

NEWS RELEASE

25 October 2016

Kumba Iron Ore Limited production and sales report for the quarter ended 30 September 2016

Kumba Iron Ore Limited (“Kumba”) today released its production and sales report for the quarter ended 30 September 2016. Throughout this report, production and sales volumes referred to are 100% of Sishen Iron Ore Company Proprietary Limited (“SIOC”), and attributable to shareholders of Kumba as well as the non-controlling interests in SIOC.

Overview:

- Sishen production up 46% to 8.3 Mt compared to Q2 2016 due to a significant improvement in productivity.
- Export sales of 10.3 Mt, up 18% from 8.7 Mt in Q2 2016 reflecting the improvement in production volumes at Sishen.

'000 tonnes	Quarter		% change	Quarter	% change
	Q3 2016	Q3 2015	Q3 2016 vs Q3 2015	Q2 2016	Q3 2016 vs Q2 2016
Total	11,760	11,391	3	8,864	33
- Sishen mine	8,349	7,670	9	5,700	46
<i>DMS plant</i>	5,325	4,960	7	3,581	49
<i>Jig plant</i>	3,024	2,710	12	2,119	43
- Kolomela mine	3,411	3,348	2	3,164	8
- Thabazimbi mine	-	373	(100)	-	-

'000 tonnes	Quarter		% change	Quarter	% change
	Q3 2016	Q3 2015	Q3 2016 vs Q3 2015	Q2 2016	Q3 2016 vs Q2 2016
Total	11,050	10,807	2	9,666	14
- Export sales	10,343	9,847	5	8,730	18
- Domestic sales	707	960	(26)	936	(24)
<i>Sishen mine</i>	707	665	6	699	1
<i>Thabazimbi mine</i>	-	295	(100)	237	(100)

Sishen’s production was up 46% to 8.3 Mt compared to Q2 2016 (3Q15: 7.7 Mt) following the successful completion of its restructuring. The improvement in production was due to increased run of mine feed rates, improved quality feedstock material and better plant yields. The mine transitioned to a 3–shift roster system in early September, which is expected to result in further

A member of Anglo American plc group

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improvements in equipment efficiencies over the medium term. Sishen remains on track to achieve guided production of ~27 Mt for the full year.

Consistent with the mine's lower cost pit configuration, waste removal decreased to 35 Mt (compared to 60 Mt in 3Q15). Waste run rates remain in line with the full year guidance of 135-150 Mt.

Detailed work to refine the Sishen life of mine plan, based on the revised pit configuration, was completed during Q3 2016. This life of mine plan validated the key performance metrics for Sishen including production and waste volumes, which are in line with guidance previously provided.

Kolomela's production was up 8% to 3.4 Mt compared to Q2 2016 (3Q15: 3.3 Mt). Waste mining increased to 14.6 Mt from 12.5 Mt during the same period. The mine is expected to exceed its 12Mt production target for the full year, with a commensurate marginal increase in waste.

Export sales increased by 18% to 10.3 Mt compared to Q2 2016 (3Q15: 9.8 Mt), reflecting improved production volumes at Sishen during the quarter. Total finished product stocks were 3.1 Mt, compared with 2.3 Mt at 30 June 2016.

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Notes to editors:

Kumba Iron Ore Limited, a member of the Anglo American plc group, is a leading value-adding supplier of high quality iron ore to the global steel industry. Kumba produces iron ore in South Africa at Sishen mine and its new Kolomela mine in the Northern Cape Province, and at Thabazimbi mine in the Limpopo Province. Kumba exports iron ore to customers in a range of geographical locations around the globe including China, Japan, Korea and a number of countries in Europe and the Middle East.

www.angloamericankumba.com



Notes to editors:

Anglo American is a globally diversified mining business. Our portfolio of world-class competitive mining operations and undeveloped resources provides the raw materials to meet the growing consumer-driven demands of the world's developed and maturing economies. Our people are at the heart of our business. It is our people who use the latest technologies to find new resources, plan and build our mines and who mine, process and move and market our products – from diamonds (through De Beers) to platinum and other precious metals and copper – to our customers around the world.

As a responsible miner, we are the custodians of those precious resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders, but also for the communities and countries in which we operate – creating sustainable value and making a real difference.

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