

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 2024

Kumba's Chief Executive, Mpumi Zikalala, said: "Safety is our highest priority and our total recordable injury frequency rate (TRIFR) of 0.48 relative to the first quarter 2023 rate of 1.27 demonstrates the progress we are making. This was underpinned by an ongoing focus on eliminating high energy, high-risk incidents through critical controls along with the management of practices and processes that enable a safe working environment.

"From a sustainability perspective, it is pleasing to report that both Sishen and Kolomela mines have achieved a 75% level of performance for the Initiative for Responsible Mining Assurance (IRMA) comprehensive mining standard. Kumba is the first iron-ore producer in Africa to complete the IRMA audit, providing all stakeholders with a way of accounting for sustainability practices that are transparent, verifiable, and comparable.

"Operationally, Kumba delivered a consistent and solid mining and production performance. In line with our business reconfiguration plan of aligning production volumes to Transnet's logistics performance levels, total production decreased with a planned reduction at Kolomela, while Sishen delivered an increase in production.

"The execution of the business configuration plan is on track. The Section 189 Commission for Conciliation, Mediation and Arbitration consultations (CCMA) with affected employees commenced in March 2024 and is expected to be concluded by the end of May 2024. We are engaging with service partner companies as part of this reconfiguration process.

"Export sales volumes were significantly impacted by challenging operating conditions at the Saldanha Bay Port, with equipment maintenance now being undertaken by Transnet to primarily address the stacker-reclaimer reliability issues. Our production and sales guidance for the full year is unchanged at 35-37Mt and 36-38Mt, respectively.

"The iron ore market pulled back strongly in the first quarter and the reconfiguration of our business to a lower production and cost profile should ensure that we are more resilient in the face of a volatile market environment. Steel demand remained lacklustre after the Chinese New Year. This was compounded by modest Chinese government stimulus announced at the 'Two Sessions' congress in February 2024 and several steel production cuts across various provinces in China. Against this backdrop, Kumba achieved an average realised FOB export price of US\$89 per wet metric tonne (wmt), reflecting the negative timing effect of provisionally priced volumes in a decreasing price environment. This was partly offset by the lump and iron ore quality premium that our products attract."

Q1 2024 overview:

- Fatality-free production of more than seven years at Sishen and one-year at Kolomela, with an improved TRIFR of 0.48.
- Total production decreased by 2% to 9.3Mt (Q1 2023: 9.4Mt), in line with Kumba's business reconfiguration to a lower production profile.
- Total sales decreased by 10% to 8.5Mt (Q1 2023: 9.5Mt) due to port performance challenges, with 0.4Mt of shipments rolling over into the second quarter.
- Finished stock of 8.5Mt (31 December 2023: 7.1Mt) includes stockpiles of 6.9Mt at the mines, 1.2Mt at the Saldanha Bay Port and 0.4Mt of shipments.
- Average realised free on board (FOB) export iron ore price of US\$89/wmt equivalent to US\$91 per dry metric tonne (dmt), compared to the average benchmark price of US\$103/wmt (equivalent to US\$105/dmt).

	Q1	Q4	Q3	Q2	Q1	% change	% change
000 tonnes	2024	2023	2023	2023	2023	vs	vs
						Q1 2023	Q4 2023
Iron ore waste	43,794	46,021	59,602	60,302	50,914	(14)	(5)
Iron ore production	9,275	7,234	9,736	9,320	9,425	(2)	28
Iron ore sales	8,533	9,343	8,873	9,456	9,487	(10)	(9)
Kumba waste	43,794	46,021	59,602	60,302	50,914	(14)	(5)
Sishen	35,502	37,391	45,842	45,504	35,064	1	(5)
Kolomela	8,292	8,630	13,760	14,798	15,850	(48)	(4)
Kumba production by mine	9,275	7,234	9,736	9,320	9,425	(2)	28
Sishen	6,563	5,958	6,680	6,442	6,341	4	10
Kolomela	2,712	1,276	3,056	2,878	3,084	(12)	113
Kumba sales	8,533	9,343	8,873	9,456	9,487	(10)	(9)
Lump	5,620	6,220	5,878	6,241	6,358	(12)	(10)
Fines	2,913	3,123	2,995	3,215	3,129	(7)	(7)

Safety and health performance

Our commitment to improving safety performance is supported by the continued implementation of our safety and health improvement programmes. These are focused on safeguarding our people and contractors by maintaining operational safety and stability as we reconfigure our business. We continued to invest in safety leadership and training in the first quarter, as well as eliminating high energy and high-risk incidents. This was driven by an ongoing focus on leading indicators, improved compliance in terms of critical controls and the management of practices and processes that enable a safe working environment.

Business Reconfiguration

Kumba's business reconfiguration process is progressing with CCMA consultations on the new proposed structures and role profiles expected to be concluded by the end of May 2024. Concurrently, a contractor work management review process is underway to streamline work, optimise efficiencies, reduce duplication, and ensure a consistent approach to outsourcing work. Kumba management are holding regular company-wide employee engagements to ensure that safety remains top of mind, and that employees are kept informed and supported throughout the process.

Mining and production

Total waste stripping decreased by 14% to 43.8Mt (Q1 2023: 50.9Mt), driven by a 48% decrease at Kolomela to 8.3Mt (Q1 2023: 15.9Mt), in line with the lower waste guidance of 20-25Mt for the full year 2024. At Sishen, waste stripping increased by 1% to 35.5Mt (Q1 2023: 35.1Mt), reflecting operational stability.

Kumba's total production volumes decreased by 2% to 9.3Mt (Q1 2023: 9.4Mt) as part of the business reconfiguration plan to align production volumes more closely to logistics performance levels. This was largely driven by a 12% decrease in Kolomela's production to 2.7Mt (Q1 2023: 3.1Mt). Sishen's production increased by 4% to 6.6Mt (Q1 2023: 6.3Mt), supported by healthy buffer stocks sustained across the value chain.

Logistics, sales and marketing

Ore railed to port by Transnet of 9.4Mt was flat compared to the same period in 2023. Due to a derailment in March, coupled with equipment and locomotive failure, stock at the mines increased by 0.4Mt to 6.9Mt (31 December 2023: 6.5Mt).

At Saldanha Bay Port, Transnet's performance was primarily impacted by stacker-reclaimer reliability challenges, as well as adverse weather conditions. This resulted in stock levels at the port increasing by 0.6Mt to 1.2Mt (31 December: 0.6Mt) and

shipments for sale of 0.4Mt rolling over into the second quarter. Consequently, total finished stock increased by 1.4Mt to 8.5 Mt (31 December 2023: 7.1Mt) and sales decreased by 10% or 1Mt to 8.5Mt (Q1 2023: 9.5Mt).

Kumba as part of the Ore User's Forum continues to support Transnet's logistics restoration programme. This included equipment maintenance on the rail and at the port in the second quarter. During this time, higher levels of stock at the port, combined with increased direct loading and additional loading arranged at the multi-purpose terminal, are expected to largely mitigate the impact of the maintenance and repairs shutdown.

Kumba's first quarter iron (Fe) content averaged 64.2% (Q1 2023: 63.1%) and the average lump to fines ratio was 66:34 (Q1 2023: 67:33). Due to the negative timing effect of lower prices on provisionally priced volumes, we achieved a lower average realised FOB export price of US\$89/wmt (equivalent to US\$91/dmt), compared to the 62% Fe benchmark price of US\$103/wmt (equivalent to US\$105/dmt).

2024 guidance update

Subject to ongoing logistics constraints, Kumba's full year 2024 guidance (announced at the company's annual results presentation on 20 February 2024) is unchanged and is as follows:

Guidance	FY2024
Total sales (Mt)	36 - 38
Total production (Mt)	35 - 37
Sishen	~26.0
Kolomela	~10.0
Waste stripping (Mt)	
Sishen	135 - 145
Kolomela	20 - 25
On-mine unit cost (R/t)	
Sishen	520 - 550
Kolomela	410 - 440
C1 unit costs (\$/t)	~38

Volumes excluding waste stripping and on-mine unit costs, are reported as wmt. Product is shipped with ~1.6% moisture. The Group's sales volumes could differ to Kumba's results due to sales to other Group companies. Foreign exchange rate used for 2024 costs is ~R19/US\$.

Production and sales volumes as referred to for the quarter ended 31 March 2024 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.

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

Johannesburg
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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 copper, nickel, platinum group metals, diamonds (through De Beers), and premium quality iron ore and steelmaking coal – 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.

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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