



KUMBA IRON ORE LIMITED

Kumba Iron Ore Limited

A member of the Anglo American plc group

(Incorporated in the Republic of South Africa)

(Registration number 2005/015852/06)

Share code: KIO

ISIN: ZAE000085346

("Kumba" or "the Company")

Kumba production and sales report for the first quarter ended 31 March 2023

Kumba's Chief Executive, Mpumi Zikalala, said: "We are devastated that after more than six fatality-free years, Nico Molwagae, a drilling assistant employed by a service partner, was fatally injured at our Kolomela mine exploration site on 13 February 2023. Our deepest sympathies and thoughts are with his family, friends and colleagues. We remain resolute in our commitment to achieving zero harm and preventing fatalities in our workplace.

"Operationally, Kumba delivered a solid production performance with volumes increasing by 14% to 9.4 million tonnes (Mt), largely driven by a strong recovery from our Kolomela mine. Sales volumes were maintained at 9.5Mt. Subject to Transnet logistics performance, guidance for the full year 2023 is unchanged.

"On the marketing front, economic activity in China strengthened on the back of pro-growth policy decisions with improved demand from China expected to offset the slowdown in other markets. The demand outlook for our high-quality iron ore product continues to be positive given the steel intensity of the global energy transition. We continue to collaborate with several of our steel producing customers on the advancement of low carbon steelmaking processes. In addition to partnering with Salzgitter, Nippon Steel and Thyssenkrupp Steel, Anglo American plc recently announced the signing of a memorandum of understanding with H2 Green Steel, a Swedish hydrogen and steel producer, to study and trial the use of premium quality iron ore products, including from Kumba, as feedstock for H2 Green Steel's direct reduced iron production process."

Overview:

- Safety performance: One fatality was recorded at Kolomela mine. Our relentless focus on safety continues.
- Total production increased by 14% to 9.4Mt due to improved operational performance at Kolomela mine.
- Total sales maintained at 9.5Mt, and up 38% in Q4 2022 when sales were impacted by the Transnet strike and annual maintenance.
- Finished stock increased to 8.0Mt from 7.8Mt on 31 December 2022, with 7.0Mt stockpiled at the mines.
- Average realised free on board (FOB) export iron ore price of US\$121 per wet metric tonne (wmt) equivalent to US\$123 per dry metric tonne (dmt), compared to the average benchmark price of US\$110/wmt or US\$112/dmt.

| | Q1 | Q4 | Q3 | Q2 | Q1 | % change | % change |
|--------------------------|------|------|------|------|------|----------|----------|
| | 2023 | 2022 | 2022 | 2022 | 2022 | vs | vs |
| | | | | | | Q1 2022 | Q4 2022 |
| Iron ore waste | 50.9 | 55.0 | 53.8 | 48.8 | 46.7 | 9 | (8) |
| Iron ore production | 9.4 | 10.0 | 10.0 | 9.5 | 8.3 | 14 | (5) |
| Iron ore sales | 9.5 | 6.9 | 10.0 | 10.2 | 9.5 | — | 38 |
| Kumba waste | 50.9 | 55.0 | 53.8 | 48.8 | 46.7 | 9 | (8) |
| Sishen | 35.0 | 39.8 | 41.4 | 40.0 | 35.7 | (2) | (12) |
| Kolomela | 15.9 | 15.3 | 12.4 | 8.8 | 11.1 | 43 | 4 |
| Kumba production | 9.4 | 10.0 | 10.0 | 9.5 | 8.3 | 14 | (5) |
| Lump | 6.1 | 6.5 | 6.5 | 6.2 | 5.4 | 14 | (6) |
| Fines | 3.3 | 3.5 | 3.5 | 3.2 | 2.9 | 13 | (6) |
| Kumba production by mine | 9.4 | 10.0 | 10.0 | 9.5 | 8.3 | 14 | (5) |
| Sishen | 6.3 | 7.0 | 7.1 | 7.1 | 5.8 | 9 | (10) |
| Kolomela | 3.1 | 3.0 | 2.9 | 2.4 | 2.5 | 25 | 4 |



Safety performance

Kumba is committed to safe production. Following extensive investigations into the fatal incident at our Kolomela mine exploration site on 13 February 2023, greater supervisory oversight, improved equipment design, as well as further initiatives to strengthen our safety culture have been implemented. Our relentless drive to achieve zero harm continues to focus on the safe way of work and the prevention of fatalities.

Mining and production

Total waste stripping increased by 9% to 50.9Mt (Q1 2022: 46.7Mt), driven by a strong recovery at Kolomela. Compared to Q1 2022 (comparative period) which was hampered by extremely high rainfall, Kolomela's waste stripping increased by 43% to 15.9Mt (Q1 2022: 11.1Mt), due to improved rain readiness capability and equipment reliability. At Sishen, waste stripping decreased by 2% to 35.0Mt (Q1 2022: 35.7Mt).

Improved feedstock availability at Kolomela underpinned a 25% increase in production at the mine to 3.1Mt (Q1 2022: 2.5Mt). However, Kolomela's feedstock quality was impacted by the waste mining challenges experienced in 2022, which depleted buffer stockpiles, resulting in a lower overall average product Fe quality of 63.1%. We are strongly focused on improving the quality of the feedstock buffer and this is expected to improve in the second half of 2023. Sishen continued to perform well, with production increasing by 9% to 6.3Mt (Q1 2022: 5.8Mt). Overall, production volumes increased by 14% to 9.4Mt (Q1 2022: 8.3Mt).

Logistics, sales and marketing

Ore railed to port by Transnet increased by 3% to 9.4Mt (Q1 2022: 9.1Mt), following the completion of outstanding maintenance on the rail line and the spraying programme successfully reduced the locust infestation which had impacted rail performance in the comparative period. However, rail performance was below planned levels required to drawdown stock held at the mines. Closing finished stock increased to 8.0Mt (31 December 2022: 7.8Mt) with 7.0Mt stockpiled at the mines, in line with that reported at the end of Q4 2022. Export sales of 9.5 Mt were flat compared to Q1 2022, although increasing by 38% relative to Q4 2022 which was largely impacted by the industrial strike action and annual maintenance shutdown by Transnet.

Kumba achieved an average lump:fine ratio of 67:33 and product quality of 63.1% Fe. This translated into an average realised FOB export iron ore price of US\$121/wmt (equivalent to US\$123/dmt), outperforming the average benchmark Platts 62 index FOB price of US\$110/wmt (equivalent to US\$112/dmt).

2023 guidance update

Kumba has maintained its production, sales and cost guidance for 2023 (announced at its annual results presentation on 21 February 2023). Subject to potential logistics-related disruptions, our guidance for 2023 is as follows:

| Guidance | FY2023 |
|-------------------------|-----------|
| Total sales (Mt) | 37 - 39 |
| Total production (Mt) | 35 - 37 |
| Sishen | ~26.0 |
| Kolomela | ~10.0 |
| Waste stripping (Mt) | |
| Sishen | 150 - 170 |
| Kolomela | 60 - 70 |
| On-mine unit cost (R/t) | |
| Sishen | 540 - 570 |
| Kolomela | 510 - 540 |
| C1 unit costs (\$/t) | ~44 |

Volumes excluding waste stripping, and on-mine unit costs, are reported as wmt. Product is shipped with ~1.6% moisture. Foreign exchange rate used for 2023 costs is ~R17/US\$.

Production and sales volumes as referred to for the quarter ended 31 March 2023 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.



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The information on which this announcement is based has not been reviewed and reported on by the Company's external auditors.

Johannesburg

25 April 2023

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

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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 and Kolomela mines in the Northern Cape Province. Kumba exports iron ore to customers around the globe including in China, Japan, South Korea and a number of countries in Europe and the Middle East.

www.angloamericankumba.com

Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, with a broad range of future development options, provides many of the future-enabling metals and minerals for a cleaner, greener, more sustainable world and that meet the fast growing every day demands of billions of consumers. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and to mine, process, move and market our products to our customers – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, premium quality iron ore and steelmaking coal, and nickel – with crop nutrients in development – we are committed to being carbon neutral across our operations by 2040. More broadly, our Sustainable Mining Plan commits us to a series of stretching goals to ensure we work towards a healthy environment, creating thriving communities and building trust as a corporate leader. We work together with our business partners and diverse stakeholders to unlock enduring value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

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Forward-looking statements

This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Kumba's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Kumba's products, production forecasts and Ore Reserves and Mineral Resource estimates), are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Kumba, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.



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Such forward-looking statements are based on numerous assumptions regarding Kumba's present and future business strategies and the environment in which Kumba will operate in the future. Important factors that could cause Kumba's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the effects of global pandemics and outbreaks of infectious diseases, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transport infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions, the actions of competitors, activities by governmental authorities such as permitting and changes in taxation or safety, health, environmental or other types of regulation, conflicts over land and resource ownership rights and such other risk factors identified in Kumba's most recent Integrated Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements.

These forward-looking statements speak only as of the date of this announcement. Kumba expressly disclaims any obligation or undertaking (except as required by applicable law, the Takeover Regulation Panel, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the Financial Sector Conduct Authority and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Kumba's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Nothing in this announcement should be interpreted to mean that future earnings per share of Kumba will necessarily match or exceed its historical published earnings per share.

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