

NEWS RELEASE

25 January 2018

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 quarter ended
31 December 2017**

Kumba Iron Ore Limited ("Kumba") today released its production and sales report for the quarter ended 31 December 2017.

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:

- Good safety performance in 2017 with improvements in leading indicator reporting and no fatalities
- Full year production of 45Mt exceeded recent guidance.
- Q4 2017 delivered continued strong quarter-on-quarter production of 11.6Mt.
- Production decreased by 2% compared to Q4 2016 when there was temporary access to low strip ratio ore and higher plant yields at Sishen.
- Export sales increased by 7% to 11.4Mt due to improved loading rates.

A member of Anglo American plc group

Kumba Iron Ore Limited
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Incorporated in South Africa. Registration Number: 2005/015852/06

| Production summary | | | | | | | | | |
|--------------------|---------------|---------------|--------------------------------------|---------------|--------------------------------------|---------------|---------------|--------------------------------|--|
| ' 000 tonnes | | | % change Q4 2017 vs Q4 2016 | Q3 2017 | % change Q4 2017 vs Q3 2017 | 2017 | 2016 | % change 2017 vs 2016 | |
| | Q4 2017 | Q4 2016 | | | | | | | |
| Total | 11,643 | 11,928 | (2) | 11,486 | 1 | 44,983 | 41,476 | 8 | |
| - Sishen | 7,783 | 8,490 | (8) | 7,786 | - | 31,119 | 28,380 | 10 | |
| - Kolomela | 3,860 | 3,438 | 12 | 3,700 | 4 | 13,863 | 12,726 | 9 | |
| - Thabazimbi | - | - | - | - | - | - | 370 | (100) | |

| Sales summary | | | | | | | | | |
|---------------|---------------|---------------|--------------------------------------|---------------|--------------------------------------|---------------|---------------|--------------------------------|--|
| ' 000 tonnes | | | % change Q4 2017 vs Q4 2016 | Q3 2017 | % change Q4 2017 vs Q3 2017 | 2017 | 2016 | % change 2017 vs 2016 | |
| | Q4 2017 | Q4 2016 | | | | | | | |
| Total | 12,231 | 11,224 | 9 | 11,427 | 7 | 44,892 | 42,484 | 6 | |
| Export | 11,355 | 10,611 | 7 | 10,783 | 5 | 41,615 | 39,061 | 7 | |
| Domestic | 876 | 613 | 43 | 644 | 36 | 3,277 | 3,423 | (4) | |

Sishen maintained its solid and consistent operating performance and ongoing improvements, with production in Q4 2017 in line with the previous three quarters as planned. Production decreased by 8% to 7.8Mt compared to Q4 2016. The higher production in Q4 2016 was attributable to temporary access to low strip ratio ore and higher plant yields as per the mine plan. Waste removal increased by 15% to 43Mt, compared to 37Mt in Q4 2016.

Kolomela production increased to 3.9Mt, up 12% compared to Q4 2016, mainly due to productivity improvements. Full year waste mined increased by 11% to 56Mt resulting from ongoing improvements in operational efficiencies.

Export sales increased by 7% to 11.4Mt mainly due to improved loading rates. Total finished product stocks were 4.3Mt, compared to 3.5Mt in Q4 2016.

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Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

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

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 to our customers around the world. As a responsible miner – of diamonds (through De Beers), copper, platinum and other precious metals, iron ore, coal and nickel – we are the custodians of what are precious natural resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders and for the communities and countries in which we operate – creating sustainable value and making a real difference. www.angloamerican.com

