familiar message: it is all about balance. We have returned over \$12 billion to shareholders since 2017 and that is compared to the \$18 billion that we have spent on capex in that same period.

We offer near term, attractive, high margin growth on future-enabling products. The balance sheet is in good shape.

We have added the chart of our capital employed by geography to emphasise the balance of the portfolio. South America at 45%, Africa 33%, Australia, Canada and UK, the majority of the remaining 22%. And it is that balance that ensures that we deliver in a sustainable manner and preserves the integrity of our assets that contributes the essential products that support that global transition.

Thanks Mark, back to you.

Sustainable Future

Mark Cutifani

CEO, Anglo American plc

[Mark Cutifani] Slide 24 – Positioned for a sustainable future

One other interesting point to mention, overnight South Africa has announced a bit of a change to its corporate tax rate so I am looking forward to the conversation around the premium that we should get for our assets in South Africa. So I hope I get a couple of questions on that later given the debates that we are seeing around the world in relation to corporate tax and COVID issues. So well done to the South African government, that is really a good message for investment in the jurisdiction.

[Mark Cutifani] Slide 25 – Driving towards a sustainable future

In terms of a sustainable future and the things that we can do in terms of the portfolio, we have very much a future orientated portfolio. We talk about met coal as a transition-enabling product. We have high quality met coal that is very important to, at least, minimising carbon gas-make before the transition to green steel and hydrogen. From our point of view that is a very important part of the portfolio and it is a contributor to improvement but again we would expect that transition to occur during the 2030s.

We have also continued to build and shape the portfolio and with the sale of Cerrejón, we have completed our repositioning out of thermal coal. And again, I think those changes have been well received in the market.

[Mark Cutifani] Slide 26 – By 2040 – operations carbon neutral & 50% cut in scope 3

In terms of climate change and the global energy transition, you have seen both of these pictures before on separate slides, and really it is the key message from our point of view. We do have a pathway to operations' carbon neutrality and we are working on introducing new technologies, new energy sources and we have got a strategy to get there. In terms of Scope 3, we would see an increase in Scope 3 emissions in the short term reflecting our growth in production, but all the while we are improving our

efficiencies and as we continue on the portfolio side, we would end up at about 50%. If the steel industry is able to accelerate and deliver on the 1.5% climate change objectives, that would mean our Scope 3 contribution through our customers would reduce by something like 80%. So I think we are in the right place, we are in the right conversations and we are trying to understand how we can best influence those outcomes.

Again if I go back to iron ore, the high quality iron ore we produce provides at least a 30% improvement in relative contribution to carbon gases for our customers. So, I think having the right products in that mix is very important as well. And that will be important post met coal into hydrogen. The energy consumed in converting to steel will be still a very important part of the conversation.

[Mark Cutifani] Slide 27 – Quellaveco video

We will start with a video on Quellaveco. Lights, camera, action.

<https://www.youtube.com/watch?v=DMc21J1hiFQ>

[Mark Cutifani] Slide 28 – Quellaveco on track for mid 2022 delivery

For us, Quellaveco was more than just a mining project. It was a pathway to credibility in terms of building major projects. And whilst we have hit all of our key target milestones in major capital projects over the last few years, it was a very important message to the market about building and running a business. It has been a team effort. It has been everybody in the organisation involved, giving their best, but I should mention Tom McCulley and the team. They have done such a fantastic job. And through COVID, with all of the issues they had to deal with, we literally stopped many of the key activities for more than six months. And so whilst we would have liked to have been commissioning six months earlier, I have to say the effort that the guys put into the work has been tremendous. We had the omicron variant hit us in the last three months, which probably took another month off us, but again everybody is back there working and doing extremely well.

So, certainly from our point of view, a great effort under what has been difficult circumstances. But I must also say that in Peru we have had great support from the government and from the locals. And that point in the video about the river and the fact that we are providing water to the agricultural sector in the community all year round, versus previously they only get it for six months, means that we are really important to the broader agricultural and community infrastructure and commercial base. We think that is the basis of a really positive relationship in that community. And it is quite different in terms of our relationship with those local communities, and whilst that never guarantees things are going to go as you would like them to go, it gives us a pretty good start. And I think we have done a lot of good work through communities and working with communities. I think we are in a good place, and certainly it has been a real team effort, whether it is the technical team, the corporate relations, sustainability, finance, etc everybody has been involved and, certainly from our point of view, so far so good. Another few months and I think Duncan will have a good story to tell at the half year.

[Mark Cutifani] Slide 29 – Quellaveco – a world class asset

In terms of the business itself, looking forward the production numbers have been upgraded, the costs are in good shape, a very short payback period. The economics have proved over time and we have got our timing right, fortuitously. No one is ever quite sure if you are going to be there, but we look like we have timed it well in that context, and so, from our point of view, we are in a good place and certainly copper looks like it is a good place to be on a more general basis.

It also helps us with our overall copper business and the dynamics within the copper business. Bit of pressure, a bit of work to be done at Los Bronces, but, again, we knew that the grades would track back

over time, so our timing has worked pretty well in that regard as well. So from a business planning perspective, the guys have done a good job in base metals, and we still see opportunities to improve Los Bronces in that context as well.

[Mark Cutifani] Slide 30 – Portfolio complemented by high value growth options

In terms of the broader portfolio and the options we have got across the portfolio, just reinforcing – Aquila delivered on time, on budget in Met Coal. The new diamond ship was delivered three months early and, again, on budget – it is currently out on commissioning trials as we speak. We do expect to move forward with projects at Moranbah and Grosvenor. We have got scale-up options for a phase two at Collahuasi, which we are studying. At Mogalakwena, the pathway to further develop the asset has evolved.

I am not sure people understand that the underground options that we have developed for Mogalakwena are large scale, high production. They are not traditional South African development or underground development assets. So – 50% higher grade, very low unit operating costs – net cost is actually lower than the open pit. So, the combination of the open pit and the underground is a nice mix and also provides you a better utilisation of your processing capacity because of the higher grades. That blend of options was a really smart way of getting the best returns and continue our strong cash flow delivery of dividends through the same period. Natascha and the team have done good work. They will be finished with the final options at the end of the year and, based on current estimates, we would expect to be commissioning a plant probably around 2026. I do not think that message on the underground and the different type of underground operation that we are talking about was fully appreciated earlier in the week at the Anglo Platinum results.

Sakatti – an important one in following Woodsmith, and then Woodsmith itself – again the team is working on the detail. Tom has been onsite for four and a half weeks and doing really good work pulling the team together to look at how we manage costs in the short term and make sure we get the engineering right, the detail right so that when we take the next step in terms of execution we have got a project that reflects what we think the potential is and that we execute against those timelines, based on a schedule that we have got full confidence in.

[Mark Cutifani] Slide 31 – Value-adding, future-enabling growth

Our growth story remains broadly consistent with what we have been saying over a number of periods. Obviously, COVID has made certain things a little bit more difficult and we have had to flex around that. More than 90% of our growth capital is allocated to future-enabling products. While we are seeing some slight delays to some due to COVID, overall the general thrust is consistent and we are very excited in terms of what we have.

In the near term, Quellaveco should deliver that 10% uplift that Stephen talked about. We also know the other projects will start making contributions in the next two to three years. With the understanding we have of resources around Quellaveco, I am sure in the next couple of years we will be talking about increments to that project as well, given the position we have and the capital base that we have established.

[Mark Cutifani] Slide 32 – Purpose: to re-imagine mining to improve people's lives

Effectiveness

We believe the delivery of sustainable returns to shareholders is an imperative that will define the long-term success of our business. We are positioned to deliver, as we are differentiated with a combination of technical, marketing and sustainability capabilities that have been developed, as competitive advantages in our rapidly changing external environment. Coupling these capabilities with our world-

class assets, strong balance sheet and ongoing improvement journey puts us in a very strong position as we focus on positioning ourselves for the future. When we talk about our 10% free cash flow, based on the analysis Duncan and his team have done about being competitive and understanding what it takes to be competitive through cycles, 10% free cash flow puts us in top quartile position. If you at 15% through the cycle you are right at the top. That is what we measure ourselves against in terms of delivering outcomes through the cycle.

Efficiency

In terms of efficiency, we measure the efficiency of our capital deployment through the return on capital employed metric. It is not the only capital metric that you can use, but it is one that we can connect to actions on the ground with our teams. The 43% this year is a reflection of the price environment, and we have not really adjusted our long-term pricing assumptions, but that is something that we will remain very focused on to make sure we get it right.

Sustainability

And then the pillars of value – safety, environment, social performance, making sure we have got the people in the organisation – and I think our succession planning has proven to be pretty successful, with Duncan ready to take over from myself, and the teams that we have built and the talent that we have got in the organisation. We are pretty proud of where we are and what we have done, and there is always more work to be done.

[Mark Cutifani] – Conclusion

Reflecting on nine years

This is my eighteenth set of results for Anglo American. It is my last set of results. For those of you with good memories, at my first outing I made some high-level observations around people and what a well-run mining company should deliver in terms of bottom line and broader business outcomes. On people, I said that people are not our most important assets, that people are far more than assets; that is, people are the business. In the end, when you are talking to people they will react to what you say, and in terms of motivation and trying to encourage people to give you the best they have got that is about leadership and how we connect to people. In the end, the head frame, the gold in the ground, all the other stuff that we may have, do not react to the way we behave as leaders. And once we get that point right then it is all about people, you can do anything. I have always tried to live up and lead consistent with that principle, and so if we have been able to deliver anything that our shareholders and stakeholders value it is down to and through our people.

I also said the great mining companies do not hurt people while delivering better than 15% TSR through price cycles; ten years being the minimum period over which to judge whether a mining company has done a good job. I have not made it to the ten years. It is time for me to go though, and if you ask family, they said it was time for me to go about five years ago. Whilst we have reduced our fatal events by 93%, we are not yet at zero and, for me, that is a tragedy, and it is a tragedy because of the impacts that has on the lives of our people. But at the same time, I am extremely proud of where we have come from and what we have done. Back in 2007, when I first joined AngloGold, the Anglo Group had 70 fatal incidents. We have had one, we lost Carlos at Quellaveco, but the milestones that we have achieved in that journey have been remarkable and, for me, he [Duncan] will do it and the team will get there. We have made great progress but we are not quite there, and, as I said, that is the one disappointment I have.

Business and financial results

As measured as a return to shareholders I can confirm that to today Anglo American has delivered higher than an 18% average annual TSR since that comment back in 2013. So, after nine years, we are ahead of that ten-year milestone I measure us against, while delivering the best returns for the mining majors over that same period. I measure it from 2013, I am tempted to measure it from 2016, but that would be cheating and, of course, you know what we are like; we are ethical in all of the conversations we have.

I also believe we are set up to potentially deliver on that same objective through 2030 with the growth. And, yes, there is still a lot of work to go through 2040, but we have got the foundations, we have got the people and we have got the assets, so there is no stopping the organisation. We deliberately set out to talk a different language to most and we have also walked a different road. In targeting the portfolio changes and the operations, our results engine room, we dealt with relatively low value assets at the time, and we worked on our major potential value contributors to deliver towards the latent potential we had identified at the time. In fact, the assets that we have held onto, each one of them on average is doing 30% better than it was nine years ago, and if I look at the average production per asset in the portfolio we have actually almost doubled the production per asset. The ability to focus on those big value drivers has been key in our doubling of productivity and our 40% real cost reduction.

We developed an industrial approach to planning and running the assets, and we are still learning and still on that journey. Duncan's background really favours driving that support further and beyond where we have been able to get to, and so I am excited to watch how he takes the business forward. And on the revenue side of the margin equation we retooled our marketing and trading capabilities, and if you can remember the first presentation, where we said we are leaking \$400 million, in that result this year the marketing team we estimate has made a positive \$1.2 billion contribution. So that's a \$1.6 billion contribution on the revenue side that Peter and the guys have delivered. We think that is remarkable and probably something people do not appreciate. We see that in the margins that we are delivering across Iron Ore, Met Coal and through other parts of the business.

Terms like 'Operating Model,' 'P101' have now become part of the industry lexicon, while FutureSmart Mining™ really captured the broader industry's imagination. And to trot Tony out, as grumpy as he may be - he has got the driest sense of humour of all the characters we have in the team - he has done a wonderful job, but, again, he has also had great colleagues to work with, with Duncan and the strategy team, Stephen's balance and the finance team are all part of a team and a process.

Sustainability is an overused word that means different things to different people. In our case, FutureSmart Mining™ includes how we are reducing our environment footprint and enhancing our social footprint, while improving our competitive cost positions. Anik and the team have been able to help us articulate a story that people can connect with, and whilst we have still got a way to go, certainly in terms of how we articulate the story is something that is really important, particularly for our social stakeholders and in the broader community. For me, it is a mindset that must be embedded in your culture and in all decision-making, and not something you worry about afterwards. In terms of authenticity, people know whether you mean what you say when it comes to sustainability, when it comes to safety, when it comes to environment, when it comes to the social issues.

Shareholders

And while Stephen uses the word balance, there is no doubt we are doing much better in recognising and thinking from a shareholder perspective on our capital allocation decisions. And while employees are the business, shareholders own the business. The reality is shareholders are not big institutions, they are hundreds of thousands of individuals holding us through their savings and pension funds. They rely on us

to deliver and secure their financial security and we take that obligation seriously. And our local communities and our broader stakeholder community must feel the positive differences we make, lest they challenge our right to exist, now more than ever.

Society and broader stakeholders

Ultimately, we are here to serve society in its broadest sense, both through the metals and minerals we produce that are so critical to modern life and the urgent need to decarbonise and improve the world in many other ways. The last two years in particular have reminded us of how much a positive difference we can make, particularly for those closest to our operations.

As we look forward, our commitments to create or support five jobs offsite for every job onsite, and to schools in our host communities, reflects an understanding of the future of work conversations. But more importantly, it understands the importance of local communities and making sure that we have got the relationship where they will support our existence and they will support us doing better so that we serve society and we deliver returns to our shareholders.

I think it is all summed up in our Purpose: to reimagine mining to improve people's lives. It took us 18 months to agree on seven words. It is not so much the words that matter, the process and the sense of camaraderie, of commitment to doing something different that I think binds us as an organisation. In an ever more complex and connected world, the foundation for Anglo American's next chapter are well set and I cannot think of any person better than Duncan Wanblad to pick up the baton and pursue the many opportunities that we see in front of us.

Looking back, I have had no greater privilege than leading Anglo American and our incredible people. Together, we have transformed Anglo American's competitive position and we are working towards a very different future for mining. It is a safer, smarter, and more sustainable future that delivers enduring value for all of our stakeholders.

Thanks

I would like to thank the Board for their unwavering support; the executive team for their tenacity and friendship; and every one of our colleagues for their sheer resilience; and all our stakeholders for their spirit of engagement and commitment to partnerships. I would also like to thank our shareholders for their trust.

In 2013, we were trading at a 40% discount to our major peers. While that gap has now been substantially closed based on public numbers, I still think we are the best value mining company in this space. When you look at the foundations that we have created, we continue delivering growth, I think we are in a great place.

And finally, to the analysts and reporting community, thanks for the attention and the eternally wise and thoughtful observations and questions. While we might not have always agreed, it has been a wonderful ride. And your thoughts and commentary have always been considered with due respect and appropriate regard. It really has been a great pleasure. It has been fun. And whilst we have had a few tough moments, I have appreciated the honesty of your input, the camaraderie and that recognition that as an industry we really do make an important contribution. The more that we can work together to make that obvious to society at large, then the better I think the world will be. Thanks for playing your part. Thanks for being so supportive and thanks for the wonderful ride.

Q&A

Jason Fairclough (Bank of America): On growth, as you look forward, do you need to change the business to be bigger, to allow yourself to continue to deliver the growth?

Mark Cutifani: We started off describing ourselves a mining company back in 2013. And the first image is digging holes in the ground. BMW were asking us about guaranteeing that the products we provide for them come from the right places; being ethical, human rights, code of conduct, because they use 18 metals and minerals in their cars. So we started to define ourselves in the terms of how customers think about us.

In the last three years we started to talk about being a materials solutions company. The adjacencies that we have been building in marketing, trading and other work is about building off the capital base that we have established and using what we have learned in our markets, to do better. You have got to keep working every angle and you have got to look at all the opportunities. I think we are very early in that journey, so I do not know how far we can go.

I think do your exploration, get your assets, work those assets well, and then work all the adjacencies that you have available to you because when things get a bit tough, those additional revenue streams are probably more reliable through the cycle, and will make a big difference in terms of the value proposition for shareholders.

Capturing the thinking that we have been discussing as a board and as an executive team it is a never-ending quest to look at how we can improve returns and keep growing in an appropriate way and we are working together as a team.

Jason Fairclough (Bank of America): Still just one big project at a time?

Mark Cutifani: It is for the moment. I think it is appropriate because a big project like Quellaveco, absorbs a lot more than simply just the project schools that you put into the project. You have got Tony and his team making sure the mining side of things are done correctly. You have got Anik and her team on the social management and development perspective. And Woodsmith requires the same level of detail and all of the dimensions to be right, and we need to do more work to get it the way we want it to be, so it will take a little bit longer to get it right.

We have a lot of smaller projects on the way through that are very important to us, and we have the technology work as well. We have got both sides covered.

What we are now looking for are some exploration hits and I think that that will help fill out the portfolio pretty well.

Alain Gabriel (Morgan Stanley): With your reflections in mind for the last nine years and given what you know about the company today, what do you think is the most important challenge that Duncan faces in the first 12 months of tenure. Is it more thinking about the group structure, is it portfolio mix, is it Woodsmith or is it more on the regulatory front in Chile and Peru?

Mark Cutifani: Duncan brings so many different qualities to the role and he can handle any of the things you have asked. I think the external environment is becoming more complex by the day; how we understand, engage, make a difference and be seen to be part of the solution, whatever that solution might be in different jurisdictions, is really important. An example, in South Africa, the deregulation of the financial controls, I do not think people fully understand how important that has been for us to be able to move the cash and invest. The fact that South Africa is now reducing its corporate tax rate tells you South

Africa is open for business and it is those sorts of engagements that are really important and are front and centre.

I think the other one is that in the last couple of years we have driven really hard on breakthrough improvement, but we have lost a bit of our stability. Myself, Tony, Duncan, Steve and the team are talking about how do we get that stability back in control to build for the next push up the curve.

Alain Gabriel (Morgan Stanley): Second question for Stephen, what are the different moving parts that we need to consider for your first free cash flows, in terms of the catch up cash tax payment and your working capital movements? And in that context, how should we think about the capital returns as we head into the first half of 2022?

Stephen Pearce: We do not have any major catch up on the tax front. For those countries with December tax year-ends, we make large instalments based on the estimated result in December, literally just before our year-end. For those countries with June tax year-ends like Australia, we make contributions before June. The tax rules these days is that you have got to get it as accurate as possible within the year, and you have got to be up-to-date as you cross the year-end.

Working capital, if you go back 12 months ago, we were talking about the working capital increases that we had, the ACP back up and running, with some build up in diamonds because of the market interruption. Those things have worked themselves out through this year. We are probably sitting at or around normal levels. We have got a couple of smelter rebuilds coming in platinum over the next 12 or 24 months, we go from open pit to underground at Venetia so there are a couple of little moving parts, but in and around where we should see it.

Capital returns, 40% baseline return.

Ian Rossouw (Barclays): Mark, I think there is correlation with high prices, inflation, and now we are seeing taxations starting to pick up, particularly in Chile. Your thoughts on a super cycle?

And specifically on Los Bronces Underground, it is not mentioned in the presentation. Can you give an idea of the growth pipeline, pecking order for projects, and spending?

A question for Stephen – we are very close to Quellaveco ramping up, and that should bring your baseline EBITDA and cash flow generation up. How do you think about capital allocation? I mean does that lift the ceiling for Capex, and the ability to spend more on growth?

Mark Cutifani: I am always a bit weary to say we are in a super cycle. I am still not convinced that all boats are rising at the moment. I think the energy transition and the use of metals in developing new energy sources and other new technologies will be very important. You are already seeing a whole new swath of things in reaction to high prices, so that is something we are thinking about very carefully and Duncan's team have been working on in terms of understanding where to put our money. We think copper is in a great place, so we will continue to build our exposure, and consistent with that, Los Bronces is still going through the environmental approvals. We also want to fully understand and be clear on what the tax regime rules will be, before making those investments, so that is something that we are watching very carefully.

Chile has a full effective tax rate of about 44% and if you look across globally, it is somewhere between 39% and 49%, and I think it is more complex with the constitutional changes happening as well, but the way we read the conversations is we would expect them to try and land inside that envelope. We have been a very active participant in those conversations, and in particular explaining how investments in

hydrogen make a difference, both in Chile and on a global basis, and for us to continue to make investments, you have to be continuing to make money.

Things like a reduction in taxation by the South Africans in my view is a statement of intent and they are trying to attract investment. And when companies have got the ability to invest and they see a stable economic environment, that is where they will invest.

I do think the conversations in Peru and Chile will land in reasonable places, but we are going to stay engaged and make sure we do not leave that conversation to chance.

Stephen Pearce: We do get a step up in the base earnings as Quellaveco comes on, 10% copper equivalent growth at the group level which is quite significant and meaningful for us.

We know that this will feed into the one and a half time net debt to EBITDA target and into our 40% payout ratio, but as we have always done and as we look ahead, we want to provide that consistency.

Quellaveco is nicely sequenced in terms of timing and I think we have got a good path ahead of us, balancing our capital allocation and our growth journey. I do not see us changing our plans, but you never say never, as obviously different opportunities will come at different times.

Mark Cutifani: Another point, it used to take 7 years to find and get a mine into development, and now it takes 15 years on average and in many cases, 20 years.

In our case, the organic profile we have is really important and it is a differentiator. We do not need to go out and buy something that is high risk or high cost relative to where we think the value can be created. We have got the ability to be prudent and take a bit of time. We think that is an advantage we have in today's market with our growth, but at the same time, we have got to remain open to what the possibilities will be.

Tyler Broda (RBC): In terms of the underground mining at Mogalakwena, is that just easier to do because of the wider reef? How far can you push Mogalakwena before you have to start doing something on the smelting and refining side, are there any technologies you are looking at and how are you looking at potential growth?

Mark Cutifani: Tony and the team with Natascha are working on bulk ore sorting, coarse particle flotation and those technologies to be on the processing side. That is about improving cost structures. Our strip ratio is about 4.8:1, the strip ratio to about 2035 is about 6.3 - so she has got a lot of time to get that right, including with the communities.

The reason we like the underground option is you can take that to up to 6 million tonnes, it is highly mechanised and it is a big reef. You can mechanise and do that productively and actually produce at a lower cost per tonne of ore delivered to the mill. And you have also got 50% more grade, so your revenue per tonne processed goes up as well at the concentrator level, and you are getting your balance right downstream.

Now, the other thing that we have got going for us in the Anglo Platinum business is we do have different types of concentrates. Some can be sold as concentrates with very little value loss. So we have got quite a bit of flexibility in our mix to manage our capital over time downstream based on what we can do with various concentrates. For example, the Mogalakwena concentrate is a little more complex whereas the Amandelbult is a really clean, nice concentrate that could almost go to most smelters across the globe. So we have got the flexibility to make the right calls and we are patient, and we will work these options through as Natasha has done. She will come with a proposal at the end of the year would be my view and that 2026 [first production date] I think is pretty solid. But I read someone say, 'Have we seen the best of

it?' – No - I do not think we have seen the best of our PGMs business. That is my view, because I think the highly mechanised underground operation is another string to the bow that really does give us some breadth and options in our business.

Dominic O'Kane (JP Morgan): At the risk of being repetitive, a question on jurisdictional risk. Is it a risk that the industry needs to just absorb and suck it up, or at senior level can we still have implement risk mitigation measures? Are taxability agreements redundant or are they still fit for the purpose?

Mark Cutifani: I think we have got to do more as leaders. I think a demonstration of what you can do over time is needed. We have got to be patient, we have got to be consistent and we have got to show we are delivering value, not simply to shareholders, but to all of our stakeholders. And governments then take notice. The support we have had at Quellaveco has been remarkable; we have got a 15 year stability agreement – that is very important to us. At the end of the day, you are always listening to governments. You must always listen to their issues and work out how you can support them in what they are trying to do. Chile is going through a constitutional review – of course, we are going to be constructive and try and do our bit and try and be part of the solution; but at the same time, we would hope that governments respect the agreements that we have in place.

What ultimately defines whether countries are successful in mining is the stability of their policy and their settings so we will try and help them understand that, but we also have to understand their issues and be part of the solution.

So, as leaders, we have got to do more. I think we have tried to follow that approach. It has served us very well in the jurisdictions we have been in. When we are in Peru today, they talk about "the Quellaveco model". We will be at the President's investment conference in South Africa, and we will be looking to be part of the solution for proposals on energy configuration that works for Anglo American, but it also works for South Africa. Looking for those win-wins, that is the nature of our work and that is our accountability. We will be right in the middle of those conversations because we believe it is the right thing to do.

Dominic O'Kane: At a senior level, do you bake in a high cost of capital now because of these risks?

Mark Cutifani: The answer is yes. And we also look at jurisdictions in what we call business risk periods. If we see high political risk in the jurisdiction, then forget the return - we want the bulk of our cash back in three or four years' time because it changes the risk profile. And I think McDavis once said it quite well - if he can get the bulk or half of his capital back in two or three years, then he looks at the risk quite differently on a go forward basis. I think he nailed that assessment of risk by jurisdiction the right way. It is very practical. If the term of the government is three to five years, then, in a highly political environment, your risk period has to be connected to that – as well as the traditional financial and business development metrics. So, we come at it from a different number of ways and the Board is very good in challenging us in terms of thinking about how much you are prepared to put into that country. For example, maybe you go smaller and you accept there will be some inefficiencies and then you use the funds you create to then build the size of business and the efficiencies you want over time. They are the sorts of things and discussions we have at Anglo American.

Stephen Pearce: That's also one of those ten commandments in my view of mining finance – that even when money's cheap and things are going well, you do not forget about political risk. There is that danger sometimes through the cycle. You have got to have that discipline of strategy over time because things change in your investment horizons. So yes, we will adjust our discount rates as things feed through, but we have never forgotten the learnings of past cycles in that assessment as I think you have to when you are allocating long term capital.

Syndication - now not wanting to pick on any country in particular, but we syndicated Quellaveco partly for those reasons, because we felt it was the right thing to do, given the scale of investment for our balance sheet, for a greenfield project, for a new country. Again, I think we have got a little bit of a track record of keeping those considerations absolutely at the top of mind.

Liam Fitzpatrick (Deutsche): On Woodsmith, because of the delays, the market is obviously fretting that there could be an overrun here. In December you said we should not interpret that as a major capex overrun, and you also said it should be a fairly linear level of capex. Are you still comfortable with those comments?

Mark Cutifani: The project we are building is not the Sirius project. It is a different project scale. We have changed the mining methods. We think the a full continuous miners suite will be a longer term, more efficient configuration but requires a bit more ventilation. So the scope and scale will be different. And it will be built as an Anglo project with a long term view, and that will be matched to market development, which we think is really positive. And I think the prices are up 70% from when we bought. So there will be ins and outs, but the team has to get the detail right. We did that with Quellaveco and that has really put us in a good position. We will do the same with this project. It is going to look different. How different? - that is what the detail will show us. In all likelihood, it will take a bit longer and it will cost more, but it be long term value creating a project for Anglo American that is really an Anglo project. I think that will be the difference, but I do not want to say too much too far until the guys are finished with the detail, but that is what they are working on. The resource is great, the markets look strong, the overall logic was good. It is how do you execute the right way and time it with the market development, to get the best return for the shareholders?

Liam Fitzpatrick (Deutsche): Given the importance of Russia to the diamonds market, even before potential sanctions, are you picking up on any kind of shift away from Russian material towards your own?

Mark Cutifani: We have heard nothing as yet and we will have to have a good look at sanctions and what that may mean. But, at this stage we have not heard anything other than people wondering: 1) what will happen; 2) what sanctions might look like and 3) what might that mean? We do not know. We are looking at that very closely over the next three or four days to see if there is anything else we can see other than, a product that is very rare and is becoming rarer by the day before we got to today and whether that means supply is impacted in some way, shape or form. We do not know, and we would be guessing at this stage. We are watching and looking at that very carefully, but we have not seen anything yet to tell us which way it will go.

Danielle Chigumira (Credit Suisse): One of the first targets under your tenure was the 15% return on capital employed. And that has been clearly well surpassed, but given the improvements that you have seen in productivity, cost position, marketing, do you think you would be above that 15% at bottom of the cycle prices?

Mark Cutifani: Our original target was to be at 15% through the cycle. What that reflected was a view on long term prices as well as delivering projects in the mining industry - as shareholders are investing in us to build mines and make a good return. So for me the breakeven number was 15%. If prices are higher, we will do a little bit better. But then we have to think about new investments and how do we make sure that we can grow and we can do more. We will continue to use that 15% as the benchmark - so we have got to do better than that through the cycle. It just means that our assumptions and what we do is built on those new price assumptions looking forward. So 15% remains the hurdle and it is better presented as a hurdle rate for our capital decisions. The 15% to 20% reflects that we are just doing better than we thought we would.

Danielle Chigumira (Credit Suisse): How much electricity do you consume in South Africa? We know about the potential for renewable investment from Mogalakwena but given you are targeting to get to mostly renewable by the mid 2030s, how much more investment direct or otherwise do you need to invest into renewables in South Africa?

Mark Cutifani: We represent somewhere between 2-3% of South Africa's energy consumption in our operations. Our proposal that we have put to the government to get to our zero footprint is at concept going into prefeasibility, and is wind farms on the west and east coast, with solar arrays in the Northern Cape. How those projects are developed that are outside our fence line run through the Eskom system will then determine what financing we may or may not have to find.

From that point of view, there is probably some optionality on whether we invest - in terms of what return we get on the price of power that we will consider. The government has said - that is great and works for us as it helps build our footprint, deliver on our outcomes and we have got lots of players who want to invest in that capacity. Infrastructure funds are saying, they cannot find projects to invest in and fulfil their mandates but these are the sorts of things they would like to do.

At the moment we can go from zero capital to get there, to full. We might not be able to do full. So it is a matter of what is the best return for Anglo American shareholders in that context.

The other thing is the new technology where we have got the underground water and use the water as a battery. Effectively you have got a solar plant, which is what we would have at Mogalakwena, so you would fully run that plant during the day and pump water using the excess energy and then let the water run back underground at night. It is effectively a battery and the efficiency is almost equivalent to a lithium battery. It is a fantastic bit of technology work and it is something that is not a new concept in South Africa. You then connect the renewables to hydrogen production and then we use the hydrogen to replace the diesel in our trucks - the diesel in our trucks across the globe is about 20% of our carbon gas make up. Those pieces are how we make a difference to countries in thinking about our role in the country, what works for us, what works for the country. That is when I think countries start to appreciate the contribution we make.

Stephen Pearce: I know you would love to have more detail on the financials. We are working hard on them, it is moving fast and it is really coming together quite well. You are just going to need to be a little bit patient for a little bit longer. Then hopefully we can scope out the detail for you with a bit more clarity.

Danielle Chigumira (Credit Suisse): What we are seeing with mining and cement producers is that they want to have their own renewable production inside the gate. Without wanting to cast dispersions onto Eskom, how do you think about that balance of risk in terms of wanting to work with Eskom, who doesn't have the best track record versus having that security of supply?

Mark Cutifani: We know André [Eskom CEO]. I was involved in one of the energy taskforces 10-12 years ago. The system was running at about 65% availability when it should be up near 75% plus. What we have talked to the Eskom team about is - can we help in any way, shape or form? For example, would our industrial operating model be of use. It is very open. But at the end of the day, Eskom are already working down that track. What we think we can do is maybe help connect some points and, as industry, maybe help with industry connecting with Eskom to be part of the solution. Certainly, they are very, very enthusiastic on our proposal in terms of energy generation. We are just looking to see how we can help, but there are always these things, you don't presume that you know the answers; what we have put to the Eskom team is - how can we help? Duncan and I were in South Africa last week having those types of conversation. The fact they are open to that input, I think is a really good sign.

Myles Allsop (UBS): On Woodsmith you are saying the scale could be larger. It was already supersized by Sirius - is it going to be super-supersized then?

Mark Cutifani: Some of the subtleties of the project are a bit different. It was originally 7 Mt granulated product and 3 Mt ungranulated in the Sirius plan whereas we'd be looking at a fully granulated product mix. I wouldn't call it and I don't want it to be called supersized - I don't want that to be the headline! It is sized for what we think the market will be, but we have got to match the development to the market development. And so there is no point spending capital too early if the market still needs time. So that is what the guys are working on, as we have got Alex, Peter and the team out in the marketplace, and we've got Tom on the project, but Tom is watching both. So, I think the guys will pull all that stuff together in the next 12 months. We are very excited, in terms of the potential, but there's still a lot more work to be done. And remember we went round the Quellaveco optimisation a couple of times - we are probably in the second cycle of that at the moment with Woodsmith. It really does look quite exciting. And when you look at low carbon footprint and the fact that the product can be used on crops and they are still classed as organic, it is really differentiated in the world of fertilisers - and people are only just starting to wake up to why we went there.

Myles Allsop (UBS): Decarbonisation spend. Should we still assume that you can deliver the 50% emissions reduction keeping your capex to decarbonise within your sustaining capex, because a lot of your competitors are now differentiating decarbonisation spend and sustaining capex? How should we think for yourselves because you have got some of the most ambitious targets as well?

Stephen Pearce: We have got that \$300 million to 500 million per annum technology spend so some of that will get picked up in there. And as I have said on technology, some of the decarbonisation spend just becomes part of your normal spend, for example as you are replacing trucks in normal cycles, so it will get harder and harder to split out - apart from a couple of specific projects. We are still working on some of that detail and, and I think we will have some choices as to how that flexes. You are probably going to have to bear with us a little bit, as some of these are big, long dated projects, but I think a lot of them won't necessarily be on our balance sheet directly.

Myles Allsop (UBS): So the vast majority will still be in sustaining still?

Stephen Pearce: Yes I think so.

Mark Cutifani: I think the other point is we are also pushing hard on is each investment having its own return. It is not simply about decarbonising. We think renewables with the technologies we are developing, will improve our cost position over time as well. If example, if you look in South Africa, stabilising the grid, getting consistent production, helping the team on the other side with the renewable mix improves the reliability and the unit cost. For example with our internal grid, like the Mogalakwena solar array, that improves our cost structure. For us, they are investments in improving our returns and that is how we think about it - and that is the challenge we have put to everybody in our business.

Grant Sporre (Bloomberg): Firstly, you said in your presentation that you had not really changed your long term price assumptions. Given inflation may or may not be quite sticky and also considering carbon prices, can you describe the conversations you're having around that and perhaps changing them in future?

Secondly, you have mentioned you are hoping for some exploration success. Can you narrow it down as to where you are hoping for that success to come through and if not specific regions, can you clarify if it is greenfields or brownfield exploration around existing sites?

Mark Cutifani: Starting with the exploration question. We have got good positions in Brazil, Peru and in other parts of South America - clearly Chile is still an important jurisdiction for us. We are doing work in Australia around the Mount Isa region and we are in Namibia on rare earths. We are also working through a number of countries in Africa, such as Zambia and Angola. The team has done a fantastic job positioning the portfolio, and in exploration nothing is guaranteed, but they have got great ground positions.

Stephen Pearce: On the second question - we do refine our long term price assumptions, but it is a refinement process rather than dramatic change. What may change more is your glide path to those long-term assumptions depending on where markets sit. Purest economic theory would say that a lot of carbon price on the inputs for us should be passed through to the outputs, being revenue lines. Now my challenge back to the economics team internally is, are you sure about that and how is that going to feed through? We are carefully watching how carbon prices play out in different economies, both in developed world and developing worlds as there is quite a differential still at the moment, but probably with one general direction. So how those things may play out now is something we are watching, listening, trying to incorporate into our assumptions and base cases and certainly into our capital allocation decisions.

Mark Cutifani: There is an argument on metals intensity as the middle class develops and grows, which we think is pretty strong, and you then balance that against how long it takes to develop a new project. One would say that there is upward pressure and Stephen's very articulately covered the carbon side. But there are a range of issues that will put pressure on the process. We run scenarios both ways just to make sure we understand if it is continuing to go up, we know how to react with the resources we have. And that is really important is understanding the potential of your resources and where you can go to respond and get the best returns for shareholders depending on prices, both positive and negative moves, because there is always a chance that things can go the other way.

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