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Anglo American and Codelco to unlock significant value from joint mine plan for Los Bronces and Andina copper mines

Anglo American plc ("Anglo American") announces the signing of a memorandum of understanding ("MoU") between its 50.1% owned subsidiary Anglo American Sur SA ("AAS") and the Chilean state-owned mining company Codelco for a framework to implement a joint mine plan for the two companies' respective, adjacent copper mines of Los Bronces and Andina in Chile. The joint mine plan will increase copper production with minimal additional capital required, helping to unlock the full value of this world-class mining district and generating an expected NPV uplift of at least 5 billion pre-tax over the period of the agreement, to be shared equally.

A new operating company, jointly owned and controlled by AAS and Codelco, will coordinate the execution of the joint mine plan and optimise the use of the processing capacity of the two operations. The resulting copper production and value generated, as well as any costs and liabilities from the joint mine plan, will be shared equally between AAS and Codelco. AAS and Codelco will retain full ownership rights of their respective assets, such as mining concessions, plants, and ancillary assets and will continue to exploit their respective concessions separately.

Duncan Wanblad, Chief Executive of Anglo American, said: "Copper is at the forefront of our growth ambitions and we already have a clear pathway to more than 1 million tonnes of annual copper production by the early 2030s, a 30% increase. Building on that growth pipeline, Los Bronces and Andina present obvious and significant adjacency benefits and together represent approximately 2% of global copper Resources and Reserves, with approximately 60 million tonnes of contained copper¹. By putting in place a joint mine plan and optimising the use of our respective processing plants, we believe we can unlock an additional 2.7 million tonnes of copper production over a 21-year period from 2030 alongside other operational synergies made possible by coordinating our activities across the site. Anglo American and Codelco will both retain flexibility to develop separate standalone projects, including development of underground resources during the period of the joint mine plan in an appropriately coordinated manner.

"Our technical teams have been working together for many years to identify the optimal configuration to unlock the full value of this extraordinary mining district. We are delighted that our work with Codelco has created the foundations for an agreement that can create very significant additional value for Anglo American and Codelco, for our JV partners in AA Sur and other stakeholders, and for Chile."

Máximo Pacheco, Chairman of Codelco, commented: "Codelco and Anglo American have been good neighbours for decades. This relationship has developed through more than 10 cooperation agreements between the two companies over half a century. Today, we have a unique opportunity to rethink the development of this mining district and take a strategic and beneficial step: moving forward with an alliance that will allow us to increase copper production by an average of nearly 120 thousand tonnes of fine copper per year, without any material additional investments. Considering total production, this district would become one of the three most important in Chile and the fourth worldwide. In this way, we will contribute a critical mineral for the transition to a decarbonized economy and generate additional value of at least 5 billion pre-tax, increasing our contribution in the short and medium term while strengthening Chile's position as a leading global copper supplier.

"This project represents an unprecedented public-private collaboration model globally, with a corporate governance structure equally composed of Codelco and Anglo American. Each company will conduct its mining operations independently but in a coordinated manner, safeguarding the current socio-environmental commitments of both and placing the protection of high Andean ecosystems and their biodiversity at the centre."

The companies have also established sustainability principles to guide the implementation of the joint mine plan, which safeguard both social programmes and existing environmental commitments.

Under the terms of the MoU, Anglo American and Codelco are working towards concluding due diligence and entering into definitive agreements in H2 2025. The agreements will be subject to a number of conditions including securing environmental permits for the joint mine plan and regulatory approvals. In the interim, both Los Bronces and Andina will continue to operate as they currently do, based on the 2019 cooperation agreement between the two mines.

¹The approximately 60Mt of copper contained in the Resources and Reserves of Los Bronces and Andina relates only to that which is subject to the MoU and therefore excludes the endowments relating to the Los Bronces Underground project and Andina's underground options. Source: Anglo American Ore Reserves and Mineral Resources Report; and S&P Global. For additional information on Ore Reserves and Mineral Resources, refer to the companies' websites.

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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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