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Anglo American agrees sale of nickel business for up to 500 million

Anglo American plc ("Anglo American") announces that it has entered into a definitive agreement to sell its nickel business to MMG Singapore Resources Pte. Ltd, a wholly owned subsidiary of MMG Limited ("MMG") for a cash consideration of up to 500 million ("the Transaction"). The nickel business comprises two ferronickel operations in Brazil - Barro Alto and Codemin - and two high quality greenfield growth projects - Jacaré and Morro Sem Boné.

The agreed cash consideration of up to 500 million comprises an upfront cash consideration of 350 million at completion; the potential for up to 100 million in a price-linked earnout⁽¹⁾; and contingent cash consideration⁽²⁾ of 50 million linked to the Final Investment Decision (FID) for the development projects.

Duncan Wanblad, Chief Executive of Anglo American, said: "The sale of our nickel business after a highly competitive process marks a further important milestone towards simplifying our portfolio to create a more highly valued copper, premium iron ore, and crop nutrients business. Today's agreement, together with those signed in November 2024 to sell our steelmaking coal business, is expected to generate a total of up to 5.3 billion of gross cash proceeds, reflecting the high quality of our steelmaking coal and nickel businesses. MMG is well-respected as a safe and responsible operator and we believe our agreement represents a strong outcome not only for our shareholders, but also for our employees and Brazilian stakeholders. We will work together to ensure a successful transition.

"Anglo American's portfolio focus, exceptional asset quality and growth options offer a differentiated investment proposition for investors. We are unlocking the inherent value of all of Anglo American as we create a much simpler, more resilient and agile business that will enable full value transparency in the market."

Cao Liang, Chief Executive of MMG, said: "We are excited by our acquisition of Anglo American's nickel business which provides important diversification for our business and strengthens our presence in Latin America. This is a strong business with a talented team, growth potential and demonstrated excellence in sustainability performance and we look forward to continuing this positive legacy. MMG and Anglo American have a long track record of close collaboration and shared values demonstrated through our commitment to ICMM principles. We look forward to working together towards completion."

Anglo American's nickel business is well positioned to serve both the stainless steel and battery value chains. The business comprises the operating assets of Barro Alto mine, Niquelândia mine and the Barro Alto and Codemin ferronickel processing plants which together produced 39,400 tonnes of nickel in 2024; and two high quality greenfield growth development projects: Jacaré with c.300Mt of mineral resources, and Morro Sem Boné (MSB) with a total potential mineralisation of 65Mt. Barro Alto is the only nickel mine in the world certified by the Initiative for Responsible Mining Assurance, having achieved the IRMA 75 level of assurance in 2024.

The Transaction is subject to a number of conditions, including customary competition and regulatory clearances. The upfront cash consideration is subject to normal completion adjustments and completion is expected by Q3 2025.

Footnotes:

(1) The price-linked earnout comprises uncapped semi-annual payments (calculated on a quarterly basis) of up to 100 million in aggregate, applicable for four years starting from the first day of the quarter following the transaction completion date. The payment will be calculated as 50% of incremental revenue post tax from nickel sales above an agreed realised nickel price. The precise trigger price above which payments are made is a realised price of 7.1/lb contained nickel, which includes typical discounts received for ferronickel product.

(2) The contingent cash consideration linked to the development of greenfield projects comprises a 40 million payment payable upon FID of Jacaré and US 10 million payment payable upon FID of MSB.

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Notes:

Anglo American is a leading global mining company focused on the responsible production of copper, premium iron ore and crop nutrients - future-enabling products that are essential for decarbonising the global economy, improving living standards, and food security. Our portfolio of world-class operations and outstanding resource endowments offers value-accretive growth potential across all three businesses, positioning us to deliver into structurally attractive major demand growth trends.

Our integrated approach to sustainability and innovation drives our decision-making across the value chain, from how we discover new resources to how we mine, process, move and market our products to our customers - safely, efficiently and responsibly. Our Sustainable Mining Plan commits us to a series of stretching goals over different time horizons to ensure we contribute to a healthy environment, create thriving communities and build trust as a corporate leader. We work together with our business partners and diverse stakeholders to unlock enduring value from precious natural resources for our shareholders, for the benefit of 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.

Anglo American is currently implementing a number of major structural changes to unlock the inherent value in its portfolio and thereby accelerate delivery of its strategic priorities of Operational excellence, Portfolio simplification, and Growth. This portfolio transformation will focus Anglo American on its world-class resource asset base in copper, premium iron ore and crop nutrients, once the sale of our steelmaking coal and nickel businesses, the demerger of our PGMs business (Anglo American Platinum), and the separation of our iconic diamond business (De Beers) have been completed.

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