

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 Iron Ore Limited production and sales report for the third quarter ended 30 September 2019

Kumba's first priority is the safety of its employees and the company continues its focus on further improving its safety and sustainability performance. Production is on track to meet the full year 2019 guidance of 42-43Mt, while lower domestic sales volumes has resulted in the reduction of the total sales guidance to 42-43Mt from 43-44Mt. Production and sales volumes referred to in this report 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:

- Kumba has operated for more than three years without a fatality and continues its focus on further improving its safety and sustainability performance.
- Total sales volumes decreased by 3% to 10.2Mt, compared to Q3 2018, following a 36% decline in domestic off-take, while export sales were flat.
- Total production volumes of 10.5Mt were similar to Q3 2018 with increased production at Sishen offset by lower production at Kolomela due to the DMS upgrade.
- Lower domestic sales volumes resulted in the reduction of total sales guidance for the full year to 42-43Mt from 43-44Mt.

Sales summary					
' 000 tonnes	Quarter ended		% change vs Q3 2018	Quarter ended Q2 2019	% change vs Q2 2019
	Q3 2019	Q3 2018			
Total	10,154	10,492	(3)	10,472	(3)
- Export sales	9,670	9,737	(1)	9,756	(1)
- Domestic sales	484	755	(36)	716	(32)

Production summary					
' 000 tonnes	Quarter ended		% change vs Q3 2018	Quarter ended Q2 2019	% change vs Q2 2019
	Q3 2019	Q3 2018			
Total	10,521	10,508	0	10,544	0
- Sishen Mine	7,153	7,030	2	7,310	(2)
- Kolomela Mine	3,368	3,478	(3)	3,234	4

Total sales decreased by 3% to 10.2Mt (Q3 2018: 10.5Mt) driven by domestic sales declining by 36% to 0.5Mt (Q3 2018: 0.8Mt) due to lower off-take from ArcelorMittal South Africa, while export sales were flat at 9.7Mt. Total finished stock increased to 5.1Mt from 4.5Mt at 30 June 2019, as a result of the scheduled refurbishment of the second ship loader at Saldanha Port.

Total production volumes were similar to Q3 2018 at 10.5Mt with the 2% increase in Sishen to 7.2Mt (Q3 2018: 7Mt) offset by lower volumes from Kolomela of 3.4Mt (Q3 2019: 3.5Mt). Relative to Q2 2019, production at Sishen decreased by 2% due to unscheduled maintenance of the dense media separation (DMS) plant. However, this was largely mitigated by a 7% increase in production from the JIG plant.

Kolomela's production decreased to 3.4Mt (Q3 2019: 3.5Mt), as expected, reflecting the impact of the infrastructure upgrade on the DMS plant, which is scheduled to reopen in the fourth quarter. Compared to Q2 2019, Kolomela's production increased by 4% following the step-up in performance of the direct shipping ore plant.

Waste stripping at Sishen increased by 18% to 53Mt (Q3 2018: 44.8Mt) and at Kolomela by 7% to 16.6Mt (Q3 2018: 16Mt), demonstrating progress on improving operating equipment efficiency.

Full year 2019 guidance

Total production remains on track to meet the full year guidance as announced in Kumba's 2019 interim results on 23 July 2019. Lower domestic sales volumes have resulted in the reduction of the total sales guidance to 42-43Mt from 43-44Mt. The 2019 full year guidance is as follows:

- Total production of 42-43Mt:
 - Sishen: 29-30Mt
 - Kolomela: ~13Mt
- Waste:
 - Sishen: 170-180Mt
 - Kolomela: 55-57Mt
- Total sales of 42-43Mt

Centurion
22 October 2019

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 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

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 mining operations and undeveloped resources provides the metals and minerals that enable a cleaner, more electrified world and that meet the fast growing consumer-driven demands of the world's developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and mine, process, move and market our products to our customers around the world – safely, responsibly and sustainably.

As a responsible miner – of diamonds (through De Beers), copper, platinum group metals, iron ore, coal and nickel – we are the custodians of what are precious natural resources. We work together with our business partners and diverse stakeholders to unlock the sustainable value that those resources represent for our shareholders, the communities and countries in which we operate, and for society as a whole. Anglo American is re-imagining mining to improve people's lives.

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