COURT FILE NUMBER	2001-05630	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANTS	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DOMINION DIAMOND MINES ULC, DOMINION DIAMOND DELAWARE COMPANY LLC, DOMINION DIAMOND CANADA ULC, WASHINGTON DIAMOND INVESTMENTS, LLC, DOMINION DIAMOND HOLDINGS, LLC AND DOMINION FINCO INC.	
DOCUMENT	**AFFIDAVIT #4 OF THOMAS CROESE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McCarthy Tétrault LLP 4000, 421 – 7th Avenue SW Calgary, AB T2P 4K9 Attention: Sean Collins / Walker W. MacLeod Tel: 403-260-3531 Fax: 403-260-3501 Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca	

AFFIDAVIT #4 OF THOMAS CROESE
Sworn on October 19, 2020

I, Thomas Croese, of the City of Yellowknife, Northwest Territories, **SWEAR AND SAY THAT**:

1. I am the Manager, Finance of Diavik Diamond Mines (2012) Inc. ("**DDMI**"). I have personal knowledge of the facts and matters sworn to in this Affidavit, except where I have received information from someone else or some other source of information. In the instances where I have received information from someone else or some other source, I have identified such person or source, and I believe such information to be true.

2. Dominion Diamond Mines ULC ("**Dominion**") and DDMI are successors in interest (in this capacity, each a "**Participant**") to the Diavik Joint Venture Agreement dated as of March 23, 1995 between Kennecott Canada Inc. and Aber Resources Limited, as subsequently amended (collectively, the "**JVA**").

3. A copy of the JVA is attached as Confidential Exhibit 1 to my affidavit sworn on April 30, 2020 ("**April 30 Affidavit**). Terms capitalized in my Affidavit that I have not defined have the same meaning as in the JVA or the Second Amended and Restated Initial Order granted in the within proceedings on June 19, 2020 (the "**SARIO**").

Summary of Relief Sought

4. This affidavit is sworn in support of an application by DDMI to:

   (a) implement the realization process in respect of Dominion's share of production from the Diavik Mine (the "**DDMI Collateral**"), substantially as summarized below (the "**Realization Process**"); and

   (b) amend paragraph 16 of the SARIO so as to delete the provisions that limit the amount of DDMI Collateral that DDMI is permitted to hold based on Diamonds International Canada Limited ("**DICAN**") valuations. Instead DDMI, for the reasons that follow, including the uncertainty that attends with valuing the DDMI Collateral, proposes it be authorized to realize upon the DDMI Collateral.

5. DDMI has been funding Dominion's share of Diavik JV obligations by way of Cover Payments under the Diavik JV since the commencement of these proceedings in April 2020. As of today, the Cover Payment indebtedness owed by Dominion to DDMI totals \$119.52 million CAD, plus interest (presently estimated to be in the amount of \$2.37 million CAD) and legal fees, costs and expenses.

6. The Applicants have not been able to close a transaction under the SISP Procedures and it is clear that this CCAA case has now undergone a fundamental and material change. Dominion's participating interest in the Diavik Mine failed to attract any bids. There is no realistic prospect of Dominion paying Diavik JV Cash Calls. Significant expenditures are required for the acquisition of critical materials and supplies to be transported to site on the winter road and will have to be incurred very shortly. DDMI does not have sufficient capital to fund Dominion's Diavik JV obligations without receiving advances from its parent, Rio Tinto plc. Rio Tinto plc will not provide funding without assurances that DDMI will be able to recover the Cover Payment indebtedness. The Diavik Mine's continued operation is at risk in the present circumstances.

The Realization Process

7. Diamonds are a unique product type with a limited market that is currently subject to a number of external pressures. The COVID-19 pandemic does not show any signs of abating in the near-term and is worsening in many areas. Despite these challenges, DDMI has continued to utilize its existing market capability, strong supply chain and deep customer relationships to sell its share of Diavik Mine production and is therefore well placed to be the entity which implements the realization on the DDMI Collateral.

8. It is imperative that the DDMI Collateral be realized upon pursuant to a considered and controlled approach so-as to enhance the potential for value maximization. DDMI has designed the Realization Process, taking current market conditions into account, including its experience in selling DDMI's share of Diavik Mine production, to optimize recovery on the DDMI Collateral in a fair and transparent manner for the benefit of Dominion and its stakeholders, including Diavik Mine employees, contractors, vendors and the Government of the Northwest Territories (the "**GNWT**"). The key principles of the Realization Process are:

    (a) product must be fully cleaned and sorted in a wide variety of diamond categories (sizes, colours, clarities, shapes) to be able to offer the right products to the right customers. This sorting process needs to be executed in a safe and secure operation;

    (b) timing of sales must as much as possible be aligned to market cycles placing the right volume of product aligned with market demand;

    (c) optionality of sales channels (contracts, auctions, tenders, negotiated spot sales) provides flexibility, market/price/customer insights and fast product placement and monetization pathways;

    (d) a professional, experienced, equipped and well-capitalized organisation is required to execute the sales process and collect payment in the fastest and most cost-efficient manner possible;

    (e) fair and transparent realization of collateral will be achieved by treating all Diavik Mine production the same, without discrimination or preference between the DDMI Collateral and DDMI's own products.

9. The Realization Process will follow standard processes and procedures for diamond sales, including accessing and utilizing international marketing networks. The basic operation of the Realization Process is as follows:

   (a) DDMI Collateral will be transported from the PSF to Antwerp, Belgium for cleaning, sorting, marketing and sale;

   (b) DDMI Collateral will be insured, imported, cleaned, sorted, valued and sold using existing secure and well-established infrastructure. Full utilization will be made of existing experience, security systems, diamond stock tracking software, sorting technology and experts, pricing methods, contracts, auction platform, and industry networks;

   (c) DDMI Collateral will be sorted and valued on the same sorting product line as DDMI product and phased into the market over time to avoid a high volume of product being offered at once. The exact time at which this occurs will be dependent on prevailing market conditions, with focus on optimizing sale proceeds by avoiding a circumstance where a market that is already experiencing deflated pricing is flooded with built-up inventory. The Realization Process involves several steps before transactions are completed such that the current expectation is that this will be a multi-month process;

   (d) DDMI Collateral will be treated the same as DDMI product (including using the same pricebooks) and handled in the same way DDMI handles its own 60% share. The DDMI Collateral will benefit from existing sales channels, know-how, technology and customer notebooks. It is envisaged that new supply agreements (term contracts) and spot auctions will be implemented to optimise value;

   (e) DDMI Collateral will be subject to all existing processes, audits, analysis and checks & balances that are applied to the DDMI product;

   (f) Net sales proceeds will be applied to Dominion's outstanding Cover Payment indebtedness owing to DDMI, after deduction of a 2.5% handling, sorting, sales and cash collection fee, as well as the deduction of any required taxes or royalties. The handling, sorting, sales and cash collection fee is consistent with fees charged by affiliates of DDMI's parent company, Rio Tinto plc, to arm's-length third parties for similar services;

(g) DDMI will report to Dominion and the Monitor on the Realization Process on a monthly basis and when otherwise reasonably requested by Dominion or the Monitor. DDMI's proposed monthly reporting form, which will track sales data and outstanding Cover Payment indebtedness, is attached and marked as **Exhibit "A"**.

10. Rio Tinto plc is a significant producer of rough diamonds and has been active in the diamond market for over 35 years and its operational expertise will be utilized to implement the Realization Process. Although diamonds are a highly specialized class of asset, the Realization Process is designed to operate in a simple fashion and account for the fact that DDMI and Dominion are joint venturers with respect to the Diavik Mine. DDMI's diamond team will handle 100% of the Diavik Mine volume in the same way it handles its own 60% share. In that circumstance, the interests of DDMI, Dominion and its other stakeholders are fully aligned in maximizing value of the DDMI Collateral.

Current Security Position

11. As I explained in paragraph 20 of my evidence in my third affidavit, DICAN is a joint venture between the Aboriginal Diamonds Group Ltd. and WWW Internal Diamond Consultants Limited ("**WWW International**") which provides independent resource evaluation and diamond valuation services to both the government of Ontario and the GNWT. WWW International is the technical partner in the DICAN joint venture.

12. The Cover Payment indebtedness owed by Dominion to DDMI exceeds the gross value of DDMI Collateral (as determined by DICAN) currently held by DDMI at the PSF pursuant to paragraph 16 of the SARIO. In my third affidavit, at paragraph 22, I attached a Confidential Exhibit that set out the gross value of Dominion's share of the DDMI Collateral at the PSF, the estimated gross valuation ascribed to that DDMI Collateral using the DICAN valuation, and the security position of DDMI. Since my third Affidavit, there have been additional shipments of Products to the PSF, and the most-recent monthly DICAN valuation was received on October 14, 2020. I have updated the Confidential Exhibit and the same is attached as **Confidential Exhibit "1"** to this Affidavit.

13. The SARIO currently limits the amount of Dominion's share of Diavik Mine production that DDMI can hold at the PSF based on monthly gross DICAN valuations. DDMI has always had concern that the gross DICAN valuation was not an accurate proxy for the true realizable value of the DDMI Collateral. This concern has been materially amplified due to the significant market disruption, depressed sale activity and ongoing uncertainty caused by the COVID-19 pandemic. In each of 2017, 2018 and 2019, DICAN's average valuation of DDMI's share of Diavik diamonds was higher than the actual realized value in sales to third parties. The average overvaluation exceeded 10% in the second half of 2019 and grew further still in the first half of 2020. The difficulty in estimating the gross value of diamonds in such volatile markets is further demonstrated by sales of DDMI's share of Diavik production to third parties in September and early October being in excess of the DICAN gross valuation. DDMI has not needed to address these market discrepancies because, as explained below, GNWT royalty payments are not based on DICAN's monthly valuations.

14. Holding a share of diamonds equal to an appraisal of their value (whether it be based on DICAN or alternative metrics) places DDMI at risk of loss. DDMI should never be in such a position because, subject to the CCAA priority charges, it has the senior security position on the DDMI Collateral. It is highly prejudicial to DDMI if it is required to deliver a portion of the DDMI Collateral to Dominion based on any form of valuation (including a valuation that DDMI was comfortable or otherwise agreed with) when Cover Payment obligations remain owing to DDMI. The inequitableness is exacerbated by the fact that Dominion has no intention of resuming payment of Cash Calls and there is no purchaser for the Diavik Mine. DDMI's risk of loss has increased significantly due to recent developments and can be addressed in a manner that is fair to all interested parties through DDMI's proposed amendments to the SARIO.

DICAN Valuation

15. The DICAN valuation is undertaken to comply with the provisions of the Northwest Territories Mining Regulations, including provisions that mandate that diamonds must not be removed from the jurisdiction until they are valued in accordance with the regulations. Diamonds are a specialized product and unlike commodities, such as oil and gas, pricing of each stone will vary widely based on specific individual characteristics. This is evidenced by the focus on the four "C's" (carat, cut, clarity, and color) in the retail industry,

each of which will impact price. It is important to understand that the gross DICAN valuation does not equate to the realizable value of the DDMI Collateral from the Diavik Mine, which is only known after cleaning, sorting, marketing and sale and which will occur well after the DICAN valuation is performed. DICAN assesses the gross value of production from the Diavik Mine on a monthly basis and establishes a provisional holding value for the diamond production. DICAN is not used to calculate final royalty payment amounts, which are based on actual sale prices to third parties.

16. DDMI is particularly concerned that the use of DICAN as a proxy as is currently contemplated by the SARIO will result in material negative deviations from actual realizable values for the following reasons:

(a) DICAN provides a gross value of the product that does not account for sale, marketing, royalty and other fees and expenses that will be incurred as part of realization on the DDMI Collateral. These additional expenditures can materially impact the net payment received by diamond producers. By way of example the Sixth Report of the Monitor shows that Dominion sold one tranche of diamonds for gross proceeds of $61 million. However, the net revenue generated after settling these fees and expenses was $53.0 million. As such, these fees and expenses were $8 million or 13% of the gross value of the diamonds. Further to this point, Exhibit "B" to the Affidavit of Frederick Vescio, sworn October 7, 2020 and filed in these proceedings, indicates that going forward, an estimate of 20% for these fees and expenses would not be unreasonable;

(b) the liquidity in the diamond market has been negatively impacted due to the COVID-19 pandemic. In particular, there has been a tremendous decrease in both the number of diamond sales and the volume of diamonds being sold and a significant and unprecedented build up of diamond inventory due to the very limited sale of diamonds during the period of May through August 2020. The DICAN valuation generally occurs months before final sale of the subject product. The result is that any recent valuation of product (whether it be performed by DICAN or otherwise) has been based on a very limited number of market transactions (as compared to previous valuations), without knowledge of how the decrease in demand or the significant increase in diamond inventory will impact pricing and with heightened uncertainty that was not previously present.

WWW Forecast – September 2020

17. WWW Diamond Forecasts Ltd. ("**WWW Forecasts**") is an affiliate of WWW International and provides a quarterly subscription-based service whose market analyses and projections are based upon "a database [that] is designed to be a central depository for all information relating to the diamond industry. The database contains history and forecasts for all stages of the diamond pipeline, as well as history and forecasts for the macro-economic factors that have a bearing upon the diamond industry."[1]

18. Attached to this Affidavit and marked as **Confidential Exhibit "2"** is a copy of WWW Forecast's Diamond Market Review (the "**September 2020 WWW Confidential Review**"), dated September 1, 2020. This document is not publicly available and has been attached to this Affidavit with the express consent of WWW Forecasts on the condition that it not be publicly disclosed due to the sensitive commercial and proprietary information contained in it. On page 9, the September 2020 WWW Confidential Review summarizes the current market conditions as follows:

> The diamond market is under extreme stresses across the entire pipeline as it adjusts to weak demand and changing circumstances in the wake of the coronavirus pandemic. Economic uncertainty is unlikely to dissipate in the near-term which will continue to be a drag on any recovery in diamond jewellery sales. The length and size of the market contraction will be highly correlated with the timing of the recoveries in the USA and China respectively. Producers will need to adapt to a sustained period of lower prices and should consider further curtailing supply in an effort to provide price support. Across the mid-stream, financial pressures and bloated inventories could be the catalyst for change and a period of industry consolidation.

19. The September 2020 WWW Confidential Review, at page 20, notes that polished and rough diamond prices could suffer declines of between 20% and 30% over 2020 and that recovery will likely take several years to play out. On this note, for the calendar year 2020, WWW forecasts a 22.6% decline in nominal rough prices from projected 2019 prices. Furthermore, prices are expected to continue to decline further in 2021, with a further decrease of 6.1% anticipated (this information is found on page 43).

20. Several important observations flow from the recent September 2020 WWW Confidential Review. First, the discussion illustrates that using a valuation of rough diamonds – such

[1] See http://www.diamondwww.com/associates/?page=www-diamond-forecasts.

as is performed at the PSF – as proxy for realizable value is a highly uncertain and inexact exercise even in circumstances where the market is stable. Second, current market pressures, in part attributable to the COVID-19 pandemic and a substantial fall-off in transactions to serve as benchmarks, have exacerbated such uncertainty. Third, and most important, WWW Forecasts anticipates that diamond prices will not recover for several years, as a result of which diamonds valued in 2020 (as much of the DDMI Collateral has been), are at significant risk of being sold for an amount that is less than the value previously ascribed to them. For these reasons, DDMI is concerned that the uncertainty surrounding any valuation of the Diavik diamonds will not equate to actual realizable value of the product.

WWW Forecast – June 2020

21. The ongoing challenges that are expected to impact the market, as outlined in the September 2020 WWW Confidential Review, are also outlined in previous confidential reviews performed by WWW Forecasts. Attached to this Affidavit and marked as **Confidential Exhibit "3"** is a copy of WWW Forecast's Diamond Market Review (the "**June 2020 WWW Confidential Review**"), dated June 1, 2020. Once again, this document is not publicly available and has been attached to this Affidavit with the express consent of WWW Forecasts on the same condition as the September 2020 WWW Confidential Review. Much like the September 2020 WWW Confidential Review, the June 2020 WWW Confidential Review highlights market uncertainty in the diamond industry.

22. On page 11 of the WWW Confidential Review, with respect to rough diamond prices, WWW International concedes that "[g]auging actual current prices is difficult as so little trading has taken place but in our view an overall decline of around 20% is not an unreasonable guess." With respect to the forecast of market demand for polished diamonds, the June 2020 Confidential Review notes at page 17 that:

> There are so many variables in play that forecasting what might happen in the retail markets this year ***is akin to reading the tea leaves at the bottom of a tea cup.*** That said, the diamond jewellery market is in stasis and the key global driver for demand, the USA, remains in partial lockdown as the half year approaches.(***emphasis added)***

Additional Market Data

23. ALROSA and De Beers are the world's two largest diamond producers and, on a combined basis, account for approximately seventy percent of global rough diamond sales by sale value. Both of these companies have seen unprecedented declines in diamond sales in 2020, as evidenced by recent public documents from each (attached hereto and marked as **Exhibits "B"**, **"C"** and "**D**" respectively). Page 3 of ALROSA's public disclosure (**Exhibit "B"**) indicates that its diamond sales in the second quarter of 2020 were 92% lower than first quarter sales and 91% lower than 2019 second quarter sales. De Beers experienced similar 2020 second quarter decreases of 94% (as compared to 2020 first quarter sales) and 96% (as compared to 2019 second quarter sales), as shown on page 2 of **Exhibit "C"**. These companies, who sold approximately $2.1 billion USD of diamonds in April to June of 2019, sold $130 million USD of diamonds in the same period in 2020.

24. While both ALROSA and De Beers have recommenced diamond sales late in the third quarter of 2020, the COVID-19 pandemic has brought unprecedented disruption to the diamond markets and makes it extremely difficult to accurately determine the market price of diamonds at this point in time. In an October 16, 2020 press release, attached as **Exhibit "E"** hereto, ALROSA is cautious on the recent re-opening of markets, as evidenced by its statement on page 2:

> The diamond industry began to show signs of improvement. It is, however, too early to talk about a full recovery before we see the year's key figures – the USA holiday season sales.

25. De Beers is similarly muted about the recent uptick in sales activity. Its Chief Executive Officer, Mr. Bruce Cleaver, commented as follows in an October 14, 2020 press release which is attached as **Exhibit "F"** hereto:

> We continue to see a steady improvement in demand for rough diamonds in the eighth sales cycle of the year, with cutters and polishers increasing their purchases as retail orders come through ahead of the key holiday season. It's encouraging to see these demand trends, but these are still early days and there is a long way to go before we can be sure of a sustained recovery in trading conditions.

26. The build-up of inventory within the system, in conjunction with unclear demand profile, is also concerning. Page 17 of the October 16, 2020 press release from ALROSA, previously attached as **Exhibit "E"**, shows ALROSA alone having diamond inventory of

30.6 million carats as of September 30, 2020. This represents a 45% increase since March 31, 2020 and a 97% increase since September 2018. All of these diamonds will have to be sold into the market at some time in the future and will put downward pressure on prices

27. The uncertainty surrounding the recent and current valuation of rough diamond prices is further underlined by such industry websites as RoughPrices.com which offers both limited open-source pricing information as well as subscription-based services. In March, at the outset of the pandemic, the publication of the RoughPrices.com Overall Index was suspended. Publication of the polished diamond prices Overall Index on PolishedPrices.com, which is affiliated with RoughPrices.com, was similarly suspended. At that time, an explanation for the suspension was published on the PolishedPrices.com website:

> Given the impact of the Corona virus on business activity we have decided to stop updating the index and publishing the weekly index report until there is significant increase in trading activity.

28. It is worth noting that whilst the publication of the PolishedPrices.com Overall Index resumed publication in May 2020, the RoughPrices.com Overall Index has yet to resume publication. Attached hereto and marked collectively as **Exhibit "G"** to this Affidavit is:

(a) a screen capture taken on October 18, 2020, of the RoughPrices.com Overall Index which shows that the rough price index has not been updated since March 13, 2020;

(b) a screen capture taken on October 18, 2020, of the PolishedPrices.com Overall Index which shows that the polished price index is being currently updated;

(c) a screen capture from of the PolishedPrices.com showing the quote from Mr. Platt regarding the suspension of the publication of the index.

29. In summary, and while market conditions and demand have improved somewhat in recent weeks, the outlook remains highly unsure and volatile and many material risks still present to pricing forecasts. Retail demand for diamond jewellery in the United States continues to be fragile, COVID-19 is still growing at an alarming rate in India with potential impacts on future factory capacity and overall liquidity and logistics are expected to remain affected in the period ahead. In addition, the excess inventory at rough producers is at very high

levels which increases risks on future volatility and prices. In this context it remains extremely difficult to forecast prices with any degree of confidence.

DDMI Sealing Order

30. DDMI is applying to seal Confidential Exhibits “1” through “3”. Confidential Exhibit “1” is an update on a confidential exhibit that has been previously sealed by this Honourable Court. Confidential Exhibit “2” and “3” contain various information on the current diamond market that is generally not in the public domain. WWW Forecasts has provided same on the condition and with the expectation that the same are confidential. Disclosure of the information in the Confidential Exhibits would cause serious and irreparable harm to the commercial interests of all of the Participants because of the potential disclosure of financial and asset valuation information. Disclosure would also create risk of reducing the recovery on the DDMI Collateral in the open market.

Process for Commissioning of this Affidavit

31. I am not physically present before the Commissioner for Oaths (the "**Commissioner**") taking this Affidavit, but I am linked with the Commissioner by video technology. The following steps have been or will be taken by me and the Commissioner:

(a) I have shown the Commissioner the front and back of my current government-issued photo identification ("ID") and the Commissioner has compared my video image to the information on my ID;

(b) the Commissioner has taken a screenshot of the front and back of my ID to retain it;

(c) the Commissioner and I have a paper copy of this Affidavit before us;

(d) the Commissioner and I have reviewed each page of this Affidavit to verify that the pages are identical and have initialed each page in the lower right corner;

(e) at the conclusion of our review of the Affidavit, the Commissioner administered the oath to me, and the Commissioner watched me sign my name to this Affidavit; and

(f) I will send this signed Affidavit electronically to the Commissioner

SWORN BEFORE ME by two-way video conference on October 19, 2020	)	
	)	
A COMMISSIONER FOR OATHS in and for the Province of Alberta	)	THOMAS CROESE

(f) I will send this signed Affidavit electronically to the Commissioner

SWORN BEFORE ME by two-way video conference on October 19, 2020	))))))	
CFrazer		
A COMMISSIONER FOR OATHS in and for the Province of Alberta	))	THOMAS CROESE

Carley R. Frazer
Student-at-Law

154213/516250
MT DOCS 20572773

CERTIFICATE

CANADA	)	*IN THE MATTER OF THE COMPANIES' CREDITORS*
	)	*ARRANGEMENT ACT, RSC 1985, C c-36, AS AMENDED*
PROVINCE OF	)	*AND IN THE MATTER OF A PLAN OF COMPROMISE OR*
	)	*ARRANGEMENT OF DOMINION DIAMOND MINES ULC,*
ALBERTA	)	*DOMINION DIAMOND DELAWARE COMPANY LLC, DOMINION*
	)	*DIAMOND CANADA ULC, WASHINGTON DIAMOND*
	)	*INVESTMENTS, LLC, DOMINION DIAMOND HOLDINGS, LLC AND*
	)	*DOMINION FINCO INC.*

I, Carley Frazer, of the City of Calgary, in the Province of Alberta, Student-At-Law, **DO CERTIFY** that:

1. I remotely commissioned the affidavit of Thomas Croese dated October, 19 2020, attached hereto, using videoconferencing software in accordance with the procedure set out in the Court of Queen's Bench of Alberta Notice to the Profession and Public NPP#2020-02 regarding Remote Commissioning of Affidavits for Use in Civil and Family Proceedings During The COVID-19 Pandemic.

2. The remote commissioning process was necessary because it was impossible or unsafe, for medical reasons, for the deponent and I to be physically present together.

IN TESTIMONY WHEREOF I have hereunto subscribed my name and affixed my seal of office at the City of Calgary, in the Province of Alberta, this 19th day of October, 2020.

C Frazer

Carley Frazer

A Commissioner for Oaths in
and for the Province of Alberta

Carley R. Frazer
Student-at-Law

This is Exhibit "A" referred to in the Affidavit #4 of Thomas Croese

sworn before me by two-way video conference this 19th day of October, 2020.

A Commissioner for Oaths in and for the Province of Alberta

Carley R. Frazer
Student-at-Law

Exhibit A
DDMI Collateral Realisation
Proposed Monthly Reporting

Sales Results

Size Category	Total Sales Value	Carats Sold	Realised Price / Carat
> 10.8 cts			
6-10 cts			
10gr - 5 cts			
4-8 gr			
< 4 grs			

Sales Reconciliation

Product Sales
- DDMI realisation charge
- Royalties and third party costs
+/- Change in accounts receivable
= Net Proceeds

Inventory Reconcilation

Size Category	Beginning Inventory		Production Received		Sales		Ending Inventory	
	Carats	Estimated Value	Carats	Estimated Value	Carats	Value	Carats	Estimated Value
> 10.8 cts								
6-10 cts								
10gr - 5 cts								
4-8 gr								
< 4 grs								

Cover Payment Reconcilation

Beginning cover payment balance outstanding
+ New cover payments made
- Net Proceeds from Product sales
+ Interest charge
= Ending cover payment balance outstanding

Notes:
General Set-Up
** The shipment of accumulated collateral will be physically segregated from any other material at the Antwerp offices and will remain segregated throughout all processes*
** A separate supplier category for the collateral volume will be set up in the 'RTDXP-Sales' software module – the stock tracking and trading system*
** A separate category and process will be set up in the 'RTDXP-Sorting' module – the sorting process stock tracking system*
Interpretation
** Reporting in US dollars*
** Where reporting of sale of Diavik diamonds hereunder is made directly or indirectly to diamond industry participants, access to more granular information may be subject to confidentiality or "clean team" restrictions to comply with competition laws and protect commercially-sensitive information*
** Periodic audit rights, aligned in scope and frequency with existing government royalty audits*

This is Exhibit "B" referred to in the Affidavit #4 of Thomas Croese

sworn before me by two-way video conference this 19th day of October, 2020.

A Commissioner for Oaths in and for the Province of Alberta

Carley R. Frazer
Student-at-Law

ALROSA Q2 and 6M 2020 operating results

Moscow, 16 July 2020 – ALROSA, a global leader in diamond production, reports its Q2 2020 reduced diamond production of 5.7 m carats and sales of 0.6 m carats. 6M 2020 diamond production declined to 13.7 m carats, and sales amounted to 10.1 m carats.

- Due to the economic crisis on the key markets caused by COVID-19, in Q2 ALROSA implemented measures to **optimise production** by reducing plan for 2020 to 28-31 m cts and to **balance supply and demand through a flexible sales strategy** – selling diamonds only if there is real demand and allowing customers to defer contract volumes to subsequent periods (for more details, see the press release dated 29 May here). These factors were the key drivers behind Q2 and 1H 2020 operating results.
- **Diamond production in Q2** decreased 29% q-o-q (down 42% y-o-y) to **5.7 m cts**. **6M** production declined 22% to **13.7 m cts**.
- **Q2 ore and gravels processing** seasonally grew 24% q-o-q to **7.4 mt** mainly due to resumed production at alluvial deposits. The indicator declined 30% compared to Q2 2019. The total for **6M** number came in at **13.3 mt** (-21%).
- **Q2 average diamond grade** went down 43% q-o-q to **0.77 cpt** due to the seasonal increase in the share of lower-grade ore produced at alluvial deposits. **6M** average diamond grade remained virtually flat at **1.03 cpt**.
- **Sales**: as a result of ALROSA's decision to offer flexible terms, **Q2 diamond sales** decreased to **634,000 cts**, including 361,000 cts of gem-quality diamonds. **6M** sales declined 47% to **10.1 m cts**.
- **Diamond inventories as at the end of Q2** increased 25% q-o-q to **26.3 m cts**.
- **Q2 average realised price for gem-quality diamonds** increased to **$200/ct** (up 63% q-o-q and 54% y-o-y) amid stronger demand for large-size diamonds in the sales mix. The same indicator for **6M** came in at **$127/ct** (up 1%).
- **Q2 diamond price index** was just 1.4% q-o-q lower as the Company continued to implement its "price-over-volume" strategy. YTD the index was down 2%.
- **Proceeds from rough and polished diamond sales in Q2** came in at **$87 m** (down 90% q-o-q and 89% y-o-y), including $74 m from rough diamond sales and $13 m in revenue from polished diamond sales. Sales for **6M** were **$991 m**.

Diamond market overview

- Most mining companies halted diamond production due to the pandemic and subsequent lockdowns between March and April/May, and several deposits remain closed pending the recovery of market activity. In the face of uncertainty, some companies withdrew their 2020 production plans, while others lowered their forecasts by 7–22%.
- The global diamond industry began to stir in May–June, when the global diamond exchanges resumed activities in strict compliance with the restrictions caused by COVID-19. The cutting centre in Surat, India, resumed limited operations in late May, but was suspended again in July to contain the spread of the disease.
- Retail markets of China followed by the US began to show promising signs of recovery. China coped with the pandemic ahead of other countries, which accelerated the recovery of demand for diamond jewellery in the country. Major jewellery retailers in China reported higher than expected May sales. In May–June, jewellery stores began to reopen in other countries and regions, primarily in the United States, EU, Japan and South Korea. At the end of Q2, the recovery of the US market was negatively affected by protests.
- On the back of weak demand, ALROSA remains committed to its "price-over-volume" policy and satisfies only the real demand while maintaining a stable price. The policy is aimed at supporting long-term customers and the entire diamond industry.

Hereinafter, data on Q2 and 6M 2020 production, sales, prices, and inventories is preliminary and may be updated. Data on the diamond market is the Company's estimate.

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Key events in the next three months (*Investor calendar*)

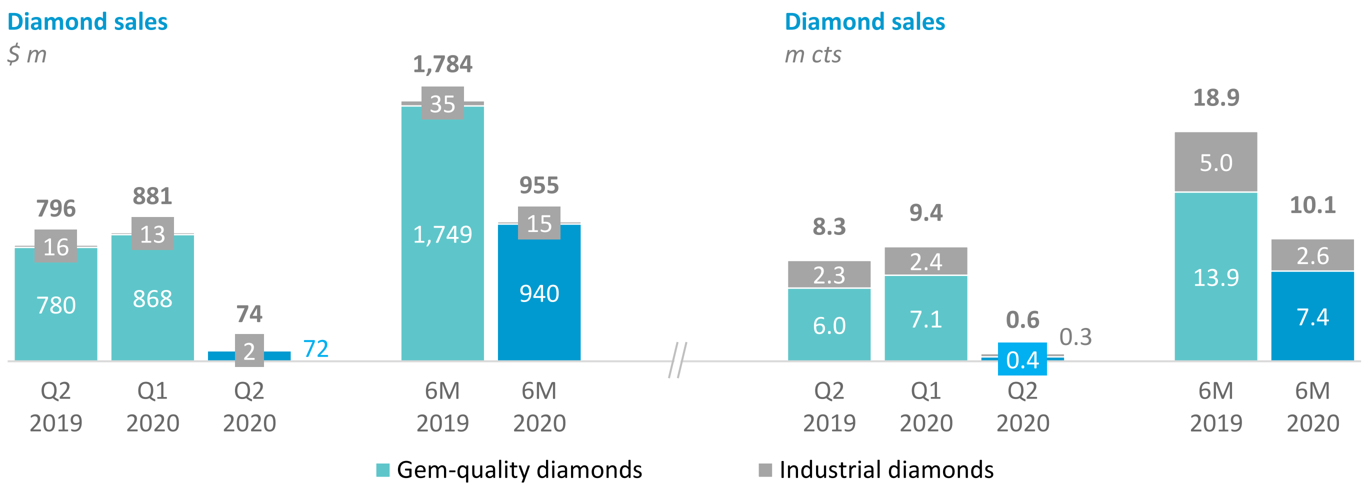
10 August	July 2020 sales results
14 August	Q2 2020 IFRS results
10 September	August 2020 sales results
9 October	September 2020 sales results
16 October	Q3 and 9M 2020 operating results

PRELIMINARY SALES RESULTS

Sales
Q2: 634,000 cts
6M: 10.1 m cts

- In Q2 , due to the economic crisis on its key markets caused by the spread of COVID-19, ALROSA took steps to **optimise production** by cutting down its output for 2020 to 28-31 m cts and **balance supply and demand through a flexible sales strategy**, which means selling diamonds only if there is a real demand and allowing customers to defer contract volumes to later periods (for more details see the press release dated 29 May here). These factors were the key drivers behind Q2 and 1H 2020 operating results.
- **Q2 diamond sales** dropped to **634,000 cts** (down 93% q-o-q and 92% y-o-y), including 361,000 cts of gem-quality diamonds. Industrial diamond sales amounted to 273,000 cts.

  6M sales declined by 47% to **10.1 m cts**, including 7.4 m cts of gem-quality diamonds and 2.6 m cts of industrial diamonds.
- After having reviewed the current market situation, ALROSA decided to change dates for its trading sessions in July and August to support its customers that expressed the potential interest in purchasing rough in this period (for more details see the press release dated 9 July here).



Inventories:
26.3 m cts

- **Diamond inventories as at the end of Q2 increased to 26.3 m cts** (up 25% or 5.2 m cts q-o-q) due to a significant decline in sales. Thanks to its timely decisions to reduce output (down 29% q-o-q), the Company managed to moderate growth of inventory build-up.

Total sales
(incl. polished diamonds)
Q2: $87 m
6M: $991 m

Diamond sales
Q2: $74 m
6M: $955 m

- **As expected, allowing customers to refrain from buying in Q2 led to a sales decrease to $87 m**, including $74 m in rough diamond sales (excl. polished) (down 92% q-o-q and 91% y-o-y).

  6M total sales amounted to $991 m (down 45% y-o-y), including $955 m in rough diamond sales (excl. polished) (down 46%).
- **Q2 polished diamond sales** amounted to $13 m (down 44% q-o-q and up 16% y-o-y). **6M** polished diamond sales increased by 31% to **$36 m**, among other things due to the consolidation of PO “Kristall” in October 2019.

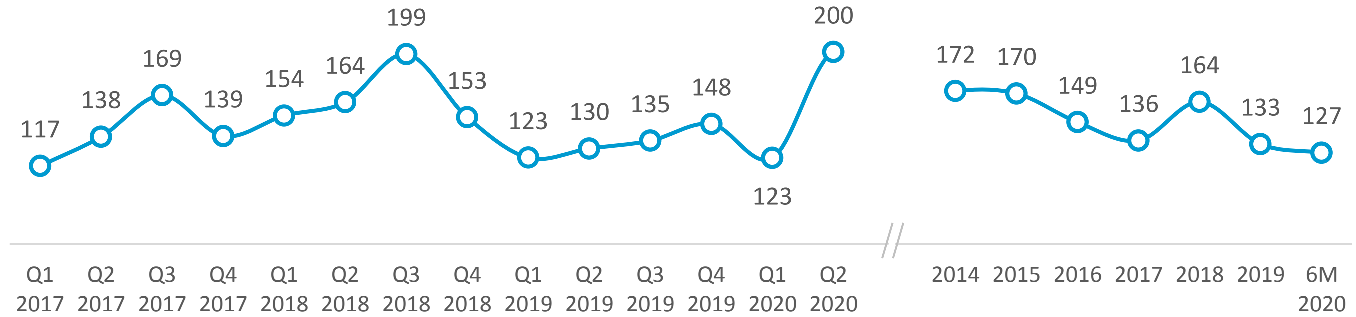
Average realised prices for gem-quality diamonds

Q2: $200/ct
6M: $127/ct

- **Q2 average realised price for gem-quality diamonds** totalled **$200/ct** (up 63% q-o-q and 54% y-o-y) amid stronger demand for large-size diamonds in the sales mix.
- **6M** average realised prices increased marginally to **$127/ct** (up 1%).

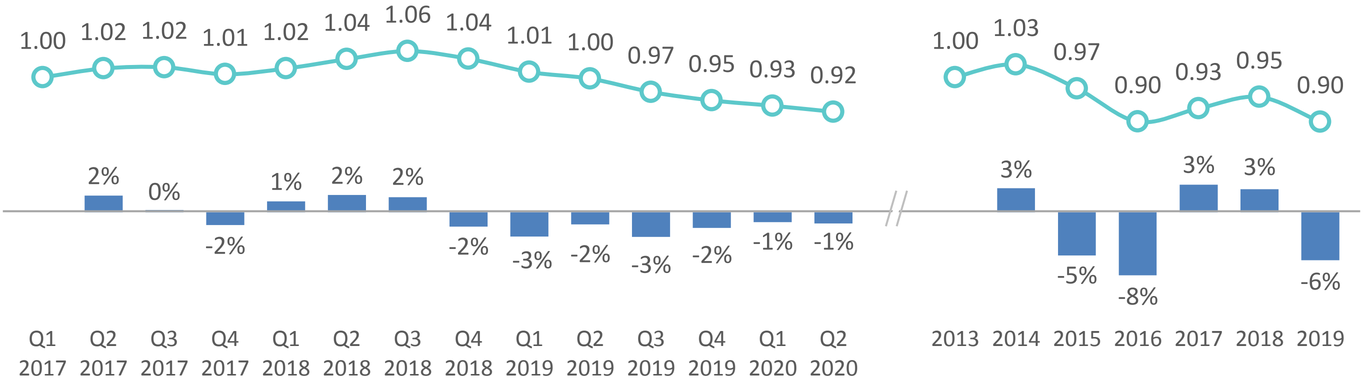
Average realised prices for gem-quality diamonds

$/cts



- **In Q2 2020, the diamond price index** lost -1.4% q-o-q as a result of pursuing the "price-over-volume" strategy and fixing prices at the March level. The diamond price index lost 2% year-to-date.

Gem-quality diamond price indices



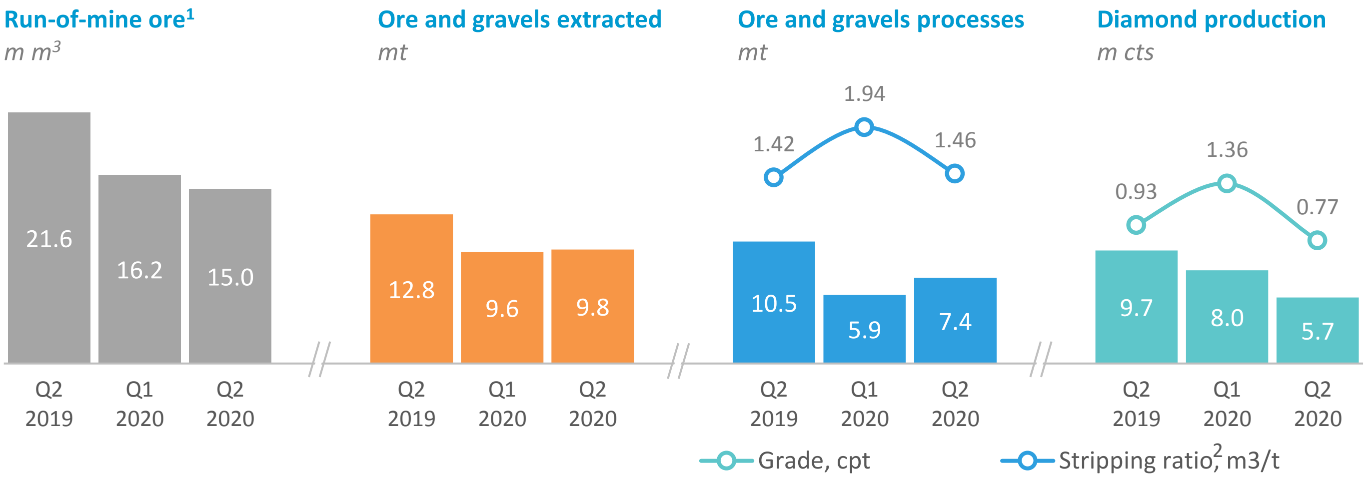
PRODUCTION

- In Q2, due to the economic crisis in its key markets caused by the spread of COVID-19, ALROSA took steps to further reduce its output for 2020 to 28-31 m cts. Earlier, in November 2019, the Company cut down its 2020 production outlook from 38 m cts to 34.2 m cts.

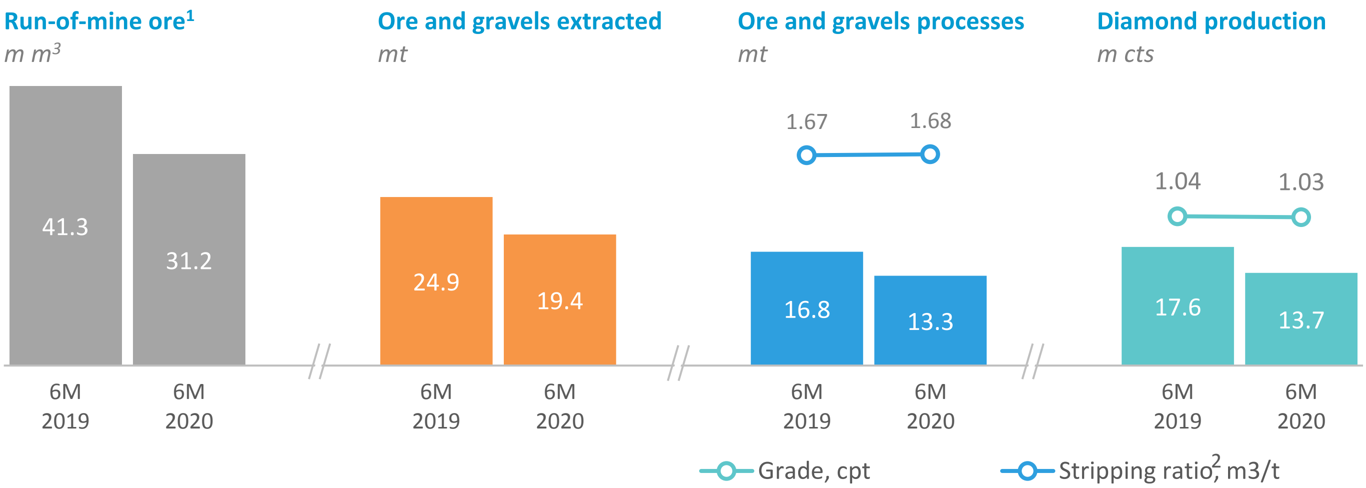
  For more details see: (1) the press release on temporary suspending of mining at Aikhal and Zarya pipes dated 5 May here, (2) the press release on the downward revision of the 2020 production guidance dated 22 May here, (3) the press release on cutting production at Severalmaz dated 4 June here.

  The q-o-q and y-o-y change in Q2 and 6M 2020 operating results was mainly driven by these decisions.

- **Key highlights for Q2**



- **Key highlights for 6M**



Production:
Q2: 5.7 m cts
6M: 13.7 m cts

- **Diamond production in Q2** was down 29% q-o-q (down 42% y-o-y) to **5.7 m cts**. A q-o-q decline of production was seen across all assets, excluding

[1] Less pre-stripping.
[2] The stripping ratio is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes).

Almazy Anabara and Nyurba Division alluvial deposits, which resumed seasonal production in Q2 2020.

6M production declined by 22% to **13.7 m cts,** among other things, on the back of a decrease in output mainly in Q2 2020 caused by the revised guidance for 2020. A 6M production growth y-o-y was seen only at the Aikhal underground mine (up 11% y-o-y) driven by increased ore processing in Q1 2020, with the average diamond grade going down due to the processing of lower-grade blocks.

- **Q2 ore and gravels inventories** delivered a growth of 8% q-o-q (up 3% y-o-y) to **32.7 mt**, as production exceeded processing following the decision to reduce the 2020 output and suspend operations at processing plants No. 3 (Mirny Division), No. 12 (Udachny Division) and No. 1 (Severalmaz) (for more details see pages 9, 10 and 12, respectively).

Run-of-mine ore
Q2: 15 m m^3
6M: 31.2 m m^3

- **Q2 and 6M run-of-mine ore** declined by 7% q-o-q (31% y-o-y) to **15 m m^3** and by 24% to **31.2 m m^3**, respectively, also due to the production cutting decision.
- **Q2 stripping ratio**[3] went down 25% q-o-q to 1.46 m^3/t due to a 6% decrease in stripping and a 24% increase in processing. 6M stripping ratio remained largely unchanged at 1.68 m^3/t.
- **Q2 open-pit mining** decreased by 47% q-o-q (down 44% y-o-y) to **3.1 m cts** due to an overall production cut and a seasonal return to production at alluvial deposits. In Q2 and 6M, open-pit mining accounted for 55% and 66% of the Group's total production, respectively.
- A 63% q-o-q **decline in underground mining in Q2** to 0.7 m cts (down 67% y-o-y) was associated with suspended operations at the Aikhal underground mine and halted ore processing from the Udachnaya and International underground mines. In Q2 and 6M, underground mining accounted for 13% and 20% of the Group's total production.
- **Q2 alluvial mining** saw a seasonal q-o-q increase to 1.8 m cts. A 5% y-o-y decrease is mainly due to a production decline at Almazy Anabara (down 30% y-o-y) associated with the processing of lower-grade blocks. In Q2, the share of alluvial deposits in total production increased to 32% compared to 19% in Q2 2019 as a result of lower production volumes at other assets.

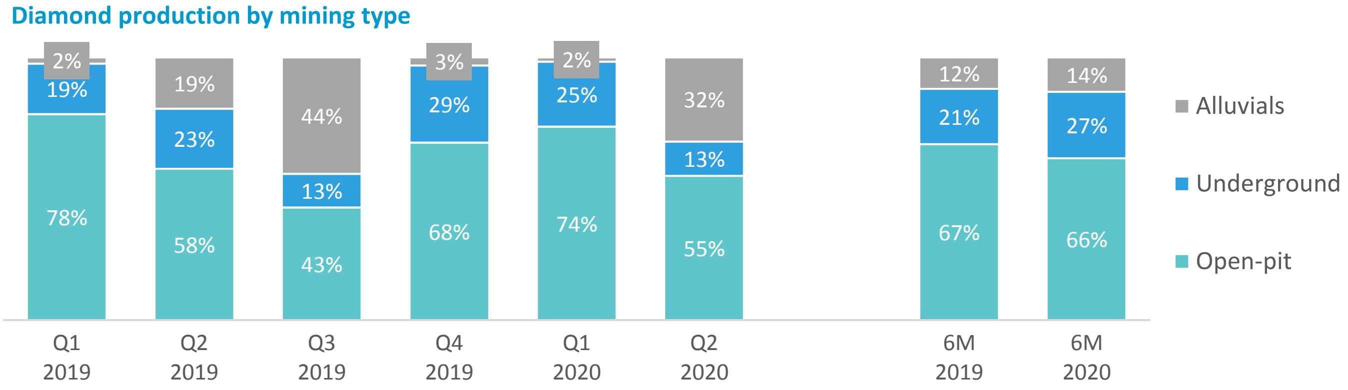
  6M alluvials share went up to 14% due to lower output from other types of mining on the back of optimised production for 2020.

Average diamond grade
Q2: 0.77 cpt
6M: 1.03 cpt

- **Q2 average diamond grade** saw a 43% q-o-q decrease to **0.77 cpt** due to a seasonal return to production at alluvial deposits and decreased processing of higher-grade ore (as part of 2020 output optimisation, plants processing ore from the Udachnaya and International underground mines were suspended for four and five months, respectively). A 17% y-o-y decrease is also due to the processing of less high-grade ore from the International and Aikhal underground mines, Botuobinskaya pipe and other deposits.

  6M average diamond grade saw a slight decline by 1% to **1.03 cpt**.

[3] *The stripping ratio is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes).*


Diamond production by mining type
2%
19%
78%
19%
23%
58%
44%
13%
43%
3%
29%
68%
2%
25%
74%
32%
13%
55%
12%
21%
67%
14%
27%
66%
Alluvials
Underground
Open-pit
Q1 2019
Q2 2019
Q3 2019
Q4 2019
Q1 2020
Q2 2020
6M 2019
6M 2020

PERFORMANCE BY DIVISION

Aikhal Division operational overview

Accounted for 39% and 38% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	*q-o-q*	Q2 2019	*y-o-y*
Ore processing, '000 t	2,103	2,231	*(6%)*	2,627	*(20%)*
Grade, cpt	1.05	1.35	*(5%)*	1.10	*(5%)*
Diamond production, '000 cts	2,214	3,018	*(27%)*	2,896	*(24%)*

Aikhal Division:

- *Jubilee pipe*
- *Aikhal pipe*
- *Zarya pipe*
- *Komsomolskaya pipe (mining completed in 2019)*

Location: Republic of Sakha (Yakutia), near Aikhal settlement, 485 km away from Mirny town

Q2 diamond production decreased by 27% q-o-q (down 24% y-o-y) to **2,214,000 cts**. Ore processed in this period amounted to **2,103,000 t**, down 6% q-o-q (down 20% y-o-y).

Open-pit mining

Jubilee:

- A 38% q-o-q (down 31% y-o-y) decrease was associated with a lower average grade due to the processing of lower-grade blocks and lower volumes of ore from Jubilee at the plant No. 14, which partially switched to ore from Aikhal and Zarya pipes.

Zarya:

- Q2 saw the processing of ore mined in Q1 2020 (no ore from this pipe was processed during Q1), with production for this period amounting to 139,000 cts. Processing of Zarya ore started in Q4 2019, and in May 2020 the Company decided to suspend mining from 15 May to 31 December 2020 (for more details see the press release dated 5 May here).

Underground mining

Aikhal:

- A 6% q-o-q (down 9% y-o-y) decrease was due to the decision to suspend mining from 15 May to 30 September 2020.

Mirny Division operational overview

Accounted for 2% and 6% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	*q-o-q*	Q2 2019	*y-o-y*
Ore and gravels processing, '000 t	1,006	412	*144%*	1,545	*(35%)*
Grade, cpt	0.10	1.62	*(94%)*	0.65	*(84%)*
Diamond production, '000 cts	103	669	*(85%)*	1,003	*(90%)*

Mirny Division:

- *Mir pipe*
- *International pipe*
- *Alluvial deposits*

Location: Republic of Sakha (Yakutia), Mirny town, 220 km south of the Arctic Circle

Q2 diamond production totalled **103,000 cts** (down 85% q-o-q and 90% y-o-y). **Ore and gravels processed** in this period amounted to **1,006,000 t**, up 85% q-o-q (down 90% y-o-y).

Underground mining

International:

- In Q2, no ore from the International underground mine was processed following the decision to suspend operations at processing plant No. 3 from 1 April to 1 September 2020 as part of measures to cut the 2020 output.

Alluvial mining

- A 19% q-o-q decrease in production to 103,000 cts despite a 2.4-fold increase in processing was due to a more active processing of low-grade dredging dumps, with an average diamond grade down 74% q-o-q. The y-o-y production went down 40% due to a 28% decrease in gravels processing and a 17% decline in the average diamond grade.

Udachny Division operational overview

Accounted for 6% and 11% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Ore and gravels processing, '000 t	539	1,830	*(71%)*	1,977	*(73%)*
Grade, cpt	0.60	0.66	*(9%)*	0.66	*(10%)*
Diamond production, '000 cts	321	1,204	*(73%)*	1,303	*(75%)*

Udachny Division:

- *Udachnaya pipe*
- *Zarnitsa pipe*
- *V.Munskoye deposit*
- *Mining at the alluvial deposits was completed in 2019.*

Location: Republic of Sakha (Yakutia), 550 km north of Mirny town

Q2 diamond production was down 73% q-o-q (down -75% y-o-y) to **321,000 cts**. **Ore and gravels processed** in this period amounted to **539,000 t**, a decrease of 71% q-o-q (73% y-o-y).

The decrease in diamond production at all Udachny Division deposits was due to the suspension of operations at processing plant No. 12 from 1 May to 1 September 2020 as part of measures to cut the 2020 output.

Open-pit mining

Zarnitsa:

- A 59% q-o-q reduction (down 51% y-o-y) in diamond production to 83,000 cts. In 2019, the Company decided to suspend mining at this deposit from 1 May to 31 December 2020.

Zapolyarnaya (V.Munskoye deposit):

- Diamond production declined by 52% q-o-q (down 73% y-o-y), among other things due to the decision to suspend mining from 1 June to 1 October 2020 (for details see the press release dated 22 May here).

Underground mining

Udachnaya:

- A 81% q-o-q decrease (down 80% y-o-y) in diamond production to 151,000 cts.

Nyurba Division operational overview

Accounted for 29% and 27% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	*q-o-q*	Q2 2019	*y-o-y*
Ore and gravels processing, '000 t	571	497	*15%*	634	*(10%)*
Grade, cpt	2.92	4.19	*(30%)*	3.73	*(22%)*
Diamond production, '000 cts	1,665	2,084	*(20%)*	2,364	*(30%)*

Nyurba Division:
- *Nyurbinskaya pipe*
- *Botuobinskaya pipe*
- *Alluvial deposits*

Location: Republic of Sakha (Yakutia), 200 km north-west of Nyurba town and 320 km north-east of Mirny town

Q2 diamond production was down 20% q-o-q (down -30% y-o-y) to **1,665,000 cts**. Ore and gravels processed in this period amounted to **571,000 t**, an increase of 15% q-o-q and a decrease of 10% y-o-y.

Open-pit mining
Nyurbinskaya:

- In Q2, a 67% q-o-q reduction (down to 410,000 cts) was associated with a seasonal decrease in ore processed at plant No. 16 due to the processing of gravels from the Nyurbinskaya placer. Compared to last year, production was up 3%, despite a 31% decrease in processing due to the processing of ore from higher-grade blocks.

Botuobinskaya:

- A 52% q-o-q decline in production (down to 405,000 cts) was caused by a seasonal decrease in the processing of ore from this deposit due to the processing of gravels from the Nyurbinskaya placer. Compared to last year, production was down 74% as a result of the high base effect, as only ore had been processed at the Nyurba Division in Q2 2019 as part of a project to improve operational efficiency.

Alluvial mining in Q2 amounted to 851,000 cts. There was no alluvial mining in Q1 2020. Compared to last year, the output doubled because no gravels had been processed at plant No. 16 in 2019.

Severalmaz operational overview

Accounted for 9% and 11% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Ore processing, '000 t	335	941	*(64%)*	901	*(63%)*
Grade, cpt	1.59	1.11	*44%*	1.05	*51%*
Diamond production, '000 cts	532	1,040	*(49%)*	947	*(44%)*

Severalmaz (Lomonosov Division):
- *Arkhangelskaya pipe*
- *Karpinskogo-1 pipe*
- *Karpinskogo-2 pipe*

Location: Arkhangelsk Region, Russian Federation

Q2 diamond production was down 49% q-o-q (down 44% y-o-y) to **532,000 cts**. Ore processing decreased by 64% q-o-q (down 63% y-o-y) to **335,000 t**.

The decline in Q2 was associated with the decision to reduce the 2020 output. On May 16, the processing was temporarily suspended before the operations at the plant resumed for three months on 8 July. The mining was suspended for the period from 16 May to 1 November.

For more details see: (1) the press release on cutting production dated 4 June (here), (2) the press release on the processing plant resuming operations dated 9 July (here).

Severalmaz is exclusively engaged in open pit operations.

Almazy Anabara operational overview

Accounted for 15% and 6% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	*q-o-q*	Q2 2019	*y-o-y*
Gravels processing, '000 t	2,800	–	–	2,800	*0%*
Grade, cpt	0.31	–	–	0.44	*(30%)*
Diamond production, '000 cts	856	–	–	1,222	*(30%)*

Almazy Anabara: several alluvial deposits located in the north-west of the Republic of Sakha (Yakutia)

Diamond production in Q2 amounted to **856,000 cts**, down 30% y-o-y due to the processing of lower-grade blocks. Gravels processing remained flat at 2,800,000 cts.

Almazy Anabara conducts mining operations from May/June to September (weather permitting).

APPENDICES

Appendix 1. Diamond production

'000 cts	Production method	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Aikhal Division		**2,214**	**3,018**	***(27%)***	**2,896**	***(24%)***
Jubilee pipe	Open pit	1,484	2,391	*(38%)*	2,143	*(31%)*
Komsomolskaya pipe	Open pit	–	–	–	102	–
Aikhal mine	Underground	590	628	*(6%)*	651	*(9%)*
Zarya pipe	Open pit	139	–	–	–	–
Mirny Division		**103**	**669**	***(85%)***	**1,003**	***(90%)***
International mine	Underground	–	541	–	831	*(100%)*
Alluvial and technogenic deposits	Alluvials	103	128	*(19%)*	172	*(40%)*
Udachny Division		**321**	**1,204**	***(73%)***	**1,303**	***(75%)***
Zarnitsa pipe	Open pit	83	204	*(59%)*	169	*(51%)*
Zapolyarnaya pipe (V.Munskoye)	Open pit	87	183	*(52%)*	320	*(73%)*
Udachnaya mine	Underground	–	–	–	–	–
Alluvial deposits	Alluvials	–	–	–	71	–
Nyurba Division		**1,665**	**2,084**	***(20%)***	**2,364**	***(30%)***
Nyurbinskaya pipe	Open pit	410	1,243	*(67%)*	399	*3%*
Botuobinskaya pipe	Open pit	405	841	*(52%)*	1,533	*(74%)*
Alluvial deposits	Alluvials	851	–	–	432	*97%*
Severalmaz		**532**	**1,040**	***(49%)***	**947**	***(44%)***
Arkhangelskaya pipe	Open pit	247	525	*(53%)*	560	*(56%)*
Karpinskogo-1 pipe	Open pit	285	515	*(45%)*	342	*(17%)*
Karpinskogo-2 pipe	Open pit	–	–	–	44.62	–
Almazy Anabara	Alluvials	**856**	**–**	**–**	**1,222**	***(30%)***
Total		**5,691**	**8,016**	***(29%)***	**9,735**	***(42%)***

Appendix 2. Ore and gravels processing

'000 cts	Production method	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Aikhal Division		**2,103**	**2,231**	***(6%)***	**2,627**	***(20%)***
Jubilee pipe	Open-pit	1,470	2,085	*(29%)*	2,225	*(34%)*
Komsomolskaya pipe	Open-pit	–	–	–	278	–
Aikhal mine	Underground	100	146	*(32%)*	124	*(19%)*
Zarya pipe	Open pit	533	–	–	–	–
Mirny Division		**1,006**	**412**	***144%***	**1,545**	***(35%)***
International mine	Underground		92	–	156	–
Alluvial and technogenic deposits	Alluvials	1,006	320	*214%*	1,389	*(28%)*
Udachny Division		**539**	**1,830**	***(71%)***	**1,977**	***(73%)***
Zarnitsa pipe	Open pit	298	881	*(66%)*	662	*(55%)*
Zapolyarnaya pipe (V.Munskoye)	Open pit	145	285	*(49%)*	512	*(72%)*
Udachnaya mine	Underground	96	664	*(86%)*	589	*(84%)*
Alluvial deposits	Alluvials	–	–	–	214	–
Nyurba Division		**571**	**497**	***15%***	**634**	***(10%)***
Nyurbinskaya pipe	Open pit	89	310	*(71%)*	129	*(31%)*
Botuobinskaya pipe	Open pit	76	187	*(59%)*	306	*(75%)*
Alluvial deposits	Alluvials	406	–	–	199	*(104%)*
Severalmaz		**335**	**941**	***(64%)***	**901**	***(63%)***
Arkhangelskaya pipe	Open pit	190	520	*(64%)*	513	*(63%)*
Karpinskogo-1 pipe	Open pit	146	422	*(65%)*	279	*(48%)*
Karpinskogo-2 pipe	Open pit	–	–	–	110	–
Almazy Anabara	Alluvials	**2,800**	**–**	**–**	**2,800**	***0%***
Total		**7,354**	**5,911**	***24%***	**10,484**	***(30%)***

Appendix 3. Grade

'000 cts	Production method	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Aikhal Division		**1.05**	**1.35**	***(22%)***	**1.10**	***(5%)***
Jubilee pipe	Open pit	1.01	1.15	*(12%)*	0.96	*5%*
Komsomolskaya pipe	Open pit	–	–	–	0.37	–
Aikhal mine	Underground	5.90	4.30	*37%*	5.25	*12%*
Zarya pipe	Open pit	0.26	–	–	–	–
Mirny Division		**0.10**	**1.62**	***(94%)***	**0.65**	***(84%)***
International mine	Underground	–	5.88	–	5.33	–
Alluvial and technogenic deposits	Alluvials	0.10	0.40	*(74%)*	0.12	*(17%)*
Udachny Division		0.60	0.66	*(9%)*	0.66	*(10%)*
Zarnitsa pipe	Open pit	0.28	0.23	*20%*	0.26	*9%*
Zapolyarnaya pipe (V.Munskoye)	Open pit	0.60	0.64	*(6%)*	0.62	*(4%)*
Udachnaya mine	Underground	1.57	1.23	*28%*	1.26	*25%*
Alluvial deposits	Alluvials	–	–	–	0.33	–
Nyurba Division		**2.92**	**4.19**	***(30%)***	**3.73**	***(22%)***
Nyurbinskaya pipe	Open pit	4.60	4.01	*15%*	3.09	*49%*
Botuobinskaya pipe	Open pit	5.33	4.50	*18%*	5.01	*6%*
Alluvial deposits	Alluvials	2.09	–	–	2.17	*(3%)*
Severalmaz		**1.59**	**1.11**	***44%***	**1.05**	***51%***
Arkhangelskaya pipe	Open pit	1.30	1.01	*29%*	1.09	*19%*
Karpinskogo-1 pipe	Open pit	1.96	1.22	*61%*	1.23	*60%*
Karpinskogo-2 pipe	Open pit	–	–	–	0.41	–
Almazy Anabara	Alluvials	**0.31**	**–**	**–**	**0.44**	***(30%)***
Total		**0.77**	**1.36**	***(43%)***	**0.93**	***(17%)***

Appendix 4. Diamond, ore and gravels inventories

Inventories as at the end of the period	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Diamonds, m cts	26.3	21.1	22.6	21.7	15.9	14.3	17.0	15.5	11.7
Ore and gravels, mt	32.7	30.2	26.5	23.6	31.8	29.6	23.9	21.7	29.8

GLOSSARY

gem-quality diamonds – diamonds used in jewellery

V.Munskoye deposit – the Udachny Division’s Verkhne-Munskoye deposit

ct, cts – carat, unit of mass (weight) equal to 200 mg; one of the 4Cs of diamond quality along with colour, cut and clarity

stripping ratio is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes)

p.p. – percentage point

diamond price index helps track changes in average diamond prices on a like-for-like basis (excluding 10.8+ cts stones)

average realised price is sales revenue in US dollars divided by sales volume in carats

t – tonne

This is Exhibit "C" referred to in the Affidavit #4 of Thomas Croese

sworn before me by two-way video conference this 19th day of October, 2020.

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A Commissioner for Oaths in and for the Province of Alberta

Carley R. Frazer
Student-at-Law

AngloAmerican

NEWS RELEASE

16 July 2020

Anglo American plc
Production Report for the second quarter ended 30 June 2020

Mark Cutifani, Chief Executive of Anglo American, said: "Anglo American has shown resilience in addressing the challenges posed by Covid-19, acting quickly to help safeguard the lives and livelihoods of our workforce and host communities. Our comprehensive response supported the continuity of the majority of our operations during varying degrees of lockdown in different jurisdictions, albeit at reduced capacity in many cases. Continued strong performances from our Minas-Rio iron ore operation in Brazil and the Collahuasi copper operation in Chile helped mitigate our overall decrease in production to 18%(1), as we also addressed operational issues at our metallurgical coal and PGM operations. Building up from a production level of around 60%(1) of total capacity in April, we continue to increase and had reached about 90%(1) of production capacity by the end of June.

"Beyond the current business imperatives, we continue to ensure that our business is well positioned for the long term, including the nature of our portfolio evolution and societal responsibilities. During the quarter, we have confirmed our plans to work towards an exit from our remaining thermal coal operations in South Africa, in line with our overall trajectory towards later cycle products. And, benefiting from the ongoing transformation of our physical processes through our FutureSmart Mining™ programme, we set out our clear aim of achieving carbon neutrality across our operations by 2040 – an ambitious and important commitment for us as a business, for our employees and our diverse stakeholders."

Q2 highlights

- Minas-Rio in Brazil continued its strong operational performance, with 6.2 million tonnes of high quality iron ore production, reflecting ongoing P101 productivity improvements.
- Collahuasi in Chile increased copper production by 38% due to strong performance.
- Metallurgical coal production decreased by 32% to 4.0 million tonnes due to two incidents underground, at Moranbah and Grosvenor, as well as longwall moves at Grosvenor and Grasstree.
- Covid-19 lockdowns across southern Africa affected De Beers, PGMs, Kumba and Thermal Coal, with lower refined PGMs production due to the repairs and ramp-up of the ACP.

	Q2 2020	Q2 2019	% vs. Q2 2019	H1 2020	H1 2019	% vs. H1 2019
Diamonds (Mct)(2)	3.5	7.7	(54)%	11.3	15.6	(27)%
Copper (kt)(3)	167	159	5%	314	320	(2)%
Platinum (koz)(4)	307	520	(41)%	748	992	(25)%
Palladium (koz)(4)	228	347	(34)%	532	674	(21)%
Iron ore – Kumba (Mt)	8.5	10.5	(20)%	17.9	20.1	(11)%
Iron ore – Minas-Rio (Mt)(5)	6.2	5.9	5%	12.6	10.8	17%
Metallurgical coal (Mt)	4.0	5.8	(32)%	7.8	10.0	(22)%
Thermal coal (Mt)(6)	4.4	6.6	(34)%	10.5	13.2	(20)%
Nickel (kt)(7)	10.8	9.8	10%	21.7	19.6	11%
Manganese ore (kt)	796	826	(4)%	1,639	1,700	(4)%

(1) Copper equivalent production is normalised to reflect closure of Victor (De Beers) and Sibanye-Stillwater Rustenburg material that has transitioned to a tolling arrangement (Platinum Group Metals).
(2) De Beers production is on a 100% basis, except for the Gahcho Kué joint venture which is on an attributable 51% basis.
(3) Contained metal basis. Reflects copper production from the Copper business unit only (excludes copper production from the Platinum Group Metals business unit).
(4) Produced ounces of metal in concentrate. Reflects own mine production and purchases.
(5) Volumes are reported as wet metric tonnes. Product is shipped with ~8-9% moisture.
(6) Reflects export production from South Africa and attributable export production (33.3%) from Colombia.
(7) Reflects nickel production from the Nickel business unit only (excludes nickel production from the Platinum Group Metals business unit).

DE BEERS

De Beers[1] (000 carats)	Q2 2020	Q2 2019	Q2 2020 vs. Q2 2019	Q1 2020	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Botswana	1,825	5,718	(68)%	5,644	(68)%	7,469	11,668	(36)%
Namibia	358	335	7 %	511	(30)%	869	818	6 %
South Africa	555	571	(3)%	751	(26)%	1,306	953	37 %
Canada	789	1,075	(27)%	844	(7)%	1,633	2,112	(23)%
Total carats recovered	**3,527**	**7,699**	**(54)%**	**7,750**	**(54)%**	**11,277**	**15,551**	**(27)%**

Rough diamond production decreased by 54% to 3.5 million carats, primarily due to the Covid-19 lockdowns in southern Africa. Mining operations resumed following regional lockdowns with Covid-19 measures in place to safeguard the workforce; with production at lower levels reflecting reduced demand for rough diamonds due to the pandemic.

In Botswana, production decreased by 68% to 1.8 million carats, principally due to a nationwide lockdown from 2 April to 18 May and the implementation of Covid-19 measures to safeguard the workforce. Operations restarted from mid-May, with production targeted at levels to meet the lower demand.

Namibia production increased by 7% to 0.4 million carats as the Mafuta crawler vessel was under planned maintenance in Q2 2019. With targeted regional lockdowns in Namibia in response to Covid-19, marine operations implemented measures to enable operational continuity while safeguarding the workforce. This more than offset the decrease in production from Covid-19 at the land operations.

South African production decreased by 3% to 0.6 million carats primarily due to Covid-19 measures. The production shutdown was partly offset by higher grades from the open pit material prior to transition to the underground. The treatment plant restarted mid-April ramping up to normal capacity by the end of April.

Production in Canada decreased by 27% to 0.8 million carats, primarily due to Victor reaching the end of its life in Q2 2019. At Gahcho Kué, production decreased by 11% to 0.8 million carats due to Covid-19 measures.

During Q2, the demand for rough diamonds was significantly impacted by a combination of Covid-19 restrictions impacting consumer demand and access to southern Africa, as well as severely limited midstream cutting and polishing capacity due to lockdowns, particularly in India. Rough diamond sales totalled 0.3 million carats (0.2 million carats on a consolidated basis)[2] compared with 9.0 million carats (8.3 million carats on a consolidated basis)[2] in Q2 2019. The third Sight of 2020 was cancelled due to Covid-19-related travel restrictions and, in response to the unprecedented industry conditions, De Beers also offered Sightholders the option to defer up to 100% of their allocations at the fourth and fifth Sights. Rough diamond consolidated sales[2] in Q2 2020 decreased to $56 million (Q2 2019: $1.3 billion), driven by lower volumes and prices.

The H1 2020 average realised rough diamond price decreased by 21% to $119/carat (H1 2019: $151/carat), driven by a higher proportion of lower value rough diamonds sold and an 8% reduction in the average rough price index.

Full Year Guidance

Production guidance is unchanged at 25-27 million carats (100% basis), subject to continuous review based on the disruptions related to Covid-19 as well as the timing and scale of the recovery in demand.

(1) De Beers Group production is on a 100% basis, except for the Gahcho Kué joint venture which is on an attributable 51% basis.
(2) Consolidated sales volumes exclude De Beers Group's JV partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and the Namibia Diamond Trading Company, which are included in total sales volume (100% basis).

De Beers[1]	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q2 2020 vs. Q2 2019	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Carats recovered (000 carats)										
100% basis (unless stated)										
Jwaneng	1,138	3,200	3,319	2,584	3,223	(65)%	(64)%	4,338	6,559	(34)%
Orapa[2]	687	2,444	2,569	3,115	2,495	(72)%	(72)%	3,131	5,109	(39)%
Botswana	**1,825**	**5,644**	**5,888**	**5,699**	**5,718**	**(68)%**	**(68)%**	**7,469**	**11,668**	**(36)%**
Debmarine Namibia	305	417	363	320	245	24 %	(27)%	722	609	19 %
Namdeb (land operations)	53	94	93	106	90	(41)%	(44)%	147	209	(30)%
Namibia	**358**	**511**	**456**	**426**	**335**	**7 %**	**(30)%**	**869**	**818**	**6 %**
Venetia	555	751	434	535	571	(3)%	(26)%	1,306	953	37 %
South Africa	**555**	**751**	**434**	**535**	**571**	**(3)%**	**(26)%**	**1,306**	**953**	**37 %**
Gahcho Kué (51% basis)	789	844	1,009	779	883	(11)%	(7)%	1,633	1,691	(3)%
Victor	—	—	—	—	192	n/a	n/a	—	421	n/a
Canada	**789**	**844**	**1,009**	**779**	**1,075**	**(27)%**	**(7)%**	**1,633**	**2,112**	**(23)%**
Total carats recovered	**3,527**	**7,750**	**7,787**	**7,439**	**7,699**	**(54)%**	**(54)%**	**11,277**	**15,551**	**(27)%**
Sales volumes										
Total sales volume (100)% (Mct)[3]	0.3	8.9	7.0	7.4	9.0	(97)%	(97)%	9.2	16.5	(44)%
Consolidated sales volume (Mct)[3]	0.2	8.3	6.6	7.1	8.3	(98)%	(98)%	8.5	15.5	(45)%
Number of Sights (sales cycles)	2[4]	2	2	3	3			4[4]	5	

(1) De Beers Group production is on a 100% basis, except for the Gahcho Kué joint venture which is on an attributable 51% basis.
(2) Orapa constitutes the Orapa Regime which includes Orapa, Letlhakane and Damtshaa.
(3) Consolidated sales volumes exclude De Beers Group's JV partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and the Namibia Diamond Trading Company, which are included in total sales volume (100% basis).
(4) Sight 3 in Q2 2020 was cancelled due to COVID-19-related restrictions on the movement of people and product.

COPPER

Copper[1] (tonnes)	Q2 2020	Q2 2019	Q2 2020 vs. Q2 2019	Q1 2020	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Los Bronces	80,700	91,200	(12)%	68,700	17 %	149,400	182,900	(18)%
Collahuasi (44% share)	75,700	54,700	38 %	66,500	14 %	142,200	112,000	27 %
El Soldado	10,400	13,200	(21)%	11,900	(13)%	22,300	25,300	(12)%
Total Copper	**166,800**	**159,100**	**5 %**	**147,100**	**13 %**	**313,900**	**320,200**	**(2)%**

(1) Copper production shown on a contained metal basis. Reflects copper production from the Copper business unit only (excludes copper production from the Platinum Group Metals business unit).

Copper production increased by 5% to 166,800 tonnes due to continued strong plant performance at Collahuasi, partially offset by expected lower production at Los Bronces due to lower water availability resulting from the unprecedented drought conditions in central Chile. Current Covid-19 measures to safeguard our people and communities, including reductions in workforce, while preserving the longer term integrity of the assets are not expected to significantly impact production in 2020.

Production from Los Bronces decreased by 12%, to 80,700 tonnes, as a 15% reduction in plant throughput (10 million tonnes vs 12 million tonnes) due to lower water availability was partially offset by planned higher grades (0.85% vs 0.81%).

At Collahuasi, attributable production increased by 38% to 75,700 tonnes, a historical record for the operation, driven by higher throughput (14 million tonnes vs 12 million tonnes) and record copper recovery (92.0% vs 87.3%), reflecting plant improvement projects implemented during 2019, as well as planned higher grades (1.31% vs 1.21%).

Production from El Soldado decreased by 21% to 10,400 tonnes as a result of lower grades (0.76% vs. 0.92%).

Sales volumes of 293,800 tonnes in H1 2020 were impacted by temporary port closures in Chile due to heavy tidal swells limiting vessel availability in June. The average realised price of these sales was 250c/lb ($5,512/t), broadly in line with the average LME price.

Full Year Guidance

Production guidance for the year remains unchanged at 620,000–670,000 tonnes, subject to water availability and the impact of the Covid-19 pandemic.

Copper[1]	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q2 2020 vs. Q2 2019	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Los Bronces mine[2]										
Ore mined	9,237,400	10,013,000	17,373,800	15,560,400	17,302,500	(47)%	(8)%	19,250,400	32,981,100	(42)%
Ore processed - Sulphide	9,987,200	7,059,500	7,146,800	10,977,200	11,813,600	(15)%	41 %	17,046,700	23,884,400	(29)%
Ore grade processed - Sulphide (% TCu)[3]	0.85	0.98	0.99	0.78	0.81	5 %	(13)%	0.90	0.81	12 %
Production - Copper cathode	9,900	9,900	10,000	10,100	9,300	6 %	0 %	19,800	18,900	5 %
Production - Copper in concentrate	70,800	58,800	61,700	70,300	81,900	(14)%	20 %	129,600	164,000	(21)%
Total production	**80,700**	**68,700**	**71,700**	**80,400**	**91,200**	**(12)%**	**17 %**	**149,400**	**182,900**	**(18)%**
Collahuasi 100% basis (Anglo American share 44%)										
Ore mined	18,035,100	19,402,000	22,132,200	25,780,000	23,698,300	(24)%	(7)%	37,437,100	39,341,100	(5)%
Ore processed - Sulphide	14,192,800	14,097,800	14,728,700	14,478,700	11,626,100	22 %	1 %	28,290,600	24,925,700	13 %
Ore grade processed - Sulphide (% TCu)[3]	1.31	1.20	1.25	1.14	1.21	9 %	9 %	1.26	1.18	7 %
Production – Copper in concentrate	**172,000**	**151,000**	**164,200**	**146,600**	**124,400**	**38 %**	**14 %**	**323,000**	**254,600**	**27 %**
Anglo American's share of copper production for Collahuasi[4]	**75,700**	**66,500**	**72,200**	**64,500**	**54,700**	**38 %**	**14 %**	**142,200**	**112,000**	**27 %**
El Soldado mine[2]										
Ore mined	1,378,100	1,915,300	2,721,400	3,299,900	3,017,800	(54)%	(28)%	3,293,400	6,106,800	(46)%
Ore processed – Sulphide	1,771,600	1,458,900	1,854,900	1,911,700	1,861,900	(5)%	21 %	3,230,500	3,671,800	(12)%
Ore grade processed - Sulphide (% TCu)[3]	0.76	1.02	1.02	0.92	0.92	(18)%	(26)%	0.87	0.88	(1)%
Production – Copper in concentrate	**10,400**	**11,900**	**14,900**	**14,000**	**13,200**	**(21)%**	**(13)%**	**22,300**	**25,300**	**(12)%**
Chagres Smelter[2]										
Ore smelted[5]	24,300	30,800	30,800	28,800	32,100	(24)%	(21)%	55,100	62,400	(12)%
Production	23,700	30,000	29,900	28,000	31,200	(24)%	(21)%	53,700	60,700	(12)%
Total copper production[6]	**166,800**	**147,100**	**158,800**	**158,900**	**159,100**	**5 %**	**13 %**	**313,900**	**320,200**	**(2)%**
Total payable copper production	**160,300**	**141,700**	**153,100**	**153,000**	**153,100**	**5 %**	**13 %**	**302,000**	**308,100**	**(2)%**
Total sales volumes	**154,200**	**139,600**	**176,500**	**160,000**	**165,400**	**(7)%**	**10 %**	**293,800**	**307,300**	**(4)%**
Total payable sales volumes	**148,200**	**134,300**	**170,100**	**153,800**	**159,100**	**(7)%**	**10 %**	**282,500**	**295,600**	**(4)%**
Third party sales[7]	**130,800**	**76,300**	**115,300**	**91,600**	**88,800**	**47 %**	**71 %**	**207,100**	**142,200**	**46 %**

(1) Excludes copper production from the Platinum Group Metals business unit. Units shown are tonnes unless stated otherwise.
(2) Anglo American ownership interest of Los Bronces, El Soldado and the Chagres Smelter is 50.1%. Production is stated at 100% as Anglo American consolidates these operations.
(3) TCu = total copper.
(4) Anglo American's share of Collahuasi production is 44%.
(5) Copper contained basis.
(6) Total copper production includes Anglo American's 44% interest in Collahuasi.
(7) Relates to sales of copper not produced by Anglo American operations.

PLATINUM GROUP METALS (PGMs)

Platinum (000 oz)[1]		Q2 2020	Q2 2019	Q2 2020 vs. Q2 2019	Q1 2020	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Metal in concentrate production		**307.4**	**520.3**	**(41)%**	**440.9**	**(30)%**	**748.3**	**992.2**	**(25)%**
Own mined[2]		188.7	342.8	(45)%	299.4	(37)%	488.1	664.7	(27)%
Purchase of concentrate (POC)[3]		118.7	177.5	(33)%	141.5	(16)%	260.2	327.5	(21)%
Palladium (000 oz)[1]									
Metal in concentrate production		**228.4**	**347.2**	**(34)%**	**303.1**	**(25)%**	**531.6**	**673.8**	**(21)%**
Own mined[2]		173.3	260.5	(33)%	232.9	(26)%	406.3	511.4	(21)%
Purchase of concentrate (POC)[3]		55.1	86.7	(36)%	70.2	(22)%	125.3	162.4	(23)%
Refined production									
Platinum	000 oz[1][4]	160.6	590.9	(73)%	240.3	(33)%	400.9	1,002.6	(60)%
Palladium	000 oz[1][4]	147.4	428.2	(66)%	197.1	(25)%	344.5	721.8	(52)%
Rhodium	000 oz[1][4]	30.6	84.1	(64)%	47.3	(35)%	77.9	136.1	(43)%
Tolled material									
Platinum	000 oz[1]	58.4	97.9	(40)%	78.6	(26)%	137.0	97.9	40 %
Palladium	000 oz[1]	30.0	49.1	(39)%	40.4	(26)%	70.4	49.1	43 %

(1) Ounces refer to troy ounces.
(2) Includes managed operations and 50% of joint venture production.
(3) Includes 50% of joint venture production, and the purchase of concentrate from third parties.
(4) Refined production excludes toll material but includes in comparative periods material now transitioned to tolling.

Metal in concentrate production

Platinum and palladium production decreased by 41% to 307,400 ounces and 34% to 228,400 ounces, respectively.

Own mined platinum production decreased by 45% to 188,700 ounces and palladium production decreased by 33% to 173,300 ounces. This was largely driven by Covid-19 lockdowns with Mogalakwena operating at c.50% through April before ramping up to normal levels by the end of the quarter. Amandelbult was not operating during April but ramped up to c.50% production at the end of the quarter and is expected to reach 85% production levels by the end of the year.

Purchase of platinum in concentrate decreased by 33% to 118,700 ounces and purchase of palladium in concentrate decreased by 36% to 55,100 ounces, largely due to the impact of Covid-19 lockdowns.

Refined production and sales volumes

Refined production for platinum and palladium decreased by 73% to 160,600 and 66% to 147,400, respectively. This was largely driven by a force majeure incident at the ACP (Anglo Converter Plant) on 10 February, which led to the closure of both Phase A and Phase B units from 6 March, with Phase B returning to steady state on 12 May. Following a subsequent closure during the first two weeks of June, the ACP Phase B has since ramped-up and is operating at full capacity. Repairs to Phase A are ahead of schedule with completion estimated at the end of Q4 2020.

Platinum sales volumes decreased by 67% to 195,700 ounces and palladium sales volumes decreased by 66% to 160,800 ounces due to lower refined production in the period, which was partially offset by a drawdown in refined metal inventory to supplement sales.

Full Year Guidance

Production guidance (metal in concentrate) is unchanged at 1.5-1.7 million ounces of platinum and 1.0-1.2 million ounces of palladium, subject to the extent of any further Covid-19 related disruptions.

Platinum	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q2 2020 vs. Q2 2019	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Produced platinum (000 oz)[1]	**307.4**	**440.9**	**531.7**	**526.8**	**520.3**	**(41)%**	**(30)%**	**748.3**	**992.2**	**(25)%**
Own mined	**188.7**	**299.4**	**361.9**	**351.7**	**342.8**	**(45)%**	**(37)%**	**488.1**	**664.7**	**(27)%**
Mogalakwena	117.3	121.9	135.8	123.4	127.9	(8)%	(4)%	239.2	258.3	(7)%
Amandelbult	25.3	85.5	120.1	118.4	116.6	(78)%	(70)%	110.8	215.1	(48)%
Unki	13.9	21.8	23.3	23.7	23.1	(40)%	(36)%	35.7	42.4	(16)%
Mototolo	9.5	28.3	30.9	31.4	23.0	(59)%	(66)%	37.8	49.8	(24)%
Joint ventures[2]	22.7	41.9	51.8	54.8	52.2	(57)%	(46)%	64.6	99.1	(35)%
Purchase of concentrate	**118.7**	**141.5**	**169.8**	**175.1**	**177.5**	**(33)%**	**(16)%**	**260.2**	**327.5**	**(21)%**
Joint ventures[2]	22.7	41.9	51.8	54.8	52.2	(57)%	(46)%	64.6	99.1	(35)%
Third parties	96.0	99.6	118.0	120.3	125.3	(23)%	(4)%	195.6	228.4	(14)%
Palladium										
Produced palladium (000 oz)[1]	**228.4**	**303.1**	**360.4**	**351.8**	**347.2**	**(34)%**	**(25)%**	**531.6**	**673.8**	**(21)%**
Own mined	**173.3**	**232.9**	**275.0**	**262.7**	**260.5**	**(33)%**	**(26)%**	**406.3**	**511.4**	**(21)%**
Mogalakwena	128.9	128.7	146.0	130.8	139.5	(8)%	0 %	257.6	281.0	(8)%
Amandelbult	11.7	39.1	56.0	54.3	53.7	(78)%	(70)%	50.8	98.6	(48)%
Unki	12.1	19.6	20.0	21.3	20.9	(42)%	(38)%	31.7	37.9	(16)%
Mototolo	5.8	17.2	19.0	19.4	14.0	(59)%	(66)%	23.0	30.3	(24)%
Joint ventures[2]	14.8	28.4	34.0	36.9	32.4	(54)%	(48)%	43.2	63.6	(32)%
Purchase of concentrate	**55.1**	**70.2**	**85.4**	**89.0**	**86.7**	**(36)%**	**(22)%**	**125.3**	**162.4**	**(23)%**
Joint ventures[2]	14.8	28.4	34.0	36.9	32.4	(54)%	(48)%	43.2	63.6	(32)%
Third parties	40.3	41.8	51.4	52.1	54.3	(26)%	(4)%	82.1	98.8	(17)%
Refined production										
Platinum (000 oz)[1,3]	160.6	240.3	629.7	578.6	590.9	(73)%	(33)%	400.9	1,002.6	(60)%
Palladium (000 oz)[1,3]	147.4	197.1	396.6	362.1	428.2	(66)%	(25)%	344.5	721.8	(52)%
Rhodium (000 oz)[1,3]	30.6	47.3	90.8	66.5	84.1	(64)%	(35)%	77.9	136.1	(43)%
Gold (000 oz)[1,3]	11.8	27.9	32.4	27.9	21.3	(45)%	(58)%	39.7	45.3	(12)%
Nickel (tonnes)[3]	2,000	3,100	6,400	6,800	5,600	(64)%	(35)%	5,100	9,800	(48)%
Copper (tonnes)[3]	1,500	3,000	4,100	3,400	3,500	(57)%	(50)%	4,500	6,700	(33)%
Tolled material										
Platinum (000 oz)[1]	58.4	78.6	104.4	100.9	97.9	(40)%	(26)%	137.0	97.9	40 %
Palladium (000 oz)[1]	30.0	40.4	54.0	51.3	49.1	(39)%	(26)%	70.4	49.1	43 %
Platinum sales volumes (000 oz)[1,4]	**195.7**	**239.9**	**668.3**	**537.4**	**595.2**	**(67)%**	**(18)%**	**435.6**	**1,009.4**	**(57)%**
Palladium sales volumes (000 oz)[1,4]	**160.8**	**222.5**	**435.8**	**316.9**	**475.9**	**(66)%**	**(28)%**	**383.3**	**768.0**	**(50)%**
Platinum third party sales volumes (000 oz)[1,5]	84.2	62.1	10.6	17.5	13.0	548 %	36 %	146.3	18.0	713 %
Palladium third party sales volumes (000 oz)[1,5]	123.1	169.2	42.8	79.7	81.0	52 %	(27)%	292.3	139.7	109 %
4E head grade (g/t milled)[6]	3.44	3.44	3.67	3.65	3.55	(3)%	0 %	3.44	3.57	(4)%

(1) Ounces refer to troy ounces.
(2) The joint venture operations are Modikwa and Kroondal. Platinum owns 50% of these operations, which is presented under 'Own mined' production, and purchases the remaining 50% of production, which is presented under 'Purchase of concentrate'.
(3) Refined production excludes toll material but includes in comparative periods material now transitioned to tolling.
(4) Sales from own mined and purchased concentrate, excludes refined metal purchased from third parties.
(5) Relates to sales of metal not produced by Anglo American operations.
(6) 4E: the grade measured as the combined content of: platinum, palladium, rhodium and gold, excludes tolled material.

IRON ORE

Iron Ore (000 t)	Q2 2020	Q2 2019	Q2 2020 vs. Q2 2019	Q1 2020	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Kumba	8,475	10,544	(20)%	9,449	(10)%	17,924	20,060	(11)%
Minas-Rio[(1)]	6,198	5,916	5 %	6,424	(4)%	12,622	10,825	17 %

(1) Volumes are reported as wet metric tonnes. Product is shipped with ~8-9% moisture.

Kumba - Total production volumes decreased by 20% to 8.5 million tonnes. This reflects lower workforce levels in response to the Covid-19 lockdown, the subsequent re-opening of operations with reduced workforce levels of c.50% and the ramp-up in production to normal run-rates in June.

Sishen production reduced by 21% to 5.8 million tonnes and Kolomela's by 17% to 2.7 million tonnes.

Sales volumes decreased by 23% to 8.1 million tonnes[(1)] due to Covid-19 logistics constraints affecting Transnet and poor weather conditions, as well as no domestic offtake.

Finished stock levels increased to 6.2 million tonnes[(1)] from 5.6 million tonnes[(1)] as at 31 March 2020 due to the impact of the Covid-19 restrictions at the port.

In the first half of 2020, the average lump to fines ratio in the Kumba product was 65:35 (H1 2019: 68:32), while the Fe content averaged 64.4% (H1 2019: 64.3%).

Minas-Rio - Production increased by 5% to 6.2 million tonnes, reflecting a continued strong performance, with P101 productivity initiatives supported by robust operational stability. Current Covid-19 measures in place to safeguard the workforce and communities are not expected to significantly affect 2020 production.

In the first half of 2020, the Fe content of Minas-Rio pellet feed product averaged 67.2% (H1 2019: 66.9%).

Full Year Guidance

Kumba production guidance is unchanged at 37-39 million tonnes, subject to the extent of further Covid-19 related disruption.

Minas-Rio production guidance is unchanged at 22-24 million tonnes, subject to the extent of further Covid-19 related disruption. The planned one month production stoppage to carry out routine internal scanning of the pipeline, originally scheduled for Q2, has been postponed to the second half of the year due to Covid-19 related constraints.

(1) Sales volumes and stock differ to Kumba's standalone results due to sales to other Group companies.

Iron Ore (tonnes)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q2 2020 vs. Q2 2019	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Kumba production	**8,474,900**	**9,449,300**	**11,806,100**	**10,521,300**	**10,544,000**	**(20)%**	**(10)%**	**17,924,200**	**20,060,400**	**(11)%**
Lump	5,709,800	6,387,900	7,898,500	6,955,500	7,111,400	(20)%	(11)%	12,097,700	13,656,100	(11)%
Fines	2,765,100	3,061,400	3,907,600	3,565,800	3,432,600	(19)%	(10)%	5,826,500	6,404,300	(9)%
Kumba production by mine										
Sishen	5,782,200	6,579,600	8,263,900	7,153,500	7,310,400	(21)%	(12)%	12,361,800	13,757,000	(10)%
Kolomela	2,692,700	2,869,700	3,542,200	3,367,800	3,233,600	(17)%	(6)%	5,562,400	6,303,300	(12)%
Kumba sales volumes	**8,084,000**	**10,683,500**	**10,469,400**	**10,153,800**	**10,471,900**	**(23)%**	**(24)%**	**18,767,500**	**21,350,500**	**(12)%**
Export iron ore(1)	8,084,000	10,331,900	10,237,100	9,670,200	9,755,600	(17)%	(22)%	18,415,900	19,886,200	(7)%
Domestic iron ore	—	351,600	232,300	483,600	716,300	n/a	n/a	351,600	1,464,300	(76)%
Minas-Rio production										
Pellet feed (wet basis)	**6,198,000**	**6,424,100**	**6,163,600**	**6,126,100**	**5,915,500**	**5 %**	**(4)%**	**12,622,100**	**10,825,200**	**17 %**
Minas-Rio sales volumes										
Export – pellet feed (wet basis)	6,611,600	6,081,200	6,570,700	5,734,500	6,590,400	0 %	9 %	12,692,800	10,621,800	19 %

(1) Sales volumes differ to Kumba's standalone results in H1 2020, Q2 2020, Q1 2020 and Q4 2019 due to sales to other Group companies.

COAL

Coal[1] (000 t)	Q2 2020	Q2 2019	Q2 2020 vs. Q2 2019	Q1 2020	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Metallurgical Coal (Australia)	3,977	5,844	(32)%	3,826	4 %	7,803	10,000	(22)%
Export Thermal Coal (South Africa)[2]	3,588	4,575	(22)%	4,195	(14)%	7,783	8,992	(13)%
Export Thermal Coal (Colombia)[3]	767	2,017	(62)%	1,978	(61)%	2,745	4,216	(35)%

(1) Anglo American's attributable share of production.
(2) Includes export primary production, secondary production sold into export markets and production sold domestically at export parity pricing.
(3) Anglo American's attributable share of Cerrejón production is 33.3%.

Metallurgical Coal - Export metallurgical coal production decreased by 32% to 4.0 million tonnes, principally due to two incidents underground as well as longwall moves at Grosvenor and Grasstree. In January, a fall of ground at Moranbah delayed the completion of a longwall move with the operation restarting ahead of schedule in mid-May. At Grosvenor, operations have been suspended since the beginning of May following a gas ignition incident underground. The investigation into the incident at Grosvenor is under way and mining operations will restart only when it is safe to do so, with any additional safety measures in place. Disruption to operations from Covid-19 has been limited, with measures in place to help safeguard the workforce and local communities. Open cut operations have been scaled back at Dawson and Capcoal in response to reduced demand for lower quality metallurgical coal.

As a result of the lower volumes following these operational issues, the H1 2020 unit cost is expected to be circa $97/tonne.

The ratio of hard coking coal production to PCI/semi-soft coking coal was 81:19, lower than in Q2 2019 (85:15), due to a lower proportion of product coming from the underground operations.

Thermal Coal South Africa - Export thermal coal production decreased by 22% to 3.6 million tonnes due to Covid-19 lockdown restrictions, as well as sections at Goedehoop that reached their end of life.

All mines operated at c.50% at the start of lockdown in late March, with open pit operations ramping up to 70% as lockdown measures were eased in May. Since June, all mines have been operating at circa 80% due to the impact of Covid-19 measures to safeguard the workforce. Similar measures in the logistics chain have affected the loading of volumes onto trains resulting in higher stockpiles at operations.

Thermal Coal Colombia - Attributable export thermal coal production decreased by 62% to 0.8 million tonnes as a result of the impact of the local Covid-19 lockdown and planned lower production in response to demand. Mining operations recommenced in early May and are expected to progressively ramp-up over the course of Q3.

The H1 2020 weighted average realised price for export thermal coal from South Africa and Colombia was $56/tonne. This was 7% lower than the weighted average quoted FOB price from South Africa and Colombia principally due to discounts for energy content of coal.

Full Year Guidance

Following the temporary suspension of operations at Grosvenor since the start of May, production guidance for metallurgical coal is revised to 16-18 million tonnes (previously 19-21 million tonnes), subject to the extent of further Covid-19 related disruption.

Production guidance for export thermal coal is revised to c.21 million tonnes (previously c.22 million tonnes) due to the impact of Covid-19 related restrictions and lower production in response to demand at Cerrejón and remains subject to the extent of further Covid-19 related disruption.

Coal, by product (tonnes)(1)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q2 2020 vs. Q2 2019	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Metallurgical Coal - Australia	**3,977,200**	**3,826,200**	**6,283,600**	**6,568,900**	**5,843,500**	**(32)%**	**4 %**	**7,803,400**	**9,999,700**	**(22)%**
Hard Coking Coal	3,221,500	3,012,200	5,117,500	5,615,900	4,958,600	(35)%	7 %	6,233,700	8,223,700	(24)%
PCI / SSCC	755,700	814,000	1,166,100	953,000	884,900	(15)%	(7)%	1,569,700	1,776,000	(12)%
Thermal Coal	**8,761,000**	**9,083,600**	**9,730,000**	**9,402,700**	**9,460,700**	**(7)%**	**(4)%**	**17,844,700**	**18,705,600**	**(5)%**
Export - Australia	468,000	403,200	389,200	437,900	245,200	91 %	16 %	871,300	583,700	49 %
Export - South Africa(2)	3,587,600	4,195,100	4,515,100	4,288,400	4,575,000	(22)%	(14)%	7,782,700	8,991,900	(13)%
Export - Colombia(3)	767,400	1,977,900	2,314,900	2,055,100	2,016,900	(62)%	(61)%	2,745,300	4,216,200	(35)%
Domestic - South Africa	3,938,000	2,507,400	2,510,800	2,621,300	2,623,600	50 %	57 %	6,445,400	4,913,800	31 %
Sales volumes										
Metallurgical Coal - Australia	**3,901,300**	**3,850,300**	**6,100,100**	**6,371,500**	**5,987,300**	**(35)%**	**1 %**	**7,751,700**	**9,909,000**	**(22)%**
Hard Coking Coal	3,305,000	2,867,400	5,097,200	5,737,800	4,944,300	(33)%	15 %	6,172,400	8,234,900	(25)%
PCI / SSCC	596,300	982,900	1,002,900	633,700	1,043,000	(43)%	(39)%	1,579,300	1,674,100	(6)%
Thermal Coal	**11,154,600**	**11,796,200**	**12,939,200**	**12,166,100**	**12,046,300**	**(7)%**	**(5)%**	**22,950,900**	**24,312,400**	**(6)%**
Export - Australia	651,700	407,200	500,900	584,600	270,900	141 %	60 %	1,058,900	722,100	47 %
Export - South Africa(2)	3,264,300	3,924,000	4,880,100	4,073,300	4,932,400	(34)%	(17)%	7,188,300	9,195,200	(22)%
Export - Colombia(3)	1,142,500	2,028,000	2,260,800	2,068,600	2,244,800	(49)%	(44)%	3,170,600	4,444,500	(29)%
Domestic - South Africa	3,558,700	2,408,400	2,172,700	3,175,200	2,016,700	76 %	48 %	5,967,100	4,419,500	35 %
Third party sales	2,537,400	3,028,600	3,124,700	2,264,400	2,581,500	(2)%	(16)%	5,566,000	5,531,100	1 %

(1) Anglo American's attributable share of production.
(2) Includes export primary production, secondary production sold into export markets and production sold domestically at export parity pricing.
(3) Anglo American's attributable share of Cerrejón production is 33.3%.

Coal, by operation (tonnes)(1)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q2 2020 vs. Q2 2019	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Metallurgical Coal - Australia	**3,977,200**	**3,826,200**	**6,283,600**	**6,568,900**	**5,843,500**	**(32)%**	**4 %**	**7,803,400**	**9,999,700**	**(22)%**
Moranbah North	761,800	450,800	2,332,600	1,973,100	1,603,200	(52)%	69 %	1,212,600	1,842,700	(34)%
Grosvenor	560,900	540,900	1,011,700	1,344,500	1,032,500	(46)%	4 %	1,101,800	2,365,700	(53)%
Capcoal (incl. Grasstree)	1,221,900	1,383,300	1,270,300	1,709,200	1,738,900	(30)%	(12)%	2,605,200	2,952,500	(12)%
Dawson	638,400	741,200	842,500	703,200	774,000	(18)%	(14)%	1,379,600	1,407,300	(2)%
Jellinbah	794,200	710,000	826,500	838,900	694,900	14 %	12 %	1,504,200	1,431,500	5 %
Thermal Coal - Australia	**468,000**	**403,200**	**389,200**	**437,900**	**245,200**	**91 %**	**16 %**	**871,300**	**583,700**	**49 %**
Capcoal	82,200	114,700	123,200	81,300	63,700	29 %	(28)%	197,000	127,700	54 %
Dawson	340,000	263,100	222,900	323,200	145,200	134 %	29 %	603,100	408,500	48 %
Jellinbah	45,800	25,400	43,100	33,400	36,300	26 %	80 %	71,200	47,500	50 %
Thermal Coal - South Africa(2)	**7,525,600**	**6,702,500**	**7,025,900**	**6,909,700**	**7,198,600**	**5 %**	**12 %**	**14,228,100**	**13,905,700**	**2 %**
Goedehoop	1,192,500	1,207,400	1,488,800	1,441,100	1,678,500	(29)%	(1)%	2,399,900	3,136,100	(23)%
Greenside	1,179,100	1,177,900	1,428,700	1,237,200	1,186,700	(1)%	0 %	2,357,000	2,180,000	8 %
Zibulo	1,331,100	1,291,700	1,351,000	1,294,100	1,394,600	(5)%	3 %	2,622,800	2,714,100	(3)%
Khwezela	1,383,700	1,619,400	1,530,300	1,433,400	1,463,300	(5)%	(15)%	3,003,100	2,797,100	7 %
Mafube	339,200	484,600	481,200	450,600	443,900	(24)%	(30)%	823,800	875,700	(6)%
Other(3)	2,100,000	921,500	745,900	1,053,300	1,031,600	104 %	128 %	3,021,500	2,202,700	37 %
Thermal Coal - Colombia (Cerrejón)(4)	**767,400**	**1,977,900**	**2,314,900**	**2,055,100**	**2,016,900**	**(62)%**	**(61)%**	**2,745,300**	**4,216,200**	**(35)%**

(1) Anglo American's attributable share of production.
(2) Export and domestic production; Isibonelo and Rietvlei produce exclusively domestic volumes.
(3) Other includes Isibonelo and Rietvlei.
(4) Anglo American's attributable share of Cerrejón production is 33.3%.

NICKEL

Nickel (tonnes)	Q2 2020	Q2 2019	Q2 2020 vs. Q2 2019	Q1 2020	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Nickel	10,800	9,800	10 %	10,900	(1)%	21,700	19,600	11 %

Nickel production increased by 10%, benefiting from improved operational stability and the effect of a planned stoppage at Barro Alto that finished in early Q2 2019. Current Covid-19 measures in place to safeguard the workforce and communities are not expected to significantly affect 2020 production.

Full Year Guidance

Production guidance is unchanged at 42,000-44,000 tonnes, subject to the extent of further Covid-19 related disruption.

Nickel	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q2 2020 vs. Q2 2019	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Barro Alto										
Ore mined	1,166,200	318,000	623,300	1,198,800	1,365,400	(15)%	267 %	1,484,200	2,253,400	(34)%
Ore processed	625,900	610,100	609,200	612,000	519,000	21 %	3 %	1,236,000	1,044,500	18 %
Ore grade processed - %Ni	1.60	1.57	1.73	1.66	1.67	(4)%	2 %	1.60	1.67	(4)%
Production	8,800	8,700	9,500	9,200	7,600	16 %	1 %	17,500	15,200	15 %
Codemin										
Ore mined	—	—	—	1,300	39,000	n/a	n/a	—	39,000	n/a
Ore processed	145,800	145,800	141,600	140,200	148,900	(2)%	0 %	291,600	288,800	1 %
Ore grade processed - %Ni	1.59	1.62	1.68	1.69	1.62	(2)%	(2)%	1.61	1.62	(1)%
Production	2,000	2,200	2,200	2,100	2,300	(13)%	(9)%	4,200	4,400	(5)%
Total Nickel production(1)	**10,800**	**10,900**	**11,700**	**11,300**	**9,800**	**10 %**	**(1)%**	**21,700**	**19,600**	**11 %**
Sales volumes	**9,800**	**10,600**	**12,500**	**10,600**	**8,800**	**11 %**	**(8)%**	**20,400**	**18,600**	**10 %**

(1) Excludes nickel production from the PGMs business unit.

MANGANESE

Manganese (000 t)	Q2 2020	Q2 2019	Q2 2020 vs. Q2 2019	Q1 2020	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Manganese ore(1)	796	826	(4)%	843	(6)%	1,639	1,700	(4)%
Manganese alloys(1)(2)	23	41	(44)%	24	(5)%	48	76	(37)%

(1) Saleable production.
(2) Production includes medium carbon ferro-manganese.

Manganese ore production decreased by 4% to 796,000 tonnes, as the impact from the Covid-19 lockdowns in South Africa were largely offset by improved production in Australia due to strong concentrator performance.

Manganese alloy production decreased by 44% to 23,200 tonnes, largely due to Covid-19 lockdown in South Africa.

Manganese (tonnes)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q2 2020 vs. Q2 2019	Q2 2020 vs. Q1 2020	H1 2020	H1 2019	H1 2020 vs. H1 2019
Samancor										
Manganese ore(1)	796,000	842,900	902,900	910,400	826,100	(4)%	(6)%	1,638,900	1,700,100	(4)%
Manganese alloys(1)(2)	23,200	24,400	31,600	29,200	41,200	(44)%	(5)%	47,600	76,400	(38)%
Samancor sales volumes										
Manganese ore	810,700	805,400	911,000	897,800	958,400	(15)%	1 %	1,616,100	1,801,800	(10)%
Manganese alloys	23,400	32,800	27,200	30,400	44,800	(48)%	(29)%	56,200	75,000	(25)%

(1) Saleable production.
(2) Production includes medium carbon ferro-manganese.

EXPLORATION AND EVALUATION

Exploration and evaluation expenditure decreased by 39% to $43 million. Exploration expenditure decreased by 42% to $18 million driven by decreased activities across most products, in particular diamonds, due to Covid-19. Evaluation expenditure decreased by 36% to $25 million, driven by decreased works in Metallurgical Coal and at Sakatti (Copper / PGMs).

CORPORATE ACTIVITY AND OTHER ITEMS

By the end of the quarter, there was a circa $1.3 billion build-up of working capital, largely due to Covid-19 impacts on demand for diamonds, ACP repairs affecting refining activity at PGMs and late June weather impacts on vessel loading at both Copper and Kumba.

Average realised prices	H1 2020	H2 2019	H1 2019	FY 2019	H1 2020 vs. H1 2019	H1 2020 vs. H2 2019
De Beers						
Consolidated average realised price ($/ct)(1)	119	121	151	137	(21)%	(2)%
Average price index(2)	109	107	118	116	(8)%	2 %
Copper (USc/lb)(3)	250	268	280	273	(11)%	(7)%
PGMs						
Platinum (US$/oz)	857	886	831	861	3 %	(3)%
Palladium (US$/oz)	2,141	1,641	1,400	1,518	53 %	30 %
Rhodium (US$/oz)	8,985	4,726	2,840	3,808	216 %	90 %
Basket price (US$/Pt oz)	5,520	2,930	2,685	2,819	106 %	88 %
Iron Ore – FOB prices						
Kumba Export (US$/dmt)(4)	93	86	108	97	(14)%	8 %
Minas-Rio (US$/wmt)(5)	88	69	92	79	(5)%	27 %
Metallurgical Coal						
HCC (US$/t)(6)	123	153	195	171	(37)%	(20)%
PCI (US$/t)(6)	98	98	123	110	(21)%	0 %
Thermal Coal						
Australia – Export (US$/t)	58	57	88	70	(34)%	2 %
South Africa – Export (US$/t)(7)	61	59	64	61	(5)%	3 %
Colombia – Export (US$/t)	46	51	62	56	(26)%	(10)%
Nickel (USc/lb)	502	672	563	624	(11)%	(25)%

(1) Consolidated average realised price based on 100% selling value post-aggregation.
(2) Average of the De Beers price index for the Sights within the six-month period. The De Beers price index is relative to 100 as at December 2006.
(3) The realised price for Copper excludes third party sales volumes.
(4) Average realised export basket price (FOB Saldanha). For 2019 and H2 2019 the realised prices differ to Kumba's standalone Q4 results due to sales to other Group companies.
(5) Average realised export basket price (FOB Açu) (wet basis as product is shipped with ~8-9% moisture).
(6) Weighted average metallurgical coal sales price achieved.
(7) Weighted average export thermal coal price achieved.

PRODUCTION OUTLOOK SUMMARY

2020 production guidance is summarised as follows:

	2020 production guidance[1]
Diamonds[2]	25-27 Mct
Copper[3]	620-670 kt
Platinum - M&C[4]	1.5-1.7 Moz
Palladium - M&C[4]	1.0-1.2 Moz
Kumba Iron Ore[5]	37-39 Mt
Minas-Rio Iron Ore[6]	22-24 Mt
Metallurgical Coal[7]	16-18 Mt *Previously 19-21 Mt*
Thermal Coal[8]	~21 Mt *Previously ~22 Mt*
Nickel[9]	42-44 kt

(1) Subject to further COVID-19 related disruption.
(2) On a 100% basis except for the Gahcho Kué joint venture, which is on an attributable 51% basis.
(3) Copper business unit only. On a contained-metal basis.
(4) Produced metal in concentrate ounces. Includes production from joint operations, associates and third-parties. Platinum ~65% own mined production, palladium ~75% own mined production.
(5) Dry basis. Subject to rail and port performance.
(6) Volumes are reported as wet metric tonnes. Product is shipped with ~8-9% moisture.
(7) Excludes thermal coal production in Australia.
(8) Export South Africa and Colombia production.
(9) Nickel business unit only.

NOTES

- This Production Report for the quarter ended 30 June 2020 is unaudited.
- Production figures are sometimes more precise than the rounded numbers shown in this Production Report.
- Copper equivalent production shows changes in underlying production volume. It is calculated by expressing each product's volume as revenue, subsequently converting the revenue into copper equivalent units by dividing by the copper price (per tonne). Long-term forecast prices are used, in order that period-on-period comparisons exclude any impact for movements in price.
- Please refer to page 16 for information on forward-looking statements.

In this document, references to "Anglo American", the "Anglo American Group", the "Group", "we", "us", and "our" are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms herein is for convenience only, and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including but not limited to securing and maintaining all relevant licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms.

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Notes to editors:
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, development projects and undeveloped resources, provides many of the metals and minerals that enable a cleaner, greener, more sustainable world and that meet the fast growing consumer-driven demands of developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to mine, process, move and market our products to our customers – and to discover new resources – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment - we are committed to being carbon neutral across our operations by 2040. We work together with our business partners and diverse stakeholders to unlock sustainable 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.

Forward-looking statements and third-party information:

This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Anglo American'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 Anglo American'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 Anglo American, 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 Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American'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 transportation 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 in relevant areas of the world, the actions of competitors, activities by governmental authorities such as permitting and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American's most recent Annual 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. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers, the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American'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 Anglo American will necessarily match or exceed its historical published earnings per share.

Certain statistical and other information about Anglo American included in this announcement is sourced from publicly available third-party sources. As such, it has not been independently verified and presents the views of those third parties, though these may not necessarily correspond to the views held by Anglo American and Anglo American expressly disclaims any responsibility for, or liability in respect of, such third-party information.

www.angloamerican.com

Legal Entity Identifier: 549300S9XF92D1X8ME43

This is Exhibit "D" referred to in the Affidavit #4 of Thomas Croese

sworn before me by two-way video conference this 19th day of October, 2020.

A Commissioner for Oaths in and for the Province of Alberta

Carley R. Frazer
Student-at-Law

HALF YEAR FINANCIAL REPORT

for the six months ended 30 June 2020

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30 July 2020

Anglo American Interim Results 2020

Operational agility underpins underlying EBITDA of $3.4 billion

Mark Cutifani, Chief Executive of Anglo American, said: "The first half of 2020 has tested society to its limits and I am encouraged by – and proud of – how our people have pulled together to do what's right for each other, our business and for society as a whole. Anglo American acted quickly at the onset of the pandemic to protect both the health of our people and host communities through our global "WeCare" lives and livelihoods programme. At the same time, we secured the continuity and integrity of our operations.

"The pandemic did materially impact production, with varying degrees of lockdown being the main driver for our 11% overall reduction in output(1) and 16% decrease in revenue, alongside operational incidents at PGMs and Met Coal. These reductions were partially offset by strong performances from our Brazilian iron ore and Chilean copper operations. By the end of June, we were back at c.90% capacity across the portfolio(1) and the significant transformation of our underlying operational capabilities that has made the business more resilient helped to deliver $3.4 billion of underlying EBITDA*.

"The safety of our people comes first, no matter what. We have made so much progress, yet we are acutely aware that serious incidents continue in our business, none more alarming than at our Grosvenor underground mine in Australia in May. Across the global business, we recorded another all-time low injury frequency rate, representing a further 3% improvement compared to the record low of 2019 and a 62% improvement since 2013.

"Looking beyond the near term, we continue to invest in high quality growth. We still expect first production at our world class Quellaveco copper project in Peru in 2022, despite the prolonged slowdown through the national quarantine, reflecting the excellent progress achieved prior to March. The trajectory of our portfolio is towards later cycle products, with development of our recently acquired Tier 1 Woodsmith polyhalite fertiliser project continuing to progress well, while in May we set out our plans to exit our remaining South African thermal coal operations.

"During the second half, I expect our product diversification and Operating Model to continue to serve us well. As the global economy recovers, PGMs, copper and iron ore are all particularly well positioned, while De Beers, as the world's leading diamond business, is taking all appropriate steps to address the effects of acute disruption. As a company, we are continuing to invest and grow, with our products increasingly geared towards a fast growing population and a cleaner, greener, more sustainable world."

Financial highlights – six months ended 30 June 2020

- Generated underlying EBITDA* of $3.4 billion, a 39% decrease
- Profit attributable to equity shareholders of $0.5 billion (30 June 2019: $1.9 billion)
- Net debt* increased to $7.6 billion (21% gearing), due to investment in growth and temporary working capital build-up at De Beers and PGMs
- Interim dividend of $0.28 per share, consistent with our 40% payout policy
- Investing in high quality growth in later cycle products, including Quellaveco (copper) and Woodsmith (fertiliser)
- Working towards exit from remaining South African thermal coal operations
- Targeting carbon neutrality across operations by 2040

Six months ended US$ million, unless otherwise stated	**30 June 2020**	30 June 2019	Change
Revenue	**12,474**	14,772	(16)%
Underlying EBITDA*	**3,350**	5,451	(39)%
Mining EBITDA margin*	**38 %**	46 %	
Attributable free cash flow*	**(1,257)**	1,342	(194)%
Profit attributable to equity shareholders of the Company	**471**	1,883	(75)%
Underlying earnings per share* ($)	**0.72**	1.58	(54)%
Earnings per share ($)	**0.38**	1.48	(74)%
Dividend per share ($)	**0.28**	0.62	(55)%
Group attributable ROCE*	**11 %**	22 %	

Terms with this symbol * are defined as Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

SUSTAINABILITY PERFORMANCE

Safety

The safety of our people is always front of mind. Making sure every employee returns home at the end of each day, better for having worked at Anglo American, is our vision for safety and health across the business. In this context, there have been no fatal incidents at our managed operations in the first six months of 2020 – a significant achievement, particularly during a period of major operational disruption with the need for wholesale logistical changes on site due to Covid-19 related health measures.

Serious safety incidents are still an issue we need to eliminate; and while their frequency may be much reduced, the impact on individuals and their families is real and sometimes lifelong. The gas ignition at our underground Grosvenor metallurgical coal mine in Australia in May, in which five of our colleagues were seriously injured, reminds us again how we must continue to improve the safety of everyone associated with Anglo American. This critical work includes going beyond regulatory requirements and industry best practice, while using every available technology – and developing new technologies – to keep people safe.

Across the global business, we recorded another all-time low total recordable case frequency rate, representing a further 3% improvement on the record low we achieved in 2019 and a 62% improvement at our managed operations since 2013. By being unconditional about safety, major safety incidents should be consigned to history, as we have shown to be possible across most of our working locations. And while the first half of 2020 was our best overall safety performance in our history, our progress strengthens our determination to deliver on our clear commitment to zero harm.

Environment

Our environmental performance improved significantly in 2019, and we continue to improve in 2020. However, we did record one Level 3 environmental incident at PGMs' base metals refinery in South Africa, relating to an overflow from a storage pond due to excessive rainfall. Appropriate short term corrective and remedial actions were completed and we are implementing further actions to prevent repeat incidents of this nature across the Group.

Our Sustainable Mining Plan includes commitments to be a leader in environmental stewardship. By 2030, we aim to: reduce GHG emissions by 30% against a 2016 baseline; improve energy efficiency by 30%; achieve a 50% net reduction in freshwater abstraction; and deliver net-positive impacts in biodiversity wherever we operate. In addition, by 2040, we are aiming to be carbon neutral across our operations.

WeCare – our global response to the pandemic

Anglo American acted quickly at the onset of the pandemic to support the lives and livelihoods of our workforce and host communities through the health, social and economic effects of the Covid-19 pandemic – through our global "WeCare" response programme. Our mines and host communities, which are also often home to much of our workforce, operate as an ecosystem and both must be healthy to prosper. Across our operational footprint and in those communities that are local to our operations, our "WeCare" programme provides information and extensive practical support across four pillars of: physical health, mental health, living with dignity, and community response:

Physical health – education and behavioural change to support personal health and hygiene; health screening and testing; PPE and medical equipment and facilities.

Mental health – employee support programmes to assist with mental health management, including via our employee app and online events and other digital materials.

Living with dignity – direct employee and community support to combat gender-based and domestic violence; work with health authorities to identify abuse cases and referrals to support mechanisms.

Community response – wide-ranging livelihoods programme to support communities through the social and economic effects of the pandemic, including: public information campaigns aimed at health and hygiene; health screening and Covid-19 testing; support for health service provision; continuation of essential services (e.g. water, energy, accommodation); food package distribution; employee match-giving programme; support for SMEs and entrepreneurs; support for teachers and students; job training for post-pandemic employability; regional development planning to enhance local economic activity for the long term.

(1) On a copper equivalent basis.

Operational and financial review of Group results for the six months ended 30 June 2020

OPERATIONAL PERFORMANCE

Continued strong performances from our Minas-Rio iron ore operation in Brazil and the Collahuasi copper operation in Chile helped mitigate our overall decrease in production to 11% on a copper equivalent basis. The Covid-19 lockdowns across southern Africa affected production at PGMs, De Beers, Kumba and Thermal Coal, with production also affected by operational issues at Metallurgical Coal and PGMs. Ramping up from a production level of around 60% of capacity in April, operations across the Group continued to increase to around 90% of production capacity by the end of June.

De Beers' rough diamond production decreased by 27% to 11.3 million carats (30 June 2019: 15.6 million carats), primarily as a result of the impact of Covid-19 lockdowns on production at its southern African operations.

Copper production decreased by 2% to 313,900 tonnes (30 June 2019: 320,200 tonnes). At Los Bronces, production decreased by 18% to 149,400 tonnes (30 June 2019: 182,900 tonnes) due to expected lower water availability impacting plant throughput, partly offset by planned higher grades. Attributable production from Collahuasi increased by 27% to a record of 142,200 tonnes (30 June 2019: 112,000 tonnes) on the back of higher throughput and record copper recovery, reflecting plant improvement projects implemented in 2019. Disruption to operations from Covid-19 has been limited, with measures in place to help safeguard the workforce and local communities.

At our PGMs business, platinum and palladium production (metal in concentrate) decreased by 25% to 748,300 ounces (30 June 2019: 992,200 ounces), and by 21% to 531,600 ounces (30 June 2019: 673,800 ounces), respectively. The decrease in production was primarily due to the Covid-19 related lockdowns in southern Africa which reduced operating capacity for most of the second quarter, although Mogalakwena had ramped up towards normal levels by the end of June 2020, with Amandelbult expected to reach 85% production levels by the end of the year.

At Kumba, iron ore production decreased by 11% to 17.9 Mt (30 June 2019: 20.1 Mt), mainly due to lower workforce levels in response to the Covid-19 lockdown. Both Sishen and Kolomela had ramped up to normal run rates by the end of June 2020.

Minas-Rio production increased by 17% to 12.6 Mt (30 June 2019: 10.8 Mt), reflecting a continued strong performance, with P101 productivity initiatives supported by sustained operational stability. The Covid-19 measures put in place to safeguard the workforce and communities did not significantly affect production in the period.

Metallurgical coal production decreased by 22% to 7.8 Mt (30 June 2019: 10.0 Mt), principally as a result of two incidents underground that affected Moranbah and Grosvenor, as well as longwall moves at Grosvenor and Grasstree. Disruption to operations from Covid-19 has been limited, with measures in place to help safeguard the workforce and local communities. Open cut operations have been scaled back at Dawson and Capcoal in response to reduced demand for lower quality metallurgical coal.

Thermal coal total export production decreased by 20% to 10.5 Mt (30 June 2019: 13.2 Mt), largely due to the impact of Covid-19 lockdown restrictions. In South Africa, operations operated at 50% throughout the lockdown period and have ramped up to operate at c.80% since June. In Colombia, operations restarted in May and are progressively ramping up towards normal levels in the third quarter.

Nickel's production increased by 11% to 21,700 tonnes (30 June 2019: 19,600 tonnes) owing to improved operational stability and the planned stoppage at Barro Alto having been completed in the first half of 2019. Manganese ore production was 4% lower at 1.6 Mt (30 June 2019: 1.7 Mt).

Group copper equivalent unit costs decreased by 4% in US dollar terms, largely due to weaker producer currencies, partially offset by the lower production described above.

FINANCIAL PERFORMANCE

Anglo American's profit attributable to equity shareholders decreased by 75% to $0.5 billion (30 June 2019: $1.9 billion). Underlying earnings were $0.9 billion (30 June 2019: $2.0 billion).

UNDERLYING EBITDA*

Group underlying EBITDA decreased by 39% to $3.4 billion (30 June 2019: $5.5 billion). The Group Mining EBITDA margin* was lower than for the first half of 2019 at 38%, due to the decrease in the price for the Group's basket of products and the impact of the Covid-19 pandemic on production across our assets in southern Africa. A reconciliation of 'Profit before net finance costs and tax', the closest equivalent IFRS measure to underlying EBITDA, is provided within note 3 to the Condensed financial statements.

Underlying EBITDA by segment*

$ million	**6 months ended 30 June 2020**	6 months ended 30 June 2019
De Beers	**2**	518
Copper	**706**	789
PGMs	**610**	824
Iron Ore	**1,827**	2,036
Coal	**23**	996
Nickel and Manganese	**218**	326
Crop Nutrients	**4**	—
Corporate and other	**(40)**	(38)
Total	**3,350**	5,451

Underlying EBITDA reconciliation for the six months ended 30 June 2019 to six months ended 30 June 2020*

The reconciliation of underlying EBITDA from $5.5 billion in the six months ended 30 June 2019, to $3.4 billion in the six months ended 30 June 2020, shows the controllable factors (e.g. cost and volume), as well as those outside of management control (e.g. price, foreign exchange, inflation and the impact of the pandemic), that drive the Group's performance.

$ billion	
H1 2019 underlying EBITDA*	**5.5**
Price	**(0.6)**
Foreign exchange	**0.6**
Inflation	**(0.2)**
Covid-19 volume impact	**(1.1)**
Net cost and volume	**(0.6)**
Other	**(0.2)**
H1 2020 underlying EBITDA*	**3.4**

Price

Average market prices for the Group's basket of products decreased by 2%, reducing underlying EBITDA by $0.6 billion. Realised prices decreased across most of the Group's products, but principally for metallurgical coal (36% decrease), Kumba's iron ore (14% decrease), and copper (11% decrease). These reductions were partly offset by the price achieved for the PGMs basket, which increased by 106%, largely due to palladium and rhodium increasing by 53% and 216%, respectively.

Foreign exchange

The favourable foreign exchange impact on underlying EBITDA of $0.6 billion was due to weaker local currencies in our countries of operation, principally the South African rand, Brazilian real and Chilean peso.

Inflation

The Group's weighted average CPI for the first half of the year was 3.1%, compared with 3.3% in the first six months of 2019. The impact of inflation on costs reduced underlying EBITDA by $0.2 billion.

Covid-19 volume impact

The volume impact of Covid-19 related disruption to production and the supply chain and the impact of reduced diamond demand decreased underlying EBITDA by $1.1 billion.

Across southern Africa, operational disruptions as a result of the Covid-19 pandemic were primarily due to the implementation of a national lockdown by the South African government from 26 March and the Botswana government taking similar action from 2 April. These restrictions affected PGMs, Kumba, De Beers and Thermal Coal significantly throughout the second quarter. Since the imposition of the restrictions, however, the Group's operations have built up production levels from around 60% of total capacity in April, to approximately 90% by the end of June.

The Covid-19 outbreak has had a major impact on the diamond market, affecting all stages of the diamond supply chain and resulting in a 45% decrease in rough diamond sales volumes at De Beers.

Net cost and volume

The net impact of cost and volume was a $0.6 billion reduction in underlying EBITDA, as continued strong performance at Minas-Rio and cost-saving initiatives at Copper and De Beers were more than offset by operational issues at Metallurgical Coal and PGMs.

Metallurgical coal operations were affected by two incidents underground. In January, a fall of ground at Moranbah delayed the completion of a longwall move and, at Grosvenor, operations have been suspended since the beginning of May following a gas ignition incident.

Refined production at PGMs was impacted by a force majeure incident at the Anglo Converter Plant (ACP), leading to closure of both Phase A and Phase B units from 6 March, with Phase B returning to steady state on 12 May. Following a subsequent closure during the first two weeks of June, the Phase B unit has since ramped up and is operating at full capacity. Repairs to Phase A are ahead of schedule with completion estimated by the year end.

Other

The $0.2 billion decrease in underlying EBITDA was driven by Victor mine (De Beers) reaching the end of mine life in 2019. Also included are charges to the income statement in respect of increases in the environmental restoration provisions at Metallurgical Coal and Copper as a result of recent market volatility influencing the discount rate.

UNDERLYING EARNINGS*

Profit for the financial period decreased by 67% to $0.8 billion (30 June 2019: $2.5 billion). Group underlying earnings decreased to $0.9 billion (30 June 2019: $2.0 billion), driven by the decrease in underlying EBITDA.

Reconciliation from underlying EBITDA to underlying earnings**

$ million	**6 months ended 30 June 2020**	6 months ended 30 June 2019
Underlying EBITDA*	**3,350**	5,451
Depreciation and amortisation	**(1,266)**	(1,436)
Net finance costs and income tax expense	**(849)**	(1,354)
Non-controlling interests	**(349)**	(656)
Underlying earnings*	**886**	2,005

Depreciation and amortisation

Depreciation and amortisation decreased by 12% to $1.3 billion (30 June 2019: $1.4 billion), reflecting the effect of weaker local currencies and lower production at Metallurgical Coal as a result of the operational issues at Moranbah and Grosvenor.

Net finance costs and income tax expense

Net finance costs, before special items and remeasurements, were $0.3 billion (30 June 2019: $0.2 billion). The increase was principally driven by fair value losses on the revaluation of deferred consideration balances at PGMs relating to the Mototolo acquisition.

The underlying effective tax rate was 30.9% (30 June 2019: 29.7%). The effective tax rate in the first half of 2020 was impacted by the relative levels of profits arising in the Group's operating jurisdictions. The tax charge for the period, before special items and remeasurements, was $0.5 billion (30 June 2019: $1.0 billion).

Non-controlling interests

The share of underlying earnings attributable to non-controlling interests of $0.3 billion (30 June 2019: $0.7 billion) principally relates to minority shareholdings in Kumba, PGMs and Copper.

SPECIAL ITEMS AND REMEASUREMENTS

Special items and remeasurements are a net charge of $0.4 billion (30 June 2019: net charge of $0.1 billion) and include deferred tax remeasurements of $0.3 billion, driven by the weaker Brazilian real.

Full details of the special items and remeasurements recorded are included in note 9 to the Condensed financial statements.

NET DEBT*

$ million	**2020**	2019
Opening net debt* at 1 January	**(4,626)**	(2,848)
Underlying EBITDA* from subsidiaries and joint operations	**3,050**	4,936
Working capital movements	**(1,439)**	(725)
Other cash flows from operations	**(87)**	36
Cash flows from operations	**1,524**	4,247
Capital repayments of lease obligations	**(75)**	(101)
Cash tax paid	**(451)**	(1,143)
Dividends from associates, joint ventures and financial asset investments	**132**	301
Net interest(1)	**(184)**	(155)
Dividends paid to non-controlling interests	**(395)**	(421)
Sustaining capital expenditure(2)	**(1,171)**	(1,281)
Sustaining attributable free cash flow*	**(620)**	1,447
Growth capital expenditure(2)	**(637)**	(105)
Attributable free cash flow*	**(1,257)**	1,342
Dividends to Anglo American plc shareholders	**(557)**	(652)
Acquisitions	**(515)**	(8)
Disposals	**187**	26
Foreign exchange and fair value movements	**(53)**	21
Other net debt movements(3)	**(796)**	(1,292)
Total movement in net debt*(4)	**(2,991)**	(563)
Closing net debt* at 30 June	**(7,617)**	(3,411)

See next page for footnotes.

(1) Includes cash inflows of $15 million (30 June 2019: outflows of $38 million), relating to interest receipts (30 June 2019: interest payments) on derivatives hedging net debt, which are included in cash flows from derivatives related to financing activities.
(2) Included within sustaining capital expenditure is $21 million of capitalised operating cash flows relating to life-extension projects. Included within growth capital expenditure is $1 million of capitalised operating cash flows relating to growth projects.
(3) Includes Mitsubishi's share of Quellaveco capital expenditure of $277 million; $253 million of debt recognised on the acquisition of Sirius Minerals Plc; the purchase of shares under the buyback of $223 million; and the purchase of shares for other purposes (including for employee share schemes) of $117 million. 2019 includes the IFRS 16 *Leases* transition adjustment of $469 million, capital expenditure on the Quellaveco project funded from the 2018 syndication transaction of $454 million and the purchase of shares for employee share schemes of $225 million.
(4) Net debt excludes the own credit risk fair value adjustment on derivatives of $2 million (31 December 2019: $1 million).

Net debt (including related derivatives) of $7.6 billion has increased by $3.0 billion since 31 December 2019, driven by attributable free cash outflows of $1.3 billion, the acquisition of Sirius Minerals Plc (including debt acquired) of $0.7 billion, the payment of dividends to Anglo American plc shareholders of $0.6 billion and the purchase of ordinary shares, including the completion of the share buyback programme announced in July 2019, of $0.3 billion. Net debt at 30 June 2020 represented gearing of 21% (31 December 2019: 13%), comprising cash and cash equivalents of $6.3 billion (31 December 2019: $6.3 billion) and gross debt (including related derivatives) of $13.9 billion (31 December 2019: $11.0 billion).

On 26 February 2020, South Africa's Minister of Finance announced in his Budget Speech that the country would shift from a policy of exchange controls to a risk-based capital flow management system, in line with international best practice and in order to facilitate cross-border financial transactions in support of trade and investment. This change aligns South Africa with the foreign direct investment criteria implemented by other OECD nations and removes the previous restrictions on the Group's ability to permanently remit cash earned from operating activities in South Africa, aligning the Group with other global companies that operate in South Africa. Separate disclosure of the Group's South African cash and debt balances will no longer be relevant once these changes become effective. This is currently expected to be no later than February 2021.

CASH FLOW

Cash flows from operations

Cash flows from operations decreased to $1.5 billion (30 June 2019: $4.2 billion), reflecting a decrease in underlying EBITDA from subsidiaries and joint operations and a build-up in working capital.

Cash outflows on working capital were $1.4 billion (30 June 2019: outflows of $0.7 billion). Inventory increased by $1.2 billion, largely due to the impact of Covid-19 on demand for diamonds, repairs at the ACP affecting refining activity at PGMs and weather impacts in late June on vessel loading at both Copper and Kumba. Receivables increased by $221 million, owing to increased metal borrowing activity within PGMs. Payables decreased by $38 million due to reduced expenditure at operations related to Covid-19 disruptions, partly offset by an increase in a customer prepayment within PGMs, reflecting increased metal prices.

*Capital expenditure**

$ million	**6 months ended 30 June 2020**	6 months ended 30 June 2019
Stay-in-business	**622**	653
Development and stripping	**390**	505
Life-extension projects(1)	**141**	126
Proceeds from disposal of property, plant and equipment	**(3)**	(3)
Sustaining capital	**1,150**	1,281
Growth projects(1)	**636**	105
Total	**1,786**	1,386
Capitalised operating cash flows(1)	**22**	—
Total capital expenditure	**1,808**	1,386

(1) Collectively referred to as expansionary capital expenditure

Capital expenditure increased to $1.8 billion for the first six months of the year (30 June 2019: $1.4 billion).

Sustaining capital expenditure decreased to $1.2 billion (30 June 2019: $1.3 billion), due to higher stripping and development costs in the prior year, principally at De Beers, favourable foreign exchange rates, and deferrals as a result of Covid-19 related restrictions.

Growth capital expenditure increased to $0.6 billion (30 June 2019: $0.1 billion), owing to increased expenditure at Quellaveco of $0.4 billion, net of Mitsubishi funding (capital expenditure on a 100% basis at Quellaveco was $0.7 billion), and at the Woodsmith polyhalite project (acquired in March 2020) of $0.1 billion.

Attributable free cash flow*

The Group's attributable free cash flow decreased to an outflow of $1.3 billion (30 June 2019: cash inflows of $1.3 billion) due to the decline in cash flows from operations to $1.5 billion (30 June 2019: $4.2 billion) and increased capital expenditure of $1.8 billion (30 June 2019: $1.4 billion), partially offset by reduced tax payments of $0.5 billion (30 June 2019: $1.1 billion).

Dividends

In line with the Group's established dividend policy to pay out 40% of underlying earnings, the Board has proposed a dividend of $0.28 per share for the period to 30 June 2020 (30 June 2019: $0.62 per share), equivalent to $0.3 billion (30 June 2019: $0.8 billion).

Acquisition of Sirius Minerals

On 17 March 2020, the Group completed the acquisition of Sirius Minerals Plc for a cash consideration of $0.5 billion. As part of the acquisition, the Group recognised borrowings and lease liabilities with a fair value of $0.3 billion.

Share buyback

In July 2019, the Board approved an additional return of up to $1 billion to shareholders via an on-market share buyback programme. This additional return recognised the resilience of our balance sheet, and our confidence in funding our portfolio of highly attractive near and medium term growth opportunities. Following the return of $0.8 billion to shareholders in 2019, the remaining $0.2 billion of the buyback programme had been completed by March 2020.

BALANCE SHEET

Net assets decreased by $2.5 billion to $28.9 billion (31 December 2019: $31.4 billion), reflecting the effect of foreign exchange on operating assets denominated in local currency and dividend payments to Company shareholders and non-controlling interests, partially offset by higher inventory.

ATTRIBUTABLE ROCE*

Attributable ROCE decreased to 11% (30 June 2019: 22%). Annualised attributable underlying EBIT was $3.2 billion (30 June 2019: $6.1 billion), reflecting the impact of Covid-19 related disruptions across our southern African assets, operational issues at Metallurgical Coal and PGMs and lower realised prices for many of the Group's products. Average attributable capital employed increased to $29.8 billion (30 June 2019: $27.9 billion), primarily due to the acquisition of Sirius Minerals Plc and increased capital expenditure, partly offset by weaker producer currencies.

LIQUIDITY AND FUNDING

Group liquidity remains conservative at $15.5 billion (31 December 2019: $15.0 billion), comprising $6.3 billion of cash (31 December 2019: $6.3 billion) and $9.2 billion of undrawn committed facilities (31 December 2019: $8.7 billion).

In April 2020, the Group signed a new $2.0 billion revolving credit facility with an initial maturity date of April 2021. The Group has, at its sole discretion, two options to extend the facility for a further six months to October 2021 and April 2022.

As part of our routine funding schedule, in April 2020, the Group issued $750 million of 5.375% Senior Notes due 2025 and $750 million of 5.625% Senior Notes due 2030. These new bonds helped to maintain the weighted average maturity on the Group's bonds at 4.5 years (31 December 2019: 4.5 years).

On 24 April 2020, Moody's Investors Service affirmed the Group's Baa2 rating and updated the outlook from stable to negative. On 12 May 2020, Standard and Poor's reaffirmed the Group's BBB rating with a stable outlook.

PORTFOLIO UPGRADE

Anglo American continues to grow and evolve its portfolio of competitive, world class assets towards later cycle products that support a cleaner, greener, more sustainable world.

In the first six months of 2020, we completed the acquisition of Sirius Minerals Plc which has been developing a major new polyhalite project in the UK. Anglo American is continuing to develop what is now known as the Woodsmith project in the north east of England to access the world's largest known deposit of polyhalite, a natural mineral fertiliser product containing potassium, sulphur, magnesium and calcium – four of the six nutrients that every plant needs to grow. The mine is being constructed approximately three kilometres south of Whitby and the entire operation is designed to be sympathetic to its natural surroundings. Ore will be extracted via two 1.6 kilometre deep mine shafts and transported to the port at Teesside on a conveyor belt in a 37 kilometre underground tunnel, thereby minimising impact on the surface above. The ore will then be granulated at a materials handling facility to produce a fertiliser product – known as POLY4 – that will be exported to a network of customers in overseas markets. The Woodsmith project, part of our Crop Nutrients business which also incorporates the further development of the global market for POLY4, will be a world class supplier of premium quality fertiliser certified for organic use and with a low carbon footprint, expected to help meet food demand from a fast growing global population.

We have also confirmed our plans to work towards an exit of our South African thermal coal operations, with a demerger being our likely preferred exit option, expected within the next two to three years, with a primary listing on the Johannesburg Stock Exchange for the demerged business. We will continue to consider other exit options as we engage with stakeholders as part of our commitment to a responsible transition.

THE BOARD

Changes during 2020 to the composition of the Board are set out below.

On 1 January 2020, Nonkululeko Nyembezi joined the Board as a non-executive director.

Following the conclusion of the Annual General Meeting on 5 May 2020, Dr Mphu Ramatlapeng stepped down from the Board as a non-executive director after almost seven years.

The names of the directors at the date of this report and the skills and experience our Board members contribute to the long term sustainable success of Anglo American are set out on the Group's website:

www.angloamerican.com/about-us/leadership-team/board

PRINCIPAL RISKS AND UNCERTAINTIES

Anglo American is exposed to a variety of risks and uncertainties which may have a financial, operational or reputational impact on the Group, and which may also have an impact on the achievement of social, economic and environmental objectives.

The principal risks and uncertainties facing the Group relate to the following:

- Catastrophic risks
- Product prices
- Safety
- Health pandemics
- Political and regulatory uncertainties
- Corruption
- Cyber security
- Future demand for diamonds
- Operational performance
- Water
- Future demand for PGMs
- Evolving stakeholder requirements and expectations.

The Group is exposed to changes in the economic environment, as with any other business. Details of any key risks and uncertainties specific to the period are covered in the Operations review section.

Subsequent to the publication of the Integrated Annual Report 2019, and following the emergence of the Covid-19 pandemic, Anglo American has included a new principal risk: Health pandemics. The principal risks and uncertainties facing the Group at the 2019 year end are set out in detail in the strategic report section of the Integrated Annual Report 2019 on the Group's website www.angloamerican.com.

DE BEERS

Financial and operational metrics[1]

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	EBITDA margin*[6]	Underlying EBIT*	Capex*	ROCE*
	'000 cts	'000 cts[2]	$/ct[3]	$/ct[4]	$m[5]	$m		$m	$m	
De Beers	**11,277**	**8,547**	**119**	**62**	**1,223**	**2**	**49 %**	**(179)**	**159**	**(4)%**
Prior year	*15,551*	*15,547*	*151*	*62*	*2,647*	*518*	*55 %*	*324*	*278*	*7 %*
Botswana	**7,469**	**—**	**124**	**36**	**—**	**83**	**—**	**57**	**29**	**—**
Prior year	*11,668*	*—*	*148*	*27*	*—*	*225*	*—*	*198*	*42*	*—*
Namibia	**869**	**—**	**477**	**208**	**—**	**28**	**—**	**14**	**30**	**—**
Prior year	*818*	*—*	*552*	*317*	*—*	*80*	*—*	*62*	*27*	*—*
South Africa	**1,306**	**—**	**94**	**71**	**—**	**26**	**—**	**(20)**	**58**	**—**
Prior year	*953*	*—*	*125*	*62*	*—*	*38*	*—*	*26*	*128*	*—*
Canada	**1,633**	**—**	**56**	**39**	**—**	**36**	**—**	**12**	**12**	**—**
Prior year	*2,112*	*—*	*159*	*49*	*—*	*160*	*—*	*121*	*24*	*—*
Trading	**—**	**—**	**—**	**—**	**—**	**(17)**	**(2)%**	**(20)**	**1**	**—**
Prior year	*—*	*—*	*—*	*—*	*—*	*96*	*4 %*	*93*	*—*	*—*
Other[7]	**—**	**—**	**—**	**—**	**—**	**(154)**	**—**	**(222)**	**29**	**—**
Prior year	*—*	*—*	*—*	*—*	*—*	*(81)*	*—*	*(176)*	*57*	*—*

(1) Prepared on a consolidated accounting basis, except for production, which is stated on a 100% basis except for the Gahcho Kué joint operation in Canada, which is on an attributable 51% basis.
(2) Total sales volumes on a 100% basis were 9.2 million carats (30 June 2019: 16.5 million carats). Total sales volumes (100%) include De Beers Group's joint arrangement partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and Namibia Diamond Trading Company.
(3) Pricing for the mining business units is based on 100% selling value post-aggregation of goods. Realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to the unit cost, which relates to equity production only.
(4) Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.
(5) Includes rough diamond sales of $1.0 billion (30 June 2019: $2.3 billion).
(6) Total De Beers EBITDA margin shows Mining EBITDA Margin on an equity basis, which excludes the impact of non-mining activities, third-party sales, purchases, trading downstream and corporate.
(7) Other includes Element Six, downstream, acquisition accounting adjustments and corporate.

Markets

All parts of the diamond supply chain were severely impacted by the global lockdown measures introduced in response to the Covid-19 pandemic in the first half of 2020.

After a strong US holiday season at the end of 2019, the rough diamond industry started 2020 positively as the midstream restocked and sentiment improved. However, from February, the Covid-19 outbreak began to have a significant impact on diamond jewellery retail sales and supply chain. Jewellery retailer restocking has therefore been very limited, with many jewellers suspending all polished purchases and/or delaying payments to their suppliers.

In addition to the impact on consumer markets, most of the Indian and southern African diamond cutting and polishing centres closed due to the lockdown restrictions. A gradual opening of diamond cutting and polishing centres started at the end of May; however, Covid-19 restrictions have remained in place, particularly in India, limiting capacity. De Beers and other major suppliers increased flexibility in response to this lower demand.

Rough diamond sales have also been materially affected by lockdowns and travel restrictions, delaying the shipping of rough diamonds into cutting and trading centres and preventing buyers from attending sales events. China has seen strong diamond jewellery sales post-lockdown, with sales for May and June above those for the comparable periods last year. Recovery in the US will be dependent on the reopening of its economy.

Financial and operational overview

Total revenue decreased by 54% to $1.2 billion (30 June 2019: $2.6 billion), with rough diamond sales falling to $1.0 billion (30 June 2019: $2.3 billion). Rough diamond sales volumes decreased by 45% to 8.5 million carats (30 June 2019: 15.5 million carats) due to the significant impact of Covid-19 on the global diamond industry.

Consequently, De Beers offered Sightholders the option to defer up to 100% of their allocations at the fourth and fifth Sights and held some viewings for Sight 5 outside of Botswana, following the cancellation of the third Sight of 2020 due to Covid-19 related travel restrictions. The average realised price decreased by 21% to $119/carat (30 June 2019: $151/carat), driven by a higher proportion of lower value rough diamonds being sold in the first two Sights of the year and an 8% decline in the average rough price index.

Underlying EBITDA decreased to $2 million (30 June 2019: $518 million) owing to the impact of the considerably lower sales volumes and the lower rough price index reducing margins in both the mining and the trading businesses. Unit costs were flat compared with the first half of 2019 due to cost-saving measures and favourable exchange rates.

Operational performance

Mining and manufacturing

Rough diamond production decreased by 27% to 11.3 million carats (30 June 2019: 15.6 million carats), primarily due to the Covid-19 lockdowns in southern Africa. Mining operations restarted following the easing of regional lockdowns, with Covid-19 measures in place to safeguard the workforce; however, production resumed at lower levels, reflecting reduced demand for rough diamonds as a consequence of the pandemic.

In Botswana, production was 36% lower at 7.5 million carats (30 June 2019: 11.7 million carats), driven by a lengthy nationwide lockdown from 2 April to 18 May. Production at Jwaneng fell by 34% to 4.3 million carats (30 June 2019: 6.6 million carats) due to the shutdown. Production at Orapa fell by 39% to 3.1 million carats (30 June 2019: 5.1 million carats) due to the lockdown impact, as well as challenges related to commissioning of new plant infrastructure. Operations restarted from mid-May, with production targeted at levels to meet the lower demand.

In Namibia, production increased by 6% to 0.9 million carats (30 June 2019: 0.8 million carats), driven by the marine operations as the Mafuta crawler vessel was under planned maintenance in the second quarter of 2019, and supported by the implementation of measures to enable continuity of the fleet while safeguarding the workforce. This increase was offset by a 30% reduction at the land operations to 0.1 million carats following the Covid-19 lockdown.

In South Africa, production increased by 37% at Venetia to 1.3 million carats (30 June 2019: 1.0 million carats), supported by a significant increase in grade as the final ore from the open pit is mined prior to the transition to underground, partially offset by the lockdown.

Canadian production decreased by 23% to 1.6 million carats (30 June 2019: 2.1 million carats), as Victor reached the end of its life in the first half of 2019. At Gahcho Kué, production decreased by 3% due to Covid-19 measures.

Brands

Jewellery retail stores were significantly affected by Covid-19, with the majority of De Beers Jewellers (DBJ) stores and Forevermark™ outlets closed across key markets for a considerable part of the reporting period. Stores have reopened following the gradual lifting of lockdowns, but remain at risk of temporary closure in response to second-wave concerns.

Mainland China has shown signs of a strong recovery as stores have returned to normal operating hours. DBJ has delivered double digit year-on-year sales growth here in the year to date, with a similar recovery reported by Forevermark™ at its Mainland China locations in recent months. Hong Kong remains subdued.

Operational and market outlook

The current market outlook is highly uncertain owing to the possibility of a second wave of Covid-19 infections, the ability of fiscal and monetary measures to continue to support employment and businesses in consumer countries, as well as the shape and strength of the global macro-economic recovery. Significant challenges for rough diamond demand look set to continue in the short term with the ongoing restrictions to travel in southern Africa, as well as the risk of further Covid-19 cases in the Indian cutting centres.

In the longer term, the outlook for the diamond sector remains positive, and De Beers is accelerating its business transformation – from discovery and mining, to how we sell rough diamonds to customers and how consumers purchase diamond jewellery – to ensure it retains its position as the world's leading diamond business.

Production guidance remains unchanged at 25–27 million carats, subject to continuous review based on the disruptions to operations as a result of Covid-19, as well as the timing and scale of the recovery in demand.

COPPER

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*(2)	Underlying EBIT*	Capex*	ROCE*
	kt	kt(1)	c/lb(2)	c/lb(3)	$m(4)	$m		$m	$m	
Copper	**314**	**294**	**250**	**107**	**2,731**	**706**	**45 %**	**378**	**729**	**13 %**
Prior year	*320*	*307*	*280*	*135*	*2,676*	*789*	*44 %*	*469*	*242*	*14 %*
Los Bronces(5)	**149**	**136**	**—**	**140**	**669**	**221**	**33 %**	**44**	**133**	**—**
Prior year	*183*	*175*	*—*	*135*	*1,008*	*464*	*46 %*	*291*	*103*	*—*
Collahuasi(6)	**142**	**135**	**—**	**69**	**752**	**546**	**73 %**	**428**	**153**	**—**
Prior year	*112*	*107*	*—*	*121*	*597*	*370*	*62 %*	*255*	*112*	*—*
Quellaveco(7)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**415**	**—**
Prior year	*—*	*—*	*—*	*—*	*—*	*—*	*—*	*—*	*—*	*—*
Other operations(8)	**22**	**23**	**—**	**—**	**1,310**	**(61)**	**20 %**	**(94)**	**28**	**—**
Prior year	*25*	*25*	*—*	*—*	*1,071*	*(45)*	*20 %*	*(77)*	*27*	*—*

(1) Excludes 207 kt third-party sales (30 June 2019: 142 kt).
(2) Price represents realised price, Mining EBITDA margin excludes impact of third-party sales.
(3) C1 unit cost includes by-product credits.
(4) Group revenue is shown after deduction of treatment and refining charges (TC/RCs).
(5) Figures on a 100% basis (Group's share: 50.1%).
(6) 44% share of Collahuasi production, sales and financials.
(7) Figures on a 100% basis (Group's share: 60%), except capex which represents the Group's share after deducting direct funding from non-controlling interests. H1 2020 capex on a 100% basis was $692 million, of which the Group's 60% share is $415 million. H1 2019 capex on a 100% basis was $454 million and was fully funded by cash from the 2018 Mitsubishi syndication transaction and, hence, was not included in reported capex.
(8) Other operations includes El Soldado and Chagres (figures on a 100% basis, Group's share: 50.1%), third-party sales and purchases, projects and corporate costs.

Financial and operational overview

Underlying EBITDA decreased by 11% to $706 million (30 June 2019: $789 million), largely driven by an 11% decline in the average LME copper price, partly offset by a 21% reduction in unit costs.

Production decreased by 2% to 313,900 tonnes (30 June 2019: 320,200 tonnes) owing to expected lower water availability at Los Bronces, partly offset by water-management initiatives and record production from Collahuasi. Covid-19 protocols implemented to help ensure the safety of our workforce did not have a meaningful negative impact on production in the period. Unit costs decreased by 21% to 107 c/lb (30 June 2019: 135 c/lb), reflecting year-on-year sustainable cost savings and favourable movements in the Chilean peso.

Sales volumes in the six months to 30 June 2020 were affected by temporary port closures in Chile due to heavy tidal swells limiting vessel loading availability in June. At 30 June, 124,800 tonnes of copper were provisionally priced at an average price of 273c/lb.

Markets

	30 June 2020	30 June 2019
Average market price (c/lb)	**249**	280
Average realised price (c/lb)	**250**	280

The differences between the market price and realised price are largely a function of the timing of sales across the period and provisional pricing adjustments.

The average LME cash copper price in the first half of 2020 was 11% lower than for the same period in 2019. The Covid-19 pandemic has had the greatest impact on global demand, hitting consumption as lockdowns hampered economic activity. A sharp recovery is now becoming evident in China while, elsewhere, measures to restart activity have taken effect and there are signs of pending recovery. Despite uncertainties, copper prices increased later in the period as investors focused on copper's positive fundamentals, potential for disruptions to supply and a decline in reported inventories.

Operational performance

Total production decreased by 2% to 313,900 tonnes (30 June 2019: 320,200 tonnes).

At Los Bronces, production decreased by 18% to 149,400 tonnes (30 June 2019: 182,900 tonnes) due to expected lower water availability impacting plant throughput (17 Mt vs 24 Mt), particularly during the first quarter, partially offset by planned higher grades (0.90% vs 0.81%). Although precipitation has increased recently, Chile´s central zone, where the operation is located, continues to face severe climatic conditions following the decade-long mega-drought. The impact on production has been mitigated by the successful implementation of initiatives to optimise plant efficiency, reduce water consumption and increase water recycling, as well as to secure additional external sources of industrial or 'grey' water. C1 unit costs increased by 4% to 140 c/lb (30 June 2019: 135 c/lb), mainly due to lower production and lower capitalised waste, compensated by the weaker Chilean peso and cost-saving initiatives.

At Collahuasi, Anglo American's attributable share of copper production increased by 27% to 142,200 tonnes (30 June 2019: 112,000 tonnes), a record for the operation, driven by higher throughput (28 Mt vs 25 Mt) and record copper recovery (90.5% vs 86.5%), reflecting plant improvement projects implemented during 2019. C1 unit costs decreased by 43% to 69 c/lb (30 June 2019: 121 c/lb), reflecting the solid production performance and the weaker Chilean currency.

Production at El Soldado decreased by 12% to 22,300 tonnes (30 June 2019: 25,300 tonnes) as a result of water availability issues. C1 unit costs decreased by 7% to 202 c/lb (30 June 2019: 218 c/lb), owing to the favourable exchange rate and cost reductions.

Operational outlook

Production guidance for the year is unchanged at 620,000–670,000 tonnes, subject to water availability and the impact of the Covid-19 pandemic.

Quellaveco update

Prior to the Covid-19 pandemic, project execution was ahead of schedule, with all applicable milestones achieved. At the Vizcachas dam, part of the water-source infrastructure located approximately 90 kilometres from the plant, water impoundment had started as scheduled and construction works across the mine, plant and tailings areas were also progressing to plan. However, the project has been affected by the implementation of Peru's national quarantine since 15 March.

As previously announced, on 17 March, Quellaveco withdrew the majority of the project's 10,000-strong workforce from site after the Peruvian government's announcement of an initial 15-day national quarantine. Construction work was significantly slowed, maintaining only limited critical works. Following subsequent further extensions of the quarantine, on 23 April, Anglo American announced the suspension of non-critical works for an expected period of up to three months in support of the government's continuing efforts to control the spread of Covid-19, allowing for a safe and responsible restart to be planned. During the suspension, the focus has been on the safety of our workforce and the local community, as well as on the development of a restart and updated construction plan. These plans incorporate leading health protocols which have been approved by the Peruvian authorities, enabling a gradual and safe restart of site activities.

From the beginning of July, activities have recommenced on site and are expected to ramp up during the second half of 2020, subject to further Covid-19 related impacts. Key project activities in the second six months will be the construction of a c.95-kilometre water pipeline from the water-source area to the Quellaveco site, the start of pre-stripping activities to remove surface waste material, and assembly of the mills.

Despite the Covid-19 related slowdown, first production is still expected in 2022, in part due to the excellent progress achieved prior to the national quarantine, and based on optimised development and mine plans designed to enhance value. Capital expenditure is expected to increase, reflecting additional costs associated with the demobilisation and subsequent remobilisation of the construction workforce. As a result, based on current expectations for remobilisation and ramp-up of activity, total project capital expenditure guidance (100% basis) has increased to $5.3–$5.5 billion (previously the upper end of $5.0–$5.3 billion), of which the Group's share is $2.7–$2.8 billion. Capital expenditure guidance (100% basis) for 2020 is unchanged at $1.2–$1.5 billion, of which the Group's share is $0.7–$0.9 billion. Capital expenditure for Quellaveco is attributable 60% to Anglo American and 40% to Mitsubishi.

PLATINUM GROUP METALS

Financial and operational metrics

	Production volume platinum	Production volume palladium	Sales volume platinum	Basket price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*[(5)]	Underlying EBIT*	Capex*	ROCE*
	koz[(1)]	koz[(1)]	koz[(2)]	$/Pt oz[(3)]	$/Pt oz[(4)]	$m	$m		$m	$m	
PGMs	**748**	**532**	**436**	**5,520**	**1,675**	**3,331**	**610**	**27 %**	**476**	**200**	**24%**
Prior year	*992*	*674*	*1,009*	*2,685*	*1,551*	*3,007*	*824*	*38 %*	*659*	*217*	*29%*
Mogalakwena	**239**	**258**	**122**	**5,681**	**1,281**	**683**	**386**	**57 %**	**330**	**90**	**—**
Prior year	*258*	*281*	*231*	*3,354*	*1,353*	*779*	*442*	*57 %*	*373*	*119*	*—*
Amandelbult	**111**	**51**	**88**	**5,476**	**2,430**	**475**	**137**	**29 %**	**116**	**14**	**—**
Prior year	*215*	*99*	*194*	*2,485*	*1,720*	*485*	*126*	*26 %*	*100*	*26*	*—*
Other operations[(6)]	**138**	**98**	**85**	**5,858**	**1,835**	**556**	**(69)**	**(6)%**	**(115)**	**96**	**—**
Prior year	*191*	*132*	*186*	*2,741*	*1,629*	*499*	*94*	*26 %*	*38*	*72*	*—*
Processing and trading[(7)]	**260**	**125**	**141**	**—**	**—**	**1,617**	**156**	**10 %**	**145**	**—**	**—**
Prior year	*328*	*162*	*398*	*—*	*—*	*1,244*	*162*	*13 %*	*148*	*—*	*—*

(1) Production reflects own-mined production and purchase of metal in concentrate.
(2) Sales volumes exclude the sale of refined metal purchased from third parties and toll material.
(3) Average US$ realised basket price. Excludes the impact of the sale of refined metal purchased from third parties.
(4) Total cash operating costs – includes on-mine, smelting and refining costs only.
(5) The total PGMs mining EBITDA margin excludes the impact of the sale of refined metal purchased from third parties, purchase of concentrate and tolling. Other operations margin includes unallocated market development, care and maintenance, and corporate costs, but excludes Group recharges.
(6) Includes Unki, Mototolo and PGMs' share of joint operations.
(7) Purchase of concentrate from joint operations, associates and third parties for processing into refined metals, tolling and trading activities.

Financial and operational overview

Underlying EBITDA decreased by 26% to $610 million (30 June 2019: $824 million), driven by the shutdown of the Anglo Converter Plant (ACP) for repairs and the impact of Covid-19 related lockdowns.

Markets

	30 June 2020	30 June 2019
Average platinum market price ($/oz)	**848**	832
Average palladium market price ($/oz)	**2,136**	1,410
Average rhodium market price ($/oz)	**9,254**	2,846
US$ realised basket price ($/Pt oz)	**5,520**	2,685
Rand realised basket price (R/Pt oz)	**90,776**	38,305

The realised basket price increased by 106% in dollar terms, compared with the same period in 2019. The average market platinum price increased by 2%, but palladium and rhodium prices were significantly stronger, with both metals hitting all-time price highs during the period, increasing by 51% and 225%, respectively. The initial gains were driven by strong automotive demand and, while both metals moved substantially lower when Covid-19 spread globally, they still ended the period significantly higher year on year.

Operational performance

Total platinum production (metal in concentrate) decreased by 25% to 748,300 ounces, with total palladium output decreasing by 21% to 531,600 ounces. This was largely attributable to the South African government implementing a national lockdown from 26 March 2020, in response to the Covid-19 pandemic.

Own-mined production

Own-mined platinum production decreased by 27% to 488,100 ounces, with palladium production decreasing by 21% to 406,300 ounces, primarily due to the impact of lockdowns to contain Covid-19.

Mogalakwena's platinum production decreased by 7% to 239,200 ounces and palladium production by 8% to 257,600 ounces, owing to the effects of the lockdowns. In addition, production was affected by maintenance at the North concentrator and lower built-up head grade owing to drawdown of ore stockpiles, though this was partially offset by improved concentrator recovery.

At Amandelbult, platinum and palladium production decreased by 48% to 110,800 ounces and 50,800 ounces, respectively, largely due to the impact of the lockdown, as well as the closure of some sections in Tumela Upper in December 2019 as they came to the end of their mine life.

Production of platinum and palladium from other operations decreased by 28% to 138,100 ounces and 26% to 97,900 ounces, respectively, in the wake of Covid-19. Unki in Zimbabwe, however, recorded a strong performance; despite being impacted by Covid-19 lockdowns, the operation was able to ramp up to normal production levels quickly.

Joint operations, also subject to lockdowns, saw platinum production decrease by 35% to 129,200 ounces and palladium production by 32% to 86,400 ounces (split equally between own-mined and purchase of concentrate).

Purchase of concentrate

Purchase of concentrate, excluding tolling, decreased by 21% to 260,200 ounces in the case of platinum and by 23% to 125,300 ounces for palladium, reflecting the lower production from joint operations.

Refined production and sales volumes

Refined platinum production (excluding toll-treated metal and purchased concentrate from Sibanye refined in the prior year) decreased by 57% to 400,900 ounces, while refined palladium output on the same basis was 49% lower at 344,500 ounces. Refined production was adversely affected by the temporary shutdown of the ACP in March following a force majeure event. Phase B returned to operation on 12 May and, following a further two-week shut down at the beginning of June, has ramped up and is operating at full capacity. Repairs to Phase A are ahead of schedule, with completion estimated by the end of the year. During the period the ACP was down, there was a build-up in work-in-progress inventory, which is expected to be refined to normalised levels through the second half of 2020 and into 2021.

Platinum sales volumes (excluding prior year sales of concentrate purchased from Sibanye) decreased by 52% to 435,600 ounces, while palladium sales declined by 46% to 383,300 ounces on the same basis, largely due to the ACP shutdown. Refined inventory was drawn down to supplement sales.

Operational outlook

Production guidance (metal in concentrate) is unchanged at 1.5–1.7 million ounces of platinum and 1.0–1.2 million ounces of palladium, subject to the extent of any further Covid-19 related disruptions.

IRON ORE

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	Mt(1)	Mt(1)	$/t(2)	$/t(3)	$m	$m(4)		$m(4)	$m	
Iron Ore	**30.5**	**31.5**	**91**	**25**	**3,291**	**1,827**	**56 %**	**1,606**	**235**	**34 %**
Prior year	*30.9*	*32.0*	*103*	*30*	*3,584*	*2,036*	*57 %*	*1,819*	*278*	*42 %*
Kumba Iron Ore(5)	**17.9**	**18.8**	**93**	**29**	**1,914**	**1,028**	**54 %**	**881**	**174**	**69 %**
Prior year	*20.1*	*21.4*	*108*	*34*	*2,427*	*1,366*	*57 %*	*1,214*	*186*	*92 %*
Iron Ore Brazil (Minas-Rio)	**12.6**	**12.7**	**88**	**19**	**1,377**	**799**	**59 %**	**725**	**61**	**25 %**
Prior year	*10.8*	*10.6*	*92*	*21*	*1,157*	*670*	*60 %*	*605*	*92*	*27 %*

(1) Minas-Rio production and sales volumes are reported as wet metric tonnes. Product is shipped with c.9% moisture. Total iron ore is the sum of Kumba (dry basis) and Minas-Rio (wet basis).
(2) Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha). Prices for Minas-Rio are the average realised export basket price (FOB Açu) (wet basis). Prices for total iron ore are a blended average.
(3) Unit costs for Kumba Iron Ore are on an FOB (dry) basis. Unit costs for Minas-Rio are on an FOB (wet) basis. Unit costs for total iron ore are a blended average.
(4) Kumba Iron Ore segment includes $28 million projects and corporate costs (30 June 2019: $27 million). Iron Ore Brazil segment includes $26 million projects and corporate costs (30 June 2019: $23 million).
(5) Sales volumes, stock and realised price for H1 2020 differ to Kumba's stand-alone reported results due to sales to other Group companies.

Financial and operational overview

Kumba

Underlying EBITDA decreased by 25% to $1,028 million (30 June 2019: $1,366 million), driven by a 14% decrease in the average realised iron ore price to $93/tonne (30 June 2019: $108/tonne) and lower sales volumes, partly offset by the favourable impact of the weaker South African rand. FOB unit costs decreased to $29/tonne (30 June 2019: $34/tonne), primarily due to the effect of the weaker rand, lower maintenance costs and the benefit from cost optimisation initiatives, partly offset by lower production volumes and mining cost inflation.

Total sales volumes decreased by 12% to 18.8 Mt (30 June 2019: 21.4 Mt) owing to Covid-19 related logistical constraints, severe weather conditions at Saldanha Port in June, and lower domestic sales of 0.4 Mt (30 June 2019: 1.5 Mt). Export sales decreased to 18.4 Mt (30 June 2019: 19.9 Mt) and total finished stock increased to 6.2 Mt(5) (30 June 2019: 4.5 Mt).

Minas-Rio

Underlying EBITDA increased by 19% to $799 million (30 June 2019: $670 million), reflecting the higher volumes and lower unit costs, partly offset by lower average realised prices. Unit costs decreased by 10% to $19/tonne (30 June 2019: $21/tonne), due to the weaker Brazilian real, higher production due to the ongoing implementation of P101 productivity initiatives and cost savings.

Markets

	30 June 2020	30 June 2019
Average market price (IODEX 62% Fe CFR China – $/tonne)	**91**	91
Average market price (MB 66% Fe Concentrate CFR – $/tonne)	**104**	106
Average realised price (Kumba export – $/tonne) (FOB Saldanha)	**93**	108
Average realised price (Minas-Rio – $/tonne) (FOB wet basis)	**88**	92

Kumba's outperformance over the IODEX (Platts) 62% Fe CFR China index was primarily due to the higher iron content at 64.4% and the relatively high proportion (approximately 65%) of lump in its product portfolio.

Minas-Rio's pellet feed product is also higher grade (higher iron content of 67% and lower gangue) than the reference product used for the IODEX 62% Fe CFR China index. The Metal Bulletin (MB) 66 index, therefore, is used when referring to Minas-Rio product.

Operational performance

Kumba

Total production decreased by 11% to 17.9 Mt (30 June 2019: 20.1 Mt), reflecting lower workforce levels in response to the Covid-19 lockdown, the subsequent reopening of operations with reduced workforce levels of c.50% and the ramp up of production to normal run rates in June. Sishen's production decreased by 10% to 12.4 Mt (30 June 2019: 13.8 Mt) and Kolomela's reduced by 12% to 5.6 Mt (30 June 2019: 6.3 Mt).

In line with this, Sishen's waste stripping decreased by 17% to 68 Mt (30 June 2019: 83 Mt), while Kolomela's waste stripping reduced by 15% to 26 Mt (30 June 2019: 31 Mt). The scheduled maintenance programme is on track and progress continues to be made towards P101 benchmark efficiency.

Minas-Rio

Production increased by 17% to 12.6 Mt (30 June 2019: 10.8 Mt), reflecting further improvements to operational performance from the ongoing implementation of P101 initiatives, as well as sustained operational stability. Covid-19 measures in place to help safeguard the workforce and communities are not currently expected to significantly affect 2020 production.

Operational outlook

Kumba

Kumba's production guidance for 2020 is unchanged at 37–39 Mt, subject to the extent of further Covid-19 related disruption.

Minas-Rio

Minas-Rio production guidance is unchanged at 22–24 Mt, subject to the extent of further Covid-19-related disruption. The planned one-month production stoppage to carry out routine internal scanning of the pipeline, originally scheduled for the second quarter of 2020, has been postponed to the second half of the year owing to prevailing Covid-19 related constraints.

COAL

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*(6)	Underlying EBIT*	Capex*	ROCE*
	Mt(1)	Mt(2)	$/t(3)	$/t(4)	$m	$m(5)		$m(5)	$m	
Coal	**—**	**—**	**—**	**—**	**1,969**	**23**	**0 %**	**(271)**	**375**	**(15)%**
Prior year	*—*	*—*	*—*	*—*	*3,204*	*996*	*35 %*	*607*	*336*	*28 %*
Metallurgical Coal	**7.8**	**7.8**	**120**	**97**	**962**	**(10)**	**(1)%**	**(230)**	**287**	**(16)%**
Prior year	*10.0*	*9.9*	*187*	*68*	*1,880*	*906*	*50 %*	*610*	*253*	*45 %*
Thermal Coal – South Africa	**7.8**	**7.2**	**61**	**39**	**862**	**20**	**1 %**	**(8)**	**88**	**(5)%**
Prior year	*9.0*	*9.2*	*64*	*46*	*1,049*	*14*	*4 %*	*(32)*	*83*	*(11)%*
Thermal Coal – Colombia(7)	**2.7**	**3.2**	**46**	**35**	**145**	**13**	**9 %**	**(33)**	**—**	**(16)%**
Prior year	*4.2*	*4.4*	*62*	*36*	*275*	*76*	*28 %*	*29*	*—*	*7 %*

(1) Production volumes are saleable tonnes. South African production volumes include export primary production, secondary production sold into export markets, production sold domestically at export parity pricing and pre-commercial production volumes from Navigation section of Khwezela and excludes other domestic production of 6.4 Mt (30 June 2019: 4.9 Mt). Metallurgical Coal production volumes exclude thermal coal production of 0.9 Mt (30 June 2019: 0.6 Mt).

(2) South African sales volumes include export primary production, secondary production sold into export markets and production sold domestically at export parity pricing and pre-commercial production volumes from Navigation section of Khwezela and exclude domestic sales of 6.0 Mt (30 June 2019: 4.4 Mt) and non-equity traded sales of 5.6 Mt (30 June 2019: 5.5 Mt). Metallurgical Coal sales volumes exclude thermal coal sales of 1.1 Mt (30 June 2019: 0.7 Mt).

(3) Metallurgical Coal realised price is the weighted average hard coking coal and PCI sales price achieved at managed operations. Thermal Coal – South Africa realised price is the weighted average export thermal coal price achieved. Excludes third-party sales from locations other than Richards Bay.

(4) FOB cost per saleable tonne, excluding royalties. Metallurgical Coal excludes study costs. Thermal Coal – South Africa unit cost is for the trade operations.

(5) Metallurgical Coal segment includes $30 million projects and corporate costs (30 June 2019: $28 million). Thermal Coal – South Africa segment includes $24 million projects and corporate costs (30 June 2019: $26 million).

(6) Excludes impact of third-party sales.

(7) Represents the Group's attributable share from its 33.3% interest in Cerrejón.

Financial and operational overview

Metallurgical Coal

Metallurgical Coal recorded an underlying EBITDA loss of $10 million (30 June 2019: $ 906 million gain), with a 36% reduction in the realised price for metallurgical coal, a 22% decrease in sales volumes and a 43% increase in US dollar unit costs to $97/tonne (30 June 2019: $68/tonne). The volume and cost performances were principally impacted by two underground operational incidents at Moranbah and Grosvenor, as well as longwall moves at Grosvenor and Grasstree.

Thermal Coal – South Africa

Underlying EBITDA increased by 43% to $20 million (30 June 2019: $14 million), as higher domestic sales volumes and lower unit costs more than offset lower export volumes resulting from Covid-19 related restrictions and a 5% decrease in the realised export thermal coal price. Unit costs decreased by 15% to $39/tonne (30 June 2019: $46/tonne) as domestic productivity improvements and the favourable impact of the weaker rand offset the effects of inflation and lower export production volumes. Since June, all mines have been operating at c.80% as a result of Covid-19 measures implemented to help safeguard the workforce.

Thermal Coal – Colombia

Underlying EBITDA decreased by 83% to $13 million (30 June 2019: $76 million), reflecting a 26% decrease in the realised price and a 29% reduction in sales volumes as a result of the impact of Covid-19 on production and weaker demand. Despite the 35% reduction in saleable production, Cerrejón reduced unit costs by 3% to $35/tonne (30 June 2019: $36/tonne) through optimisation of the mine plan to exclude higher cost volumes that are not economic at current prices and an enterprise-wide cost reduction programme.

Revenue for thermal coal includes amounts earned from the sale of volumes purchased from third parties (non-equity traded sales) that were not mined by the Group. Excluding these volumes, revenue from the mining of thermal coal (including Thermal coal business volumes from South Africa, Colombia and the Metallurgical Coal business) for the period was $676 million, or 5% of Group's revenue (30 June 2019: $1,018 million, 6%). Thermal coal underlying EBITDA for the period, excluding non-equity traded sales, was $13 million (30 June 2019: $84 million).

Markets

Metallurgical coal

	30 June 2020	30 June 2019
Average benchmark price hard coking coal ($/tonne)(1)	**137**	205
Average benchmark price PCI ($/tonne)(1)	**83**	125
Average realised price for premium low-volatile hard coking coal ($/tonne)	**123**	195
Average realised price for PCI ($/tonne)	**98**	123

(1) Represents average spot prices.

Average realised prices differ from the average market price owing to differences in material grade and timing of contracts.

Market prices decreased in line with demand through the first half of the year. Demand was affected by the slowdown in the global economy due to the Covid-19 pandemic and increasingly stringent coal import policies at ports in China.

Thermal coal

	30 June 2020	30 June 2019
Average market price ($/tonne, FOB South Africa)	**67**	74
Average market price ($/tonne, FOB Colombia)	**46**	60
Average realised price – Export South Africa ($/tonne, FOB)	**61**	64
Average realised price – Colombia ($/tonne, FOB)	**46**	62

The average realised price for export thermal coal differs from the average market price due to timing differences and quality discounts relative to the industry benchmark.

Thermal coal prices declined over the period as demand was impacted to a greater extent than supply by the effects of Covid-19. India, a key market for South African coal, experienced an estimated 23% decrease in imports in the first half of 2020. Towards the end of the half, the US and Indonesia had started to respond by reducing their seaborne supply.

Operational performance

Metallurgical Coal

Production decreased by 22% to 7.8 Mt (30 June 2019: 10.0 Mt), principally due to two incidents underground as well as longwall moves at Grosvenor and Grasstree. In January, a fall of ground at Moranbah delayed the completion of a longwall move with the operation restarting ahead of schedule in mid-May. At Grosvenor, operations have been suspended since the beginning of May following a gas ignition incident underground. The investigation into the incident at Grosvenor is ongoing. The affected longwall panel is being sealed off for safety reasons to facilitate works to prepare the mine for restart, resulting in a $75 million write-down relating to the lost equipment in that area. Mining operations will restart in a new location only when it is safe to do so, with the benefit of learnings from the investigation and the Board of Inquiry, and with any additional safety measures in place. Grosvenor is therefore currently expected to return to operation in the second half of 2021. Disruption to operations from Covid-19 has been limited, with measures in place to help safeguard the workforce and local communities. Open cut operations have been scaled back at Dawson and Capcoal in response to reduced demand for lower quality metallurgical coal.

Thermal Coal – South Africa

Export production decreased by 13% to 7.8 Mt (30 June 2019: 9.0 Mt), mainly due to sections at Goedehoop reaching the end of their life and the impact of Covid-19-related lockdowns.

Thermal Coal – Colombia

Anglo American's attributable production from its 33.3% ownership of Cerrejón decreased by 35% to 2.7 Mt (30 June 2019: 4.2 Mt) as a result of the impact of lockdown restrictions due to Covid-19 and planned lower production in response to lower demand.

Operational outlook

Metallurgical coal

Following the temporary suspension of operations at Grosvenor since the start of May, production guidance for metallurgical coal is revised to 16–18 million tonnes (previously 19–21 million tonnes), subject to the extent of further Covid-19 related disruption.

Export thermal coal

Production guidance for export thermal coal is revised to c.21 million tonnes (previously c.22 million tonnes) due to the impact of Covid-19 related restrictions and lower production at Cerrejón in response to reduced demand, and remains subject to the extent of further Covid-19 related disruption.

NICKEL AND MANGANESE

Financial and operational metrics

	Production volume[1]	Sales volume[1]	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
			c/lb[2]	c/lb[3]	$m	$m[4]		$m[4]	$m	
Nickel and Manganese	**—**	**—**	**—**	**—**	**564**	**218**	**39 %**	**132**	**12**	**12 %**
Prior year	*—*	*—*	*—*	*—*	*756*	*326*	*43 %*	*249*	*20*	*20 %*
Nickel	**21,700**	**20,400**	**502**	**336**	**229**	**64**	**28 %**	**9**	**12**	**1 %**
Prior year	*19,600*	*18,600*	*563*	*410*	*232*	*52*	*22 %*	*1*	*20*	*0 %*
Manganese[5]	**1.7**	**1.7**	**—**	**—**	**335**	**154**	**46 %**	**123**	**—**	**79 %**
Prior year	*1.8*	*1.9*	*—*	*—*	*524*	*274*	*52 %*	*248*	*—*	*142 %*

(1) Nickel production and sales are tonnes (t). Manganese production and sales are million tonnes (Mt).
(2) Realised price.
(3) C1 unit cost.
(4) Nickel segment includes $5 million projects and corporate costs (30 June 2019: $5 million).
(5) Production, sales and financials include ore and alloy.

Financial and operational overview

Nickel

Underlying EBITDA increased by 23% to $64 million (30 June 2019: $52 million), benefiting from improved operational stability and favourable foreign exchange movements, partly offset by the lower realised nickel price. In addition, the first half of 2019 was also adversely affected by a 40-day planned stoppage at Barro Alto.

Manganese (Samancor)

Underlying EBITDA decreased by 44% to $154 million (30 June 2019: $274 million), mainly owing to the lower manganese ore price and a 25% decrease in alloy sales, driven by lower production.

Markets

Nickel

	30 June 2020	30 June 2019
Average market price (c/lb)	**566**	559
Average realised price (c/lb)	**502**	563

Ferronickel is traded based on discounts or premiums to the LME nickel price, depending on market conditions, supplier products and consumer preferences. Differences between market prices and realised prices are largely due to variances between the LME and the ferronickel price.

The average LME nickel price remained largely unchanged at 566 c/lb (30 June 2019: 559 c/lb), despite the negative impacts of Covid-19 on demand and market sentiment. Nickel demand for stainless steel production had a strong recovery in China in the second quarter, while the global supply of nickel decreased owing to the impact of Covid-19 containment measures. Nickel demand for electric vehicle batteries also benefited from the strong year-on-year growth in sales of zero-emission vehicles in Europe.

Manganese

The average benchmark price for manganese ore (Metal Bulletin 44% manganese ore CIF China) was \$5.07/dmtu, a decrease of 20% (30 June 2019: \$6.33/dmtu). The adverse effects of Covid-19 shutdowns led to lower demand and prices.

Operational performance

Nickel

Nickel output increased by 11% to 21,700 tonnes (30 June 2019: 19,600 tonnes), reflecting improved operational stability and the effect of a planned stoppage at Barro Alto in the first half of 2019. Current Covid-19 measures in place to safeguard the workplace and communities are not expected to significantly affect 2020 production.

Manganese

Attributable manganese ore production decreased by 4% to 1.6 Mt (30 June 2019: 1.7 Mt) as the impact from the Covid-19 lockdowns in South Africa was largely offset by improved production in Australia due to improved concentrator and PC-02 performance.

Operational outlook

Nickel

Production guidance for 2020 is unchanged at 42,000–44,000 tonnes, subject to the extent of further Covid-19 related disruptions.

CROP NUTRIENTS

Financial and operational metrics

	Production volume	Sales volume[1]	Price	Unit cost	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
			c/lb	c/lb	$m	$m		$m	$m	
Crop Nutrients	**—**	**—**	**—**	**—**	**22**	**4**	**n/a**	**4**	**91**	**n/a**
Prior year	—	—	—	—	—	—	*n/a*	—	—	*n/a*
Woodsmith project	**—**	**—**	**—**	**—**	**—**	**—**	**n/a**	**—**	**91**	**n/a**
Prior year	—	—	—	—	—	—	*n/a*	—	—	*n/a*
Other[1]	**—**	**—**	**—**	**—**	**22**	**4**	**n/a**	**4**	**—**	**n/a**
Prior year	—	—	—	—	—	—	*n/a*	—	—	*n/a*

(1) Other comprises a 30% interest in The Cibra Group, a fertiliser distributor based in Brazil.

Crop Nutrients

Anglo American is developing the Woodsmith project in the north east of England to access the world's largest known deposit of polyhalite, a natural mineral fertiliser product containing potassium, sulphur, magnesium and calcium – four of the six nutrients that every plant needs to grow. The mine is being constructed approximately three kilometres south of Whitby where polyhalite ore will be extracted via two 1.6 kilometre deep mine shafts and transported to the port at Teesside on a conveyor belt system in a 37 kilometre underground tunnel, thereby minimising impact on the surface above. It will then be granulated at a materials handling facility to produce a fertiliser product – known as POLY4 – that will be exported to a network of customers in overseas markets.

Woodsmith project

Following the completion of the acquisition of Sirius Minerals Plc on 17 March 2020, integration activities have progressed well and the development of the project has continued in line with Anglo American's expected $300 million capital expenditure for 2020. The impact of Covid-19 on the project's development has been limited due to the successful implementation of appropriate health measures.

By the end of June, the first drive of the project's 37 kilometre tunnel to accommodate the underground mineral transport system had reached 7.3 kilometres and continues to progress well. At the mine head, the first shaft-boring machine is being assembled within the service shaft (where the early shaft-sinking work has taken place), with works at the production shaft also progressing well.

During the second half of the year, a review of the project's overall development plan will continue, making any appropriate adjustments to further optimise the project and align it with Anglo American's technical and other standards.

Market development – POLY4

Supply agreements with a global customer base are in place, including with a number of well-established counterparties such as Archer Daniels Midland Company, BayWa AG, Cibra, IFFCO, Wilmar Group and Muntajat. Many of these agreements have specific price levels recognising the value from key nutrients and have been set up on a take-or-pay basis. In total, these offtake arrangements accommodate production in excess of 10 Mtpa.

The ongoing focus of the market development activities is now around developing and implementing detailed sales and marketing strategies for each region and supporting customers with their own market development activities in order to further promote POLY4 to the end-users of the product.

CORPORATE AND OTHER

Financial metrics

	Group revenue*	Underlying EBITDA*	Underlying EBIT*	Capex*
	$m	$m	$m	$m
Segment	**91**	**(40)**	**(62)**	**7**
Prior year	*—*	*(38)*	*(112)*	*15*
Exploration	**—**	**(43)**	**(44)**	**—**
Prior year	*—*	*(53)*	*(54)*	*—*
Corporate activities and unallocated costs	**91**	**3**	**(18)**	**7**
Prior year	*—*	*15*	*(58)*	*15*

Financial overview

Corporate and other reported an underlying EBITDA loss of $40 million (30 June 2019: $38 million loss). Revenue increased to $91 million (30 June 2019: nil), predominantly due to a ramp up of third-party shipping activity.

Exploration

Exploration's underlying EBITDA loss decreased to $43 million (30 June 2019: $53 million loss), reflecting decreased exploration activities across most product groups, in particular at De Beers.

Corporate activities and unallocated costs

Underlying EBITDA decreased to a $3 million gain (30 June 2019: $15 million gain), driven primarily by transaction costs related to the acquisition of Sirius Minerals Plc.

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Notes to editors:
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, development projects and undeveloped resources, provides many of the metals and minerals that enable a cleaner, greener, more sustainable world and that meet the fast growing consumer-driven demands of developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to mine, process, move and market our products to our customers – and to discover new resources – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment – we are committed to being carbon neutral across our operations by 2040. We work together with our business partners and diverse stakeholders to unlock sustainable 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.

www.angloamerican.com

Webcast of presentation:
A live webcast of the results presentation, starting at 9.00am UK time on 30 July 2020, can be accessed through the Anglo American website at www.angloamerican.com

Note: Throughout this results announcement, '$' denotes United States dollars and 'cents' refers to United States cents. Tonnes are metric tons, 'Mt' denotes million tonnes and 'kt' denotes thousand tonnes, unless otherwise stated.

Group terminology

In this document, references to “Anglo American”, the “Anglo American Group”, the “Group”, “we”, “us”, and “our” are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms herein is for convenience only, and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including but not limited to securing and maintaining all relevant licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms. Anglo American produces Group-wide policies and procedures to ensure best uniform practices and standardisation across the Anglo American Group but is not responsible for the day to day implementation of such policies. Such policies and procedures constitute prescribed minimum standards only. Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions where appropriate, and for implementation, oversight and monitoring within their specific businesses

Forward-looking statements and third-party information:

This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Anglo American’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 Anglo American’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 Anglo American, 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 Anglo American’s present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American’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, sustainability aspirations, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transportation 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 in relevant areas of the world, the actions of competitors, activities by governmental authorities such as permitting and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American’s most recent Annual 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. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the “Takeover Code”), the UK Listing Rules, the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American’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 Anglo American will necessarily match or exceed its historical published earnings per share.

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CONDENSED FINANCIAL STATEMENTS

for the six months ended 30 June 2020

CONTENTS

Consolidated income statement
for the six months ended 30 June 2020

US$ million	Note	**6 months ended 30.06.20** Before special items and remeasure-ments	Special items and remeasure-ments (note 9)	Total	6 months ended 30.06.19 Before special items and remeasure-ments	Special items and remeasure-ments (note 9)	Total
Revenue	3	**12,474**	**—**	**12,474**	14,772	—	14,772
Operating costs		**(10,607)**	**(101)**	**(10,708)**	(11,188)	(236)	(11,424)
Operating profit	3	**1,867**	**(101)**	**1,766**	3,584	(236)	3,348
Non-operating special items	9	**—**	**41**	**41**	—	(5)	(5)
Net income from associates and joint ventures	3 12	**122**	**(77)**	**45**	245	2	247
Profit before net finance costs and tax		**1,989**	**(137)**	**1,852**	3,829	(239)	3,590
Investment income		**55**	**—**	**55**	151	—	151
Interest expense		**(302)**	**(1)**	**(303)**	(341)	(2)	(343)
Other net financing (losses)/gains		**(54)**	**5**	**(49)**	(23)	10	(13)
Net finance costs	5	**(301)**	**4**	**(297)**	(213)	8	(205)
Profit before tax		**1,688**	**(133)**	**1,555**	3,616	(231)	3,385
Income tax expense	6	**(455)**	**(283)**	**(738)**	(959)	70	(889)
Profit for the financial period		**1,233**	**(416)**	**817**	2,657	(161)	2,496
Attributable to:							
Non-controlling interests	16	**347**	**(1)**	**346**	652	(39)	613
Equity shareholders of the Company		**886**	**(415)**	**471**	2,005	(122)	1,883

Earnings per share (US$)							
Basic	4	**0.72**	**(0.34)**	**0.38**	1.58	(0.10)	1.48
Diluted	4	**0.71**	**(0.33)**	**0.38**	1.55	(0.09)	1.46

Consolidated statement of comprehensive income
for the six months ended 30 June 2020

US$ million	**6 months ended 30.06.20**	6 months ended 30.06.19
Profit for the financial period	**817**	2,496
Items that will not be reclassified to the income statement (net of tax)		
Remeasurement of net retirement benefit obligation	**107**	(75)
Net revaluation gain on equity investments	**46**	6
Items that have been or may subsequently be reclassified to the income statement (net of tax)		
Net exchange differences:		
Net (loss)/gain (including associates and joint ventures)	**(2,254)**	182
Cumulative loss transferred to the income statement on disposal of foreign operations	**4**	—
Other comprehensive (loss)/income for the financial period (net of tax)	**(2,097)**	113
Total comprehensive (loss)/income for the financial period (net of tax)	**(1,280)**	2,609
Attributable to:		
Non-controlling interests	**(161)**	660
Equity shareholders of the Company	**(1,119)**	1,949

Consolidated balance sheet
as at 30 June 2020

US$ million	Note	**30.06.20**	31.12.19
ASSETS			
Non-current assets			
Intangible assets		**2,917**	3,086
Property, plant and equipment		**33,547**	34,201
Environmental rehabilitation trusts		**237**	301
Investments in associates and joint ventures		**1,208**	1,333
Financial asset investments		**359**	434
Trade and other receivables		**553**	676
Deferred tax assets		**756**	1,057
Derivative financial assets	15	**624**	347
Other non-current assets		**793**	642
Total non-current assets		**40,994**	42,077
Current assets			
Inventories		**5,600**	4,962
Trade and other receivables		**2,565**	2,386
Current tax assets		**54**	130
Derivative financial assets	15	**147**	86
Cash and cash equivalents	13	**6,321**	6,345
Total current assets		**14,687**	13,909
Assets classified as held for sale		**147**	166
Total assets		**55,828**	56,152
LIABILITIES			
Current liabilities			
Trade and other payables		**(4,616)**	(5,373)
Short term borrowings	13 14	**(2,345)**	(990)
Provisions for liabilities and charges		**(485)**	(516)
Current tax liabilities		**(379)**	(194)
Derivative financial liabilities	15	**(239)**	(155)
Total current liabilities		**(8,064)**	(7,228)
Non-current liabilities			
Trade and other payables		**(151)**	(126)
Medium and long term borrowings	13 14	**(11,638)**	(9,744)
Royalty liabilities	19 15	**(321)**	—
Retirement benefit obligations		**(564)**	(651)
Deferred tax liabilities		**(3,265)**	(3,922)
Derivative financial liabilities	15	**(469)**	(522)
Provisions for liabilities and charges		**(2,469)**	(2,557)
Total non-current liabilities		**(18,877)**	(17,522)
Liabilities directly associated with assets classified as held for sale		**(14)**	(17)
Total liabilities		**(26,955)**	(24,767)
Net assets		**28,873**	31,385
EQUITY			
Called-up share capital		**748**	753
Share premium account		**4,358**	4,358
Own shares		**(6,094)**	(6,195)
Other reserves		**(12,138)**	(10,395)
Retained earnings		**35,994**	36,274
Equity attributable to equity shareholders of the Company		**22,868**	24,795
Non-controlling interests	16	**6,005**	6,590
Total equity		**28,873**	31,385

The Condensed financial statements of Anglo American plc, registered number 03564138, were approved by the Board of directors on 29 July 2020 and signed on its behalf by:

Mark Cutifani
Chief Executive

Stephen Pearce
Finance Director

Consolidated cash flow statement

for the six months ended 30 June 2020

US$ million	Note	**6 months ended 30.06.20**	6 months ended 30.06.19
Cash flows from operating activities			
Profit before tax		**1,555**	3,385
Net finance costs including financing special items and remeasurements		**297**	205
Net income from associates and joint ventures		**(45)**	(247)
Non-operating special items	9	**(41)**	5
Operating profit		**1,766**	3,348
Operating special items and remeasurements	9	**101**	236
Cash element of special items		**(85)**	(23)
Depreciation and amortisation		**1,183**	1,352
Share-based payment charges		**79**	81
Increase in provisions and net retirement benefit obligations		**(70)**	(75)
Increase in inventories		**(1,180)**	(175)
Increase in operating receivables		**(221)**	(459)
Decrease in operating payables		**(38)**	(91)
Other adjustments		**(11)**	53
Cash flows from operations		**1,524**	4,247
Dividends from associates and joint ventures	12	**132**	301
Income tax paid		**(451)**	(1,143)
Net cash inflows from operating activities		**1,205**	3,405
Cash flows from investing activities			
Expenditure on property, plant and equipment	11	**(2,088)**	(1,867)
Cash flows used in derivatives related to capital expenditure	11	**—**	(2)
Proceeds from disposal of property, plant and equipment	11	**3**	3
Investments in associates and joint ventures		**(6)**	(26)
Purchase of financial asset investments		**(4)**	(2)
Net redemption/(issuance) of financial asset investments held at amortised cost		**42**	(24)
Interest received and other investment income		**51**	117
Net cash outflow on acquisitions	19	**(515)**	(8)
Net cash inflow on disposals	19	**187**	26
Other investing activities		**(30)**	(37)
Net cash used in investing activities		**(2,360)**	(1,820)
Cash flows from financing activities			
Interest paid		**(250)**	(234)
Cash flows from/(used in) derivatives related to financing activities	13	**113**	(69)
Dividends paid to Company shareholders		**(557)**	(652)
Dividends paid to non-controlling interests	16	**(395)**	(421)
Proceeds from issuance of bonds		**1,490**	958
Proceeds from other borrowings		**1,948**	104
Capital repayment of lease obligations		**(75)**	(101)
Repayments of bonds and borrowings		**(621)**	(454)
Purchase of shares by Group companies		**(340)**	(225)
Other financing activities		**(2)**	(2)
Net cash inflows from/(used in) financing activities		**1,311**	(1,096)
Net increase in cash and cash equivalents		**156**	489
Cash and cash equivalents at start of period	13	**6,335**	6,548
Cash movements in the period		**156**	489
Effects of changes in foreign exchange rates		**(179)**	27
Cash and cash equivalents at end of period	13	**6,312**	7,064

Consolidated statement of changes in equity

for the six months ended 30 June 2020

US$ million	Total share capital[1]	Own shares[2]	Retained earnings	Cumulative translation adjustment reserve	Other reserves[3]	Total equity attributable to equity shareholders of the Company	Non-controlling interests	Total equity
At 1 January 2019	5,130	(6,315)	35,222	(11,056)	537	23,518	6,222	29,740
Total comprehensive income	—	—	1,813	131	5	1,949	660	2,609
Dividends payable	—	—	(652)	—	—	(652)	(276)	(928)
Equity settled share-based payment schemes	—	127	(221)	—	(78)	(172)	—	(172)
Other	—	—	(9)	—	—	(9)	—	(9)
At 30 June 2019	5,130	(6,188)	36,153	(10,925)	464	24,634	6,606	31,240
Total comprehensive income/(loss)	—	—	1,618	(40)	63	1,641	462	2,103
Dividends payable	—	—	(770)	—	—	(770)	(483)	(1,253)
Equity settled share-based payment schemes	—	(7)	(16)	—	76	53	3	56
Shares cancelled during the period	(19)	—	—	—	19	—	—	—
Share buyback	—	—	(777)	—	—	(777)	—	(777)
Other	—	—	66	—	(52)	14	2	16
At 31 December 2019	**5,111**	**(6,195)**	**36,274**	**(10,965)**	**570**	**24,795**	**6,590**	**31,385**
Total comprehensive income/(loss)	**—**	**—**	**567**	**(1,724)**	**38**	**(1,119)**	**(161)**	**(1,280)**
Dividends payable	**—**	**—**	**(557)**	**—**	**—**	**(557)**	**(407)**	**(964)**
Equity settled share-based payment schemes	**—**	**101**	**(55)**	**—**	**(62)**	**(16)**	**(23)**	**(39)**
Shares cancelled during the period	**(5)**	**—**	**—**	**—**	**5**	**—**	**—**	**—**
Share buyback	**—**	**—**	**(223)**	**—**	**—**	**(223)**	**—**	**(223)**
Other	**—**	**—**	**(12)**	**—**	**—**	**(12)**	**6**	**(6)**
At 30 June 2020	**5,106**	**(6,094)**	**35,994**	**(12,689)**	**551**	**22,868**	**6,005**	**28,873**

[1] Includes share capital and share premium.
[2] Own shares comprise shares of Anglo American plc held by the Company (treasury shares), its subsidiaries and employee benefit trusts.
[3] Includes the share-based payment reserve, financial asset revaluation reserve, capital redemption reserve, legal reserve and other reserves.

1. BASIS OF PREPARATION

Basis of Preparation

The Condensed financial statements for the six months ended 30 June 2020 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and the requirements of the Disclosure Guidance and Transparency Rules (DTR) of the Financial Conduct Authority (FCA) in the United Kingdom as applicable to interim financial reporting.

The Condensed financial statements represent a ‘condensed set of financial statements’ as referred to in the DTR issued by the FCA. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the Group’s Consolidated financial statements for the year ended 31 December 2019, which were prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use by the European Union. The Condensed financial statements are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the year to 31 December 2019 included in this report was derived from the statutory accounts for the year ended 31 December 2019, a copy of which has been delivered to the Registrar of Companies. The auditor’s report on these accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Financial review of Group results for the six months ended 30 June 2020 on pages 4 to 9. The Group’s net debt (including related hedges) at 30 June 2020 was $7.6 billion (31 December 2019: $4.6 billion) representing a gearing level of 21% (31 December 2019: 13%). The Group’s liquidity position (defined as cash and undrawn committed facilities) of $15.5 billion at 30 June 2020 remains strong. Further analysis of net debt is set out in note 13 and details of borrowings and facilities are set out in note 14.

The directors have considered the Group’s cash flow forecasts for the period to the end of 31 December 2021 under base and downside scenarios, with consideration given to the uncertainty of the impact of the Covid-19 pandemic on both the wider macro-economic environment, including demand for the Group’s products and realised prices, and the Group’s operations, including production levels. In all of the scenarios modelled, the Group maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

The Board is satisfied that the Group’s forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities for the foreseeable future. For this reason the Group continues to adopt the going concern basis in preparing its Condensed financial statements.

Alternative Performance Measures

When assessing and discussing the Group’s reported financial performance, financial position and cash flows, management makes reference to Alternative Performance Measures (APMs) of historical or future financial performance, financial position or cash flows that are not defined or specified under IFRS. APMs should be considered in addition to, and not as a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS. Further information on APMs is provided on page 66.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies applied are consistent with those adopted and disclosed in the Group financial statements for the year ended 31 December 2019. A number of new accounting pronouncements, principally minor amendments to existing standards, also became effective on 1 January 2020 and have been adopted by the Group. The adoption of these new accounting pronouncements has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Group.

The Group has not early adopted any other amendment, standard or interpretation that has been issued but is not yet effective. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date.

FINANCIAL PERFORMANCE

Profit attributable to equity shareholders for the six months ended 30 June 2020 is $471 million (six months ended 30 June 2019: $1,883 million). Underlying earnings for the six months ended 30 June 2020 is $886 million (six months ended 30 June 2019: $2,005 million). Underlying earnings decreased by 56%.

The following disclosures provide further information about the drivers of the Group's financial performance in the period. This includes analysis of the respective contribution of the Group's reportable segments along with information about its operating cost base, net finance costs and tax. In addition, disclosure on earnings per share and the dividend is provided.

3. FINANCIAL PERFORMANCE BY SEGMENT

Overview

The Group's operating segments are aligned to those business units that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Operating segments with similar economic characteristics are aggregated into reportable segments.

On 17 March 2020 the Group acquired a 100% interest in Sirius Minerals Plc, and since that date it has been accounted for as a subsidiary of the Group and reported as the Crop Nutrients segment. As a result of the acquisition the Group has gained control of the Woodsmith project, located in North Yorkshire, UK. For details of this acquisition, see note 19.

Shipping revenue related to shipments of the Group's products is shown within the relevant operating segment. Revenue from other shipping arrangements is presented within the 'Corporate and other' segment, which also includes unallocated corporate costs and exploration costs.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

Segment results

							30.06.20
US$ million	Group revenue	Underlying EBITDA	Depreciation and amortisation	Underlying EBIT	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
De Beers	**1,223**	**2**	**(181)**	**(179)**	**(79)**	**44**	**(214)**
Copper	**2,731**	**706**	**(328)**	**378**	**(140)**	**(2)**	**236**
Platinum Group Metals	**3,331**	**610**	**(134)**	**476**	**(135)**	**(77)**	**264**
Iron Ore	**3,291**	**1,827**	**(221)**	**1,606**	**(256)**	**(312)**	**1,038**
Coal	**1,969**	**23**	**(294)**	**(271)**	**32**	**(3)**	**(242)**
Nickel and Manganese	**564**	**218**	**(86)**	**132**	**(58)**	**(2)**	**72**
Crop Nutrients[1]	**22**	**4**	**—**	**4**	**(4)**	**—**	**—**
Corporate and other	**91**	**(40)**	**(22)**	**(62)**	**(209)**	**3**	**(268)**
	13,222	**3,350**	**(1,266)**	**2,084**	**(849)** [2]	**(349)**	**886**
Less: associates and joint ventures	**(748)**	**(300)**	**83**	**(217)**	**93**	**2**	**(122)**
Subsidiaries and joint operations	**12,474**	**3,050**	**(1,183)**	**1,867**	**(756)**	**(347)**	**764**
Reconciliation:							
Net income from associates and joint ventures				**45**			**45**
Special items and remeasurements				**(60)**			**(338)**
Profit before net finance costs and tax				**1,852**			
Profit attributable to equity shareholders of the Company							**471**

See next page for footnotes.

3. FINANCIAL PERFORMANCE BY SEGMENT (continued)

							30.06.19
US$ million	Group revenue	Underlying EBITDA	Depreciation and amortisation	Underlying EBIT	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
De Beers	2,647	518	(194)	324	(103)	(34)	187
Copper	2,676	789	(320)	469	(165)	(92)	212
Platinum Group Metals	3,007	824	(165)	659	(204)	(103)	352
Iron Ore	3,584	2,036	(217)	1,819	(399)	(426)	994
Coal	3,204	996	(389)	607	(201)	(1)	405
Nickel and Manganese	756	326	(77)	249	(106)	(4)	139
Corporate and other	—	(38)	(74)	(112)	(176)	4	(284)
	15,874	5,451	(1,436)	4,015	(1,354) [2]	(656)	2,005
Less: associates and joint ventures	(1,102)	(515)	84	(431)	182	4	(245)
Subsidiaries and joint operations	14,772	4,936	(1,352)	3,584	(1,172)	(652)	1,760
Reconciliation:							
Net income from associates and joint ventures				247			247
Special items and remeasurements				(241)			(124)
Profit before net finance costs and tax				3,590			
Profit attributable to equity shareholders of the Company							1,883

(1) Crop Nutrients revenue relates to revenue from associate.
(2) Comprises net finance costs of $298 million (six months ended 30 June 2019: $228 million) and income tax expense of $551 million (six months ended 30 June 2019: $1,126 million).

The segment results are stated after elimination of inter-segment interest and dividends and include an allocation of corporate costs.

Further information

Group revenue by product

Segments predominantly derive revenue as follows – De Beers: rough and polished diamonds; Copper: copper; Platinum Group Metals: platinum group metals and nickel; Iron Ore: iron ore; Coal: metallurgical coal and thermal coal; Nickel and Manganese: nickel, manganese ore and alloys. Other revenue includes shipping revenue which predominantly relates to the Iron Ore, Platinum Group Metals and Copper segments.

US$ million			**30.06.20**			30.06.19
	Revenue from contracts with customers	**Revenue from other sources**	**Group Revenue**	Revenue from contracts with customers	Revenue from other sources	Group Revenue
Diamonds	**1,220**	**3**	**1,223**	2,643	4	2,647
Copper	**2,587**	**7**	**2,594**	2,556	3	2,559
Platinum	**500**	**—**	**500**	854	—	854
Palladium	**1,456**	**—**	**1,456**	1,271	—	1,271
Rhodium	**959**	**—**	**959**	442	—	442
Iron ore	**2,846**	**44**	**2,890**	3,043	224	3,267
Metallurgical coal	**741**	**166**	**907**	1,568	244	1,812
Thermal coal	**910**	**145**	**1,055**	1,104	284	1,388
Nickel	**342**	**(4)**	**338**	351	3	354
Manganese ore and alloys	**—**	**335**	**335**	—	524	524
Other	**876**	**89**	**965**	717	39	756
	12,437	**785**	**13,222**	14,549	1,325	15,874

Revenue for thermal coal includes amounts earned from the sale of volumes purchased from third parties (non-equity traded sales) that were not mined by the Group. Excluding these volumes, revenue from the mining of thermal coal (including Thermal coal business volumes from South Africa, Colombia and the Metallurgical Coal business) for the six months ended 30 June 2020 is $676 million, or 5% of Group's revenue (six months ended 30 June 2019: $1,018 million, 6%). Thermal coal underlying EBITDA for the six months ended 30 June 2020, excluding non-equity traded sales, is $13 million (six months ended 30 June 2019: $84 million).

3. FINANCIAL PERFORMANCE BY SEGMENT (continued)

Revenue for the six months ended 30 June 2020 from other sources includes net gains of $39 million on derivative financial instruments for sales and purchase contracts, provisionally priced receivables and economic hedges of commodity sales and purchases which are reported within total revenue from subsidiaries and joint operations (six months ended 30 June 2019: net gains of $223 million) and $748 million of revenue from associates and joint ventures for which further information is provided in note 12 (six months ended 30 June 2019: $1,102 million).

Group revenue by destination

The Group's geographical analysis of segment revenue is allocated based on the customer's port of destination. Where the port of destination is not known, revenue is allocated based on the customer's country of domicile.

US$ million	**30.06.20**	30.06.19
China	**5,149**	4,089
India	**841**	1,639
Japan	**1,841**	1,423
Other Asia	**1,951**	3,346
South Africa	**262**	489
Other Africa	**365**	656
Brazil	**230**	240
Chile	**259**	298
Other South America	**9**	50
North America	**319**	404
Australia	**13**	11
United Kingdom (Anglo American plc's country of domicile)	**655**	1,091
Other Europe	**1,328**	2,138
	13,222	15,874

4. EARNINGS PER SHARE

Overview

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

US$	**6 months ended 30.06.20**	6 months ended 30.06.19
Earnings per share		
Basic	**0.38**	1.48
Diluted	**0.38**	1.46
Underlying earnings per share		
Basic	**0.72**	1.58
Diluted	**0.71**	1.55
Headline earnings per share		
Basic	**0.49**	1.48
Diluted	**0.49**	1.46

Further information

The calculation of basic and diluted earnings per share is based on the following data:

	Profit attributable to equity shareholders of the Company		Underlying earnings		Headline earnings	
	6 months ended 30.06.20	6 months ended 30.06.19	**6 months ended 30.06.20**	6 months ended 30.06.19	**6 months ended 30.06.20**	6 months ended 30.06.19
Earnings (US$ million)						
Basic and diluted earnings	**471**	1,883	**886**	2,005	**606**	1,888
Weighted average number of shares (million)						
Basic number of ordinary shares outstanding	**1,238**	1,272	**1,238**	1,272	**1,238**	1,272
Effect of dilutive potential ordinary shares	**11**	20	**11**	20	**11**	20
Diluted number of ordinary shares outstanding	**1,249**	1,292	**1,249**	1,292	**1,249**	1,292

The weighted average number of ordinary shares in issue excludes shares held by employee benefit trusts and Anglo American plc shares held by Group companies. The diluted number of ordinary shares outstanding including share options and awards is calculated on the assumption of conversion of all potentially dilutive ordinary shares. In the period ended 30 June 2020 there were 9,192 (six months ended 30 June 2019: nil) share options that were potentially dilutive but not included in the calculation of diluted earnings because they were anti-dilutive.

Headline earnings, a Johannesburg Stock Exchange defined performance measure, is reconciled from underlying earnings as follows:

US$ million	**30.06.20**	30.06.19
Underlying earnings for the financial period	**886**	2,005
Other operating special items	**—**	(64)
Operating remeasurements	**(22)**	(60)
Financing special items and remeasurements	**5**	5
Tax special items and remeasurements	**(292)**	9
Associates' and joint ventures' special items and remeasurements	**(18)**	2
Other reconciling items	**47**	(9)
Headline earnings for the financial period	**606**	1,888

The reconciling items above are shown net of tax and non-controlling interests.

Other reconciling items principally relate to adjustments to former operations and disposals of property, plant and equipment (six months ended 30 June 2019: adjustments to former operations and disposals of property, plant and equipment).

5. NET FINANCE COSTS

US$ million	30.06.20	30.06.19
Investment income		
Interest income from cash and cash equivalents	**39**	105
Interest income from associates and joint ventures	**7**	11
Other interest income	**3**	21
Net interest income on defined benefit arrangements	**7**	14
	56	151
Less: Interest income capitalised	**(1)**	—
Investment income	**55**	151
Interest expense		
Interest and other finance expense	**(320)**	(307)
Net interest cost on defined benefit arrangements	**(20)**	(25)
Unwinding of discount relating to provisions and other liabilities	**(41)**	(42)
	(381)	(374)
Less: Interest expense capitalised	**79**	33
Interest expense before special items and remeasurements	**(302)**	(341)
Financing special items	**(1)**	(2)
Interest expense	**(303)**	(343)
Other net financing (losses)/gains		
Net foreign exchange gains/(losses)	**46**	(6)
Other net fair value losses	**(100)**	(17)
Other net financing losses before special items and remeasurements	**(54)**	(23)
Financing remeasurements	**5**	10
Other net financing losses	**(49)**	(13)
Net finance costs	**(297)**	(205)

6. INCOME TAX EXPENSE

Overview

In accordance with IAS 34, the Group's interim tax charge has historically been calculated by applying the forecast annual effective corporate income tax rate to the pre-tax income for the six month period. However, as a result of increased uncertainty due to the current Covid-19 pandemic, the tax charge for the six months ended 30 June 2020 has been calculated based on the actual tax charge for this period and in accordance with the requirements of IAS 12 to be the best estimate of the average annual effective income tax rate. No adjustments have been made to prior period comparatives.

The effective tax rate for the period of 47.5% (six months ended 30 June 2019: 26.3%) is higher (six months ended 30 June 2019: higher) than the applicable statutory rate of corporation tax in the United Kingdom.

			30.06.20
	Profit before tax US$ million	**Tax charge US$ million**	**Effective tax rate**
Calculation of effective tax rate (statutory basis)	**1,555**	**(738)**	**47.5 %**
Adjusted for:			
Special items and remeasurements (note 9)	**133**	**283**	
Associates' and joint ventures' tax and non-controlling interests	**98**	**(96)**	
Calculation of underlying effective tax rate	**1,786**	**(551)**	**30.9 %**

The underlying effective tax rate was 30.9% for the six months ended 30 June 2020. This is higher than the equivalent underlying effective tax rate of 29.7% for the six months ended 30 June 2019. The effective tax rate in 2020 is affected by the impact of the relative levels of profits arising in the Group's operating jurisdictions. In future periods, it is expected that the underlying effective tax rate will remain above the United Kingdom statutory tax rate.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

a) Analysis of charge for the period

US$ million	**30.06.20**	30.06.19
United Kingdom corporation tax	**36**	33
South Africa tax	**406**	433
Other overseas tax	**251**	342
Prior year adjustments	**(5)**	(7)
Current tax	**688**	801
Deferred tax	**(233)**	158
Income tax expense before special items and remeasurements	**455**	959
Special items and remeasurements tax (note 9)	**283**	(70)
Income tax expense	**738**	889

Current tax includes royalties which meet the definition of income tax and are in addition to royalties recorded in operating costs.

6. INCOME TAX EXPENSE (continued)

b) Factors affecting tax charge for the period

The reconciling items between the statutory corporation tax rate and the income tax expense are:

US$ million	30.06.20	30.06.19
Profit before tax	**1,555**	3,385
Less: Net income from associates and joint ventures (note 12)	**(45)**	(247)
Profit before tax (excluding associates and joint ventures)	**1,510**	3,138
Tax calculated at United Kingdom corporation tax rate of 19% (six months ended 30 June 2019: 19%)	**287**	596
Tax effects of:		
Items non-deductible/taxable for tax purposes	**16**	39
Temporary difference adjustments	**(25)**	(36)
Functional currency remeasurements	**295**	(13)
Special items and other remeasurements	**(1)**	(13)
Special items and remeasurements (note 9)	**294**	(26)
Other adjustments		
Dividend withholding taxes	**57**	57
Effect of differences between local and United Kingdom tax rates	**112**	265
Prior year adjustments to current tax	**(5)**	(7)
Other adjustments	**2**	1
Income tax expense	**738**	889

The special items and remeasurements reconciling items charge of $294 million (six months ended 30 June 2019: credit of $26 million) relate to the net tax impact of total special items and remeasurements before tax calculated at the United Kingdom corporation tax rate less the associated tax recorded against these items and tax special items and remeasurements.

Associates' and joint ventures' tax included within Net income from associates and joint ventures for the six months ended 30 June 2020 is a charge of $96 million (six months ended 30 June 2019: charge of $165 million). Excluding special items and remeasurements, this remains a charge of $96 million (six months ended 30 June 2019: charge of $167 million).

7. DIVIDENDS

	6 months ended 30.06.20	6 months ended 30.06.19
Proposed interim ordinary dividend per share (US cents)	**28**	62
Proposed interim ordinary dividend (US$ million)	**349**	798

SIGNIFICANT ITEMS

During the six months ended 30 June 2020, the significant accounting matters addressed by management included:

- the assessment of impairment and impairment reversal indicators; and
- the estimation of cash flow projections for impairment testing and the recognition of deferred tax assets.

8. SIGNIFICANT ACCOUNTING MATTERS

Covid-19

The critical judgements and sources of estimation uncertainty affecting the results for the six months ended 30 June 2020 are consistent with those disclosed in the Group's Integrated Annual Report for the year ended 31 December 2019. The Group has considered the impact of Covid-19 on each of its significant accounting judgements and estimates. The Group's principal source of estimation uncertainty continues to be in relation to assumptions used for the assessment of impairment and impairment reversal of assets where indicators of impairment or impairment reversal are identified. No further significant estimates have been identified as a result of Covid-19, although the pandemic has increased the level of uncertainty inherent in all future cash flow forecasts.

The price and foreign exchange rate assumptions used to forecast future cash flows for impairment assessment purposes have been updated to consider both the short-term observable impact of Covid-19 and the forecast medium and longer-term impact on the world economy and commodity prices. For the majority of the Group's assets the updated commodity price assumptions when considered together with foreign exchange rate assumptions are not considered to be indicators of impairment or impairment reversal at 30 June 2020. Additional information is provided below for those assets where impairment or impairment reversal triggers have been identified.

De Beers goodwill

The valuation of De Beers has been assessed as at 30 June 2020 and the recoverable amount was considered to exceed the carrying value by $1.6 billion. The valuation, based on discounted cash flows, is sensitive to input assumptions particularly in relation to the foreign exchange assumption for producer currencies against the US dollar (affecting the cost of production in US dollar terms) and the future price growth for diamonds.

The foreign exchange assumption in respect of the producer currency rates against the USD are sourced from an external provider. In the short term we assume a strengthening of the southern African producer currencies against the USD by 3% compared to the rates at 30 June 2020. Thereafter the rates are assumed to depreciate by the inflation differential between producer economies and the US. The two primary factors impacting price growth are expected consumer demand growth and changes in global supply.

Expected consumer demand growth (in USD terms) is driven predominantly by: local currency GDP growth expectations in the primary markets in which diamonds are sold; foreign exchange movements against the US dollar in the end consumer markets and the desirability of diamonds. Desirability includes all aspects of buying behaviour such as competition for share of wallet from other luxury products including experiential holidays, hardline and softline goods, new technology and other products such as labgrown diamonds.

The valuation remains sensitive to consumer demand growth which could result in both upside and downside risk. For example a reduction in the weighted GDP growth rates, a strengthening of the US dollar or an increase in consumer preference for labgrown diamonds would suppress natural diamond consumer demand growth. These factors have a range of possible impacts that may not occur independently of each other.

The Group has assumed a protracted "U" shaped recovery from the Covid-19 pandemic which assumes that consumer demand recovers to the level seen in 2018 by 2023. Following the recovery, the medium term real GDP growth assumption in US dollar terms inherent in the consumer demand forecast is 5.2% which is sourced from an external provider and is weighted by the key markets in which we operate including the US, China, India, Japan, Gulf Region and Eurozone. Over the long term consumer demand is expected to grow at least in line with inflation.

The foreign exchange assumption inherent in the consumer demand forecast is based on an external forecast, and in the medium term incorporates annual US dollar depreciation of 2.3% against the Chinese renminbi, 1.7% against the Japanese yen and 1.7% against the Indian rupee.

8. SIGNIFICANT ACCOUNTING MATTERS (continued)

The consumer demand forecast has assumed short term growth in demand for labgrown diamonds which is then forecast to revert to a stable share of diamond jewellery sales by 2024 as the product becomes distinguished as a separate category.

A range of alternative scenarios have been considered in determining whether there is a reasonably possible change in the forecast for foreign exchange rates in producer countries in conjunction with a reasonably possibly change in consumer demand growth, which would result in the recoverable amount equating to the carrying amount.

A further 5% strengthening of the producer currencies against the US dollar in conjunction with a 0.5 percentage point underperformance in our long term consumer demand growth expectation would result in the recoverable amount equating to the carrying amount. This reduction in the consumer demand growth might be brought about through either a 7% appreciation in the US dollar or a reduction in medium term real GDP growth assumptions by 0.5 percentage points, with other valuation assumptions remaining the same.

Changes in total global supply are driven primarily by the output anticipated from new projects and assumes a continued supply contraction over the long term. Our assessment is that no reasonably possible change in global supply with other assumptions remaining the same, would result in the recoverable amount equating to the carrying amount.

Cerrejón

The Group has a 33% interest in Cerrejón, an exporter of Colombian thermal coal, which is accounted for as an investment in an associate. Following the approval of a new Life of Mine Plan, the recoverable amount of the investment has been reassessed and based on a discounted cash flow model, supports the carrying value of $0.4 billion.

The valuation, based on discounted cash flows, is sensitive to changes in input assumptions, particularly in relation to future Colombian thermal coal prices. The forecast realised price is calculated using API4 FOB Richards Bay as reference, with adjustments to reflect the quality and location of the product. In addition to the base case valuation, alternative scenarios have been considered to assess the impact of changes in key assumptions. The most significant input to the valuation is the short to medium-term price for thermal coal used to calculate the forecast realised price. The model uses prices linked to thermal coal prices that fall within the analyst range throughout the model. The thermal coal price in the model falls within the top quartile of the analyst range from 2026 onwards, of $80/tonne to $82/tonne API4 FOB Richards Bay reference basis, 2020 real terms. If the model assumptions were changed by $5/tonne in each year with all other valuation assumptions remaining the same, this would change the valuation by $0.2 billion.

9. SPECIAL ITEMS AND REMEASUREMENTS

Overview

US$ million	Before tax	Tax	Non-controlling interests	6 months ended 30.06.20 Net	6 months ended 30.06.19 Net
Other operating special items	**(77)**	**22**	**—**	**(55)**	(64)
Operating remeasurements	**(24)**	**(1)**	**3**	**(22)**	(60)
Operating special items and remeasurements	**(101)**	**21**	**3**	**(77)**	(124)
Adjustments relating to former operations	**41**	**(10)**	**(5)**	**26**	(14)
Non-operating special items	**41**	**(10)**	**(5)**	**26**	(14)
Financing special items and remeasurements	**4**	**—**	**1**	**5**	5
Tax special items and remeasurements	**—**	**(294)**	**2**	**(292)**	9
Total	**(56)**	**(283)**	**1**	**(338)**	(124)
Associates' and joint ventures' special items and remeasurements				**(77)**	2
Total special items and remeasurements				**(415)**	(122)

Special items and remeasurement

Special items are those items of financial performance that, due to their size and nature, the Group believes should be separately disclosed on the face of the income statement. Remeasurements are items that are excluded from underlying earnings in order to reverse timing differences in the recognition of gains and losses in the income statement in relation to transactions that, whilst economically linked, are subject to different accounting measurement or recognition criteria. Refer to note 8 of the Group's 2019 Integrated Annual Report for further details on classification of special items.

Special items and remeasurements, along with related tax and non-controlling interests, are excluded from underlying earnings, which is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 66.

Operating special items

Other operating special items

The loss of $77 million ($55 million after tax and non-controlling interests) principally relates to a $75 million write-off of longwall assets assessed to have no future economic benefit following the incident at Grosvenor (Coal).

2019

Other operating special items reflected a net loss of $64 million after tax and non-controlling interests for the six months ended 30 June 2019 relating to the cost to the Group of terminating a long-term power supply contract in Copper.

Operating remeasurements

Operating remeasurements reflect a net loss of $24 million ($22 million after tax and non-controlling interests) which principally relates to a $36 million depreciation and amortisation charge arising due to the fair value uplift on the Group's pre-existing 45% shareholding in De Beers, which was required on acquisition of a controlling stake offset by a gain of $12 million in respect of derivatives.

2019

Operating remeasurements reflected a net loss of $60 million after tax and non-controlling interests for the six months ended 30 June 2019.

9. SPECIAL ITEMS AND REMEASUREMENTS (continued)

Non-operating special items

Adjustments relating to former operations

The gain of $41 million ($26 million after tax and non-controlling interests) relates to adjustments in respect of disposals completed in prior periods.

2019

The net loss of $14 million after tax and non-controlling interests relates to adjustments in respect of disposals completed in prior periods.

Financing special items and remeasurements

Financing special items and remeasurements principally comprise a net fair value gain of $4 million in respect of derivatives hedging net debt (six months ended 30 June 2019: gain of $8 million in respect of derivatives hedging net debt).

Tax associated with special items and remeasurements

This includes a tax remeasurement charge of $295 million principally arising on Brazilian deferred tax assets (six months ended 30 June 2019: credit of $13 million principally arising on Peruvian deferred tax assets).

Of the total tax charge of $283 million (six months ended 30 June 2019: credit of $70 million), there is a net current tax charge of $4 million (six months ended 30 June 2019: credit of $57 million) and a net deferred tax charge of $279 million (six months ended 30 June 2019: credit of $13 million).

Associates’ and joint ventures’ special items and remeasurements

Associates’ and joint ventures’ special items and remeasurements of $77 million principally relate to a $62 million charge in relation to impairment charges and restructuring costs in Manganese and a tax remeasurement charge of $15 million arising on deferred tax remeasurements relating to the Coal segment.

2019

Associates’ and joint ventures’ special items and remeasurements related to the Coal segment.

CAPITAL BASE

We have a value-focused approach to capital allocation with clear prioritisation: maintain asset integrity; pay dividends to our shareholders while ensuring a strong balance sheet. Discretionary capital is then allocated based on a balanced approach.

Value-disciplined capital allocation throughout the cycle is critical to protecting and enhancing our shareholders' capital, given the long-term and capital intensive nature of our business.

The Group uses attributable return on capital employed (ROCE) to monitor how efficiently assets are generating profit on invested capital for the equity shareholders of the Company. Attributable ROCE is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 66.

	Attributable ROCE %	
	6 months ended	6 months ended
	30.06.20	30.06.19
De Beers	**(4)**	7
Copper	**13**	14
Platinum Group Metals	**24**	29
Iron Ore	**34**	42
Coal	**(15)**	28
Nickel and Manganese	**12**	20
Crop Nutrients	**—**	—
Corporate and other	**n/a**	n/a
	11	22

Attributable ROCE decreased to 11% in the six months ended 30 June 2020 (six months ended 30 June 2019: 22%). Average attributable capital employed has increased to $29.8 billion (30 June 2019: $27.9 billion), primarily due to the acquisition of Sirius Minerals Plc (note 19), increased capital expenditure and partly offset by weakening of producer currencies.

10. CAPITAL BY SEGMENT

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

Capital employed by segment

Capital employed is the principal measure of segment assets and liabilities reported to the Group Management Committee. Capital employed is defined as net assets excluding net debt and financial asset investments.

	Capital employed	
	6 months ended	Year ended
US$ million	**30.06.20**	31.12.19
De Beers	**8,658**	8,800
Copper	**9,274**	8,238
Platinum Group Metals	**3,480**	4,045
Iron Ore	**7,849**	8,363
Coal	**3,735**	3,787
Nickel and Manganese	**2,119**	2,305
Crop Nutrients	**840**	—
Corporate and other	**174**	38
Capital employed	**36,129**	35,576
Reconciliation to the Consolidated balance sheet:		
Net debt	**(7,617)**	(4,626)
Debit valuation adjustment attributable to derivatives hedging net debt	**2**	1
Financial asset investments	**359**	434
Net assets	**28,873**	31,385

11. CAPITAL EXPENDITURE

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

Capital expenditure by segment

US$ million	6 months ended 30.06.20	6 months ended 30.06.19
De Beers	**159**	278
Copper	**729**	242
Platinum Group Metals	**200**	217
Iron Ore	**235**	278
Coal	**375**	336
Nickel and Manganese	**12**	20
Crop Nutrients	**91**	—
Corporate and other	**7**	15
Capital expenditure	**1,808**	1,386
Reconciliation to the Consolidated cash flow statement:		
Cash flows from derivatives related to capital expenditure	**—**	(2)
Proceeds from disposal of property, plant and equipment	**3**	3
Direct funding for capital expenditure received from non-controlling interests	**277**	454
Reimbursement of capital expenditure	**—**	26
Expenditure on property, plant and equipment	**2,088**	1,867

Direct funding for capital expenditure received from non-controlling interests represents capital expenditure relating to the Quellaveco project funded by Mitsubishi. Mitsubishi has continued to provide direct funding for its 40% share of capital expenditure via draw-downs against a committed shareholder facility of up to $1.8 billion which are recorded as borrowings on the Group's Consolidated balance sheet. As at 30 June 2020 borrowings of $719 million (31 December 2019: $435 million) were recognised on the Consolidated balance sheet in relation to the Mitsubishi facility.

Capital expenditure by category

US$ million	6 months ended 30.06.20	6 months ended 30.06.19
Expansionary	**799**	231
Stay-in-business	**622**	653
Stripping and development	**390**	505
Proceeds from disposal of property, plant and equipment	**(3)**	(3)
	1,808	1,386

Expansionary capital expenditure includes the cash flows from derivatives related to capital expenditure and is net of direct funding for capital expenditure received from non-controlling interests. Stay-in-business capital expenditure is net of reimbursement of capital expenditure.

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Overview

Investments in associates and joint ventures represent businesses the Group does not control, but instead exercises significant influence or joint control. These include (within the respective business units) the associates Cerrejón and Jellinbah (Coal) and the joint ventures Ferroport (Iron Ore) and Samancor (Nickel and Manganese). The Group's other investments in associates and joint ventures arise primarily in the Platinum Group Metals and Crop Nutrients segments.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

US$ million	**6 months ended 30.06.20**	6 months ended 30.06.19
Revenue	**748**	1,102
Operating costs (before special items and remeasurements)	**(531)**	(671)
Associates' and joint ventures' underlying EBIT	**217**	431
Net finance income/(costs)	**3**	(15)
Income tax expense	**(96)**	(167)
Non-controlling interests	**(2)**	(4)
Net income from associates and joint ventures (before special items and remeasurements)	**122**	245
Special items and remeasurements	**(77)**	—
Special items and remeasurements tax	**—**	2
Net income from associates and joint ventures	**45**	247

Further information

The Group's share of the results of the associates and joint ventures is as follows:

					30.06.20
US$ million	**Revenue**	**Underlying EBITDA**	**Underlying EBIT**	**Share of net income**	**Dividends received**
Samancor (Nickel and Manganese)	**335**	**154**	**123**	**4**	**103**
Cerrejón (Coal)	**145**	**13**	**(33)**	**(48)**	**—**
Jellinbah (Coal)	**170**	**71**	**64**	**47**	**29**
Ferroport (Iron Ore)	**72**	**63**	**64**	**47**	**—**
Other	**26**	**(1)**	**(1)**	**(5)**	**—**
	748	**300**	**217**	**45**	**132**

					30.06.19
US$ million	Revenue	Underlying EBITDA	Underlying EBIT	Share of net income	Dividends received
Samancor (Nickel and Manganese)	524	274	248	124	170
Cerrejón (Coal)	275	76	29	22	57
Jellinbah (Coal)	255	127	121	85	71
Ferroport (Iron Ore)	44	36	32	15	—
Other	4	2	1	1	3
	1,102	515	431	247	301

NET DEBT AND FINANCIAL RISK MANAGEMENT

Net debt increased from $4.6 billion to $7.6 billion during the period, driven by capital expenditure, working capital build and the acquisition of Sirius Minerals Plc. Gearing has increased from 13% at 31 December 2019 to 21% at 30 June 2020.

US$ million	**30.06.20**	31.12.19
Net assets	**28,873**	31,385
Net debt including related derivatives (note 13)	**7,617**	4,626
Total capital	**36,490**	36,011
Gearing	**21 %**	13 %

Net debt is calculated as total borrowings less cash and cash equivalents (including derivatives that provide an economic hedge of net debt and excluding the impact of the debit valuation adjustment).

Total capital is calculated as 'Net assets' (as shown in the Consolidated balance sheet) excluding net debt.

13. NET DEBT

Overview

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

Movement in net debt

US$ million	Cash and cash equivalents	Short term borrowings	Medium and long term borrowings	Net debt excluding derivatives	Derivatives hedging net debt	Net debt including derivatives
At 1 January 2019	6,548	(729)	(8,692)	(2,873)	(444)	(3,317)
Cash flow	489	515	(1,022)	(18)	69	51
Reclassifications	—	(220)	220	—	—	—
Movement in fair value	—	3	(266)	(263)	189	(74)
Other non-cash movements	—	(81)	(47)	(128)	—	(128)
Currency movements	27	3	27	57	—	57
At 30 June 2019	7,064	(509)	(9,780)	(3,225)	(186)	(3,411)
Cash flow	(657)	68	(374)	(963)	83	(880)
Reclassifications	—	(373)	373	—	—	—
Movement in fair value	—	(6)	35	29	(136)	(107)
Other non-cash movements	—	(150)	(44)	(194)	—	(194)
Currency movements	(72)	(8)	46	(34)	—	(34)
At 31 December 2019	**6,335**	**(978)**	**(9,744)**	**(4,387)**	**(239)**	**(4,626)**
Acquired through business combinations	**—**	**(1)**	**(252)**	**(253)**	**—**	**(253)**
Cash flow	**156**	**(283)**	**(2,459)**	**(2,586)**	**(113)**	**(2,699)**
Reclassifications	**—**	**(1,047)**	**1,047**	**—**	**—**	**—**
Movement in fair value	**—**	**(10)**	**(313)**	**(323)**	**397**	**74**
Other non-cash movements	**—**	**(32)**	**31**	**(1)**	**—**	**(1)**
Currency movements	**(179)**	**15**	**52**	**(112)**	**—**	**(112)**
At 30 June 2020	**6,312**	**(2,336)**	**(11,638)**	**(7,662)**	**45**	**(7,617)**

Other non-cash movements include $97 million relating to leases entered into in the six months ended 30 June 2020 (six months ended 30 June 2019: $118 million).

13. NET DEBT (continued)

Further information

Reconciliation to the Consolidated balance sheet

US$ million	Cash and cash equivalents			Short term borrowings			Medium and long term borrowings		
	30.06.20	30.06.19	31.12.19	**30.06.20**	30.06.19	31.12.19	**30.06.20**	30.06.19	31.12.19
Balance sheet	**6,321**	7,133	6,345	**(2,345)**	(578)	(990)	**(11,638)**	(9,780)	(9,744)
Balance sheet – disposal groups	**—**	—	2	**—**	—	—	**—**	—	—
Bank overdrafts	**(9)**	(69)	(12)	**9**	69	12	**—**	—	—
Net cash/(debt) classifications	**6,312**	7,064	6,335	**(2,336)**	(509)	(978)	**(11,638)**	(9,780)	(9,744)

South Africa net cash

The Group operates in South Africa where the existence of exchange controls may restrict the use of certain cash balances. The Group therefore monitors the cash and debt associated with these operations separately. These restrictions are not expected to have a material effect on the Group's ability to meet its ongoing obligations. On an owned basis cash and cash equivalents in South Africa is $5,532 million (31 December 2019: $5,001 million) and net cash is $3,615 million (31 December 2019: $4,282 million).

On 26 February 2020, South Africa's Minister of Finance announced in his Budget Speech that the country would shift from a policy of exchange controls to a risk-based capital flow management system in line with international best practice and in order to facilitate cross-border financial transactions, in support of trade and investment. This change aligns South Africa with the foreign direct investment criteria implemented by other OECD nations and removes the previous restrictions on the Group's ability to permanently remit cash earned from operating activities in South Africa, aligning the Group with other global companies that operate in South Africa. Separate disclosure of the Group's South African cash and debt balances will no longer be relevant once these changes become effective. This is currently expected to be no later than February 2021.

As part of the Group cash pooling arrangement, cash that is legally owned by South African companies is managed outside of South Africa. Below is a breakdown of net debt managed in South Africa:

US$ million	**30.06.20**	31.12.19
Cash and cash equivalents	**540**	389
Short term borrowings	**(500)**	(42)
Medium and long term borrowings	**(1,418)**	(678)
Net debt excluding derivatives	**(1,378)**	(331)
Derivatives hedging net debt	**1**	1
Net debt including derivatives	**(1,377)**	(330)

14. BORROWINGS

Overview

The Group accesses borrowings mostly in capital markets through bonds issued under the Euro Medium Term Note (EMTN) programme, the South African Domestic Medium Term Note (DMTN) programme and through accessing the US bond markets. The Group uses interest rate and cross currency swaps to ensure that the majority of the Group's borrowings are floating rate US dollar denominated.

In April 2020, the Group issued US$750 million 5.375% Senior Notes due 2025 and US$750 million 5.625% Senior Notes due 2030.

Further information

		6 months ended 30.06.20			Year ended 31.12.19	
US$ million	**Short term borrowings**	**Medium and long term borrowings**	**Total borrowings**	Short term borrowings	Medium and long term borrowings	Total borrowings
Secured						
Bank loans and overdrafts	**21**	**24**	**45**	26	15	41
Leases	**222**	**336**	**558**	209	345	554
Other loans	**—**	**—**	**—**	12	108	120
	243	**360**	**603**	247	468	715
Unsecured						
Bank loans and overdrafts	**615**	**927**	**1,542**	131	93	224
Bonds	**1,313**	**9,524**	**10,837**	475	8,748	9,223
Interest payable and other loans	**174**	**827**	**1,001**	137	435	572
	2,102	**11,278**	**13,380**	743	9,276	10,019
Total borrowings	**2,345**	**11,638**	**13,983**	990	9,744	10,734

Undrawn committed borrowing facilities

The Group had the following undrawn committed borrowing facilities at the period end:

US$ million	**6 months ended 30.06.20**	Year ended 31.12.19
Expiry date		
Within one year	**2,000**	228
Greater than one year, less than two years	**93**	394
Greater than two years, less than three years	**1,507**	1,121
Greater than three years, less than four years	**333**	1,538
Greater than four years, less than five years	**5,207**	5,385
Greater than five years, less than six years	**35**	—
Greater than six years, less than seven years	**35**	—
	9,210	8,666

On 10 February 2020, the Group extended the maturity of $4.3 billion of its revolving credit facility by one year to March 2025 and $0.2 billion of its revolving credit facility by two years to March 2025. The Group also extended the maturity of a $0.2 billion bilateral facility by one year to March 2025.

In April 2020 the Group signed a new $2.0 billion revolving credit facility with an initial maturity date of April 2021. The Group has, at its sole discretion, two options to extend the facility for a further six months to October 2021 and April 2022.

Undrawn committed borrowing facilities expiring within one year as at 31 December 2019 included undrawn South African rand facilities equivalent to $0.2 billion in respect of facilities with a 364-day maturity which roll automatically on a daily basis, unless notice is served. There are no undrawn committed borrowing facilities in South Africa expiring within one year as at 30 June 2020.

15. FINANCIAL INSTRUMENTS

Financial instruments overview

For financial assets and liabilities which are traded on an active market, such as listed investments or listed debt instruments, fair value is determined by reference to market value. For non-traded financial assets and liabilities, fair value is calculated using discounted cash flows, considered to be reasonable and consistent with those that would be used by a market participant, and based on observable market data where available (for example forward exchange rate, interest rate or commodity price curve), unless carrying value is considered to approximate fair value.

Where discounted cash flow models based on management's assumptions are used, the resulting fair value measurements are considered to be at level 3 in the fair value hierarchy, as defined in IFRS 13 *Fair Value Measurement*, as they depend to a significant extent on unobservable valuation inputs.

All derivatives that have been designated into hedge relationships have been separately disclosed.

						30.06.20
US$ million	**At fair value through profit and loss**	**Financial assets at amortised cost**	**At fair value through other comprehensive income**	**Designated into hedges**	**Financial liabilities at amortised cost**	**Total**
Financial assets						
Trade and other receivables	**942**	**923**	**—**	**—**	**—**	**1,865**
Derivative financial assets	**124**	**—**	**—**	**647**	**—**	**771**
Cash and cash equivalents	**4,813**	**1,508**	**—**	**—**	**—**	**6,321**
Financial asset investments	**23**	**235**	**101**	**—**	**—**	**359**
	5,902	**2,666**	**101**	**647**	**—**	**9,316**
Financial liabilities						
Trade and other payables	**(1,079)**	**—**	**—**	**—**	**(2,610)**	**(3,689)**
Derivative financial liabilities	**(708)**	**—**	**—**	**—**	**—**	**(708)**
Royalty liability (note 19)	**—**	**—**	**—**	**—**	**(321)**	**(321)**
Borrowings	**—**	**—**	**—**	**(9,431)**	**(4,552)**	**(13,983)**
	(1,787)	**—**	**—**	**(9,431)**	**(7,483)**	**(18,701)**
Net financial assets/(liabilities)	**4,115**	**2,666**	**101**	**(8,784)**	**(7,483)**	**(9,385)**

						31.12.19
US$ million	At fair value through profit and loss	Financial assets at amortised cost	At fair value through other comprehensive income	Designated into hedges	Financial liabilities at amortised cost	Total
Financial assets						
Trade and other receivables	1,166	766	—	—	—	1,932
Derivative financial assets	79	—	—	354	—	433
Cash and cash equivalents	4,282	2,063	—	—	—	6,345
Financial asset investments	3	373	58	—	—	434
	5,530	3,202	58	354	—	9,144
Financial liabilities						
Trade and other payables	(944)	—	—	—	(3,710)	(4,654)
Derivative financial liabilities	(677)	—	—	—	—	(677)
Borrowings	—	—	—	(9,320)	(1,414)	(10,734)
	(1,621)	—	—	(9,320)	(5,124)	(16,065)
Net financial assets/(liabilities)	3,909	3,202	58	(8,966)	(5,124)	(6,921)

Trade and other receivables exclude prepayments and tax receivables. Trade and other payables exclude tax, social security, contract liabilities and deferred income. Cash and cash equivalents includes $99 million (31 December 2019: $74 million) which is restricted as it is required to cover initial margin on trading exchanges.

15. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

An analysis of financial assets and liabilities carried at fair value is set out below:

				30.06.20				31.12.19
US$ million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
At fair value through profit and loss								
Provisionally priced trade receivables	**—**	**816**	**—**	**816**	—	847	—	847
Other receivables	**—**	**—**	**126**	**126**	—	—	319	319
Financial asset investments	**—**	**20**	**3**	**23**	—	—	3	3
Derivatives hedging net debt	**—**	**6**	**—**	**6**	—	8	—	8
Other derivatives	**2**	**116**	**—**	**118**	—	71	—	71
Cash and cash equivalents	**4,813**	**—**	**—**	**4,813**	4,280	2	—	4,282
Designated into hedges								
Derivatives hedging net debt	**—**	**647**	**—**	**647**	—	354	—	354
At fair value through other comprehensive income								
Financial asset investments	**81**	**—**	**20**	**101**	11	—	47	58
	4,896	**1,605**	**149**	**6,650**	4,291	1,282	369	5,942
Financial liabilities								
At fair value through profit and loss								
Provisionally priced trade payables	**—**	**(704)**	**—**	**(704)**	—	(766)	—	(766)
Other payables	**—**	**(148)**	**(227)**	**(375)**	—	—	(178)	(178)
Derivatives hedging net debt	**—**	**(608)**	**—**	**(608)**	—	(601)	—	(601)
Other derivatives	**(2)**	**(100)**	**—**	**(102)**	(2)	(75)	—	(77)
Debit valuation adjustment to derivative liabilities	**—**	**2**	**—**	**2**	—	1	—	1
	(2)	**(1,558)**	**(227)**	**(1,787)**	(2)	(1,441)	(178)	(1,621)
Net assets/(liabilities) carried at fair value	**4,894**	**47**	**(78)**	**4,863**	4,289	(159)	191	4,321

Fair value hierarchy	Valuation technique
Level 1	Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes cash and cash equivalents held in money market funds, listed equity shares and quoted futures.
Level 2	Instruments in this category are valued using valuation techniques where all of the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. This category includes provisionally priced trade receivables and payables and over-the-counter derivatives.
Level 3	Instruments in this category have been valued using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, management determines a reasonable estimate for the input. This category includes contingent consideration, receivables relating to disposals, unlisted equity investments and the embedded derivative relating to the Royalty liability.

EQUITY

Equity represents the capital of the Group attributable to Company shareholders and non-controlling interests, and includes share capital, share premium and reserves.

Total equity has decreased from $31.4 billion to $28.9 billion in the period, principally reflecting translation adjustments in the period.

16. NON-CONTROLLING INTERESTS

Overview

Non-controlling interests that are material to the Group relate to the following subsidiaries:

- De Beers plc (De Beers), which is a company incorporated in Jersey. It is the world's leading diamond company with operations across all key parts of the diamond value chain. Non-controlling interests hold a 15.0% (31 December 2019: 15.0%) interest in De Beers, which represents the whole of the Diamonds reportable segment.
- Anglo American Sur S.A. (Anglo American Sur), which is a company incorporated in Chile. Its principal operations are the Los Bronces and El Soldado copper mines and the Chagres smelter, which are located in Chile. Non-controlling interests hold a 49.9% (31 December 2019: 49.9%) interest in Anglo American Sur.
- Anglo American Platinum Limited (Anglo American Platinum), which is a company incorporated in South Africa and listed on the Johannesburg Stock Exchange (JSE). Its principal mining operations are the Mogalakwena and Amandelbult platinum group metals mines which are located in South Africa. Non-controlling interests hold an effective 20.7% (31 December 2019: 20.6%) interest in the operations of Anglo American Platinum, which represents the whole of the Platinum Group Metals reportable segment.
- Kumba Iron Ore Limited (Kumba Iron Ore), which is a company incorporated in South Africa and listed on the JSE. Its principal mining operations are the Sishen and Kolomela iron ore mines which are located in South Africa. Non-controlling interests hold an effective 46.6% (31 December 2019: 46.6%) interest in the operations of Kumba Iron Ore, comprising the 30.0% (31 December 2019: 30.0%) interest held by other shareholders in Kumba Iron Ore and the 23.7% (31 December 2019: 23.7%) of Kumba Iron Ore's principal operating subsidiary, Sishen Iron Ore Company Proprietary Limited, that is held by shareholders outside the Group.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

Further information

						30.06.20
US$ million	**De Beers**	**Anglo American Sur**	**Anglo American Platinum**	**Kumba Iron Ore**	**Other**	**Total**
Underlying earnings attributable to non-controlling interests	**(45)**	**8**	**77**	**308**	**(1)**	**347**
Profit attributable to non-controlling interests	**(49)**	**8**	**81**	**307**	**(1)**	**346**
Dividends paid to non-controlling interests	**(5)**	**(38)**	**(147)**	**(201)**	**(4)**	**(395)**
Equity attributable to non-controlling interests	**1,289**	**1,589**	**702**	**1,352**	**1,073**	**6,005**

						30.06.19
US$ million	De Beers	Anglo American Sur	Anglo American Platinum	Kumba Iron Ore	Other	Total
Underlying earnings attributable to non-controlling interests	31	91	103	422	5	652
Profit attributable to non-controlling interests	34	29	108	431	11	613
Dividends paid to non-controlling interests	(4)	(143)	(36)	(220)	(18)	(421)

						31.12.19
US$ million	De Beers	Anglo American Sur	Anglo American Platinum	Kumba Iron Ore	Other	Total
Equity attributable to non-controlling interests	1,406	1,619	906	1,555	1,104	6,590

UNRECOGNISED ITEMS AND UNCERTAIN EVENTS

17. EVENTS OCCURRING AFTER THE PERIOD END

With the exception of the declaration of the 2020 interim dividend, there have been no other reportable events since 30 June 2020.

18. CONTINGENT LIABILITIES

The Group is subject to various claims which arise in the ordinary course of business. Additionally, the Group has provided indemnities against certain liabilities as part of agreements for the sale or other disposal of business operations. Having taken appropriate legal advice, the Group believes that a material liability arising from the indemnities provided is remote.

The Group is required to provide guarantees in several jurisdictions in respect of environmental restoration and decommissioning obligations. The Group has provided for the estimated cost of these activities.

19. ACQUISITIONS AND DISPOSALS

Acquisitions

Sirius Minerals Plc Acquisition

On 17 March 2020 the Group acquired a 100% interest in Sirius Minerals Plc for cash consideration of $496 million (£405 million).

As a result of the acquisition the Group has acquired control of the Woodsmith project, which once developed will mine the world's largest known source of high-grade polyhalite (a premium multi-nutrient fertiliser).

The acquisition has been accounted for as a business combination using the acquisition method of accounting with an effective date of 17 March 2020, being the date the Group gained control of Sirius Minerals Plc.

Details of the purchase consideration, provisional fair values of identifiable assets and liabilities of Sirius Minerals Plc as at the date of acquisition were:

US$ million	**17.03.20**
Consideration	
Fair value of consideration transferred	496
Less: net cash acquired with the subsidiary	(35)
Total consideration	**461**
Assets	
Property, plant and equipment (including mineral properties and projects)	974
Intangible assets	21
Associates	20
Receivables	6
Other assets	50
Total assets	**1,071**
Liabilities	
Provisions for liabilities and charges	(5)
Royalty liability	(310)
Borrowings (including lease liabilities)	(253)
Trade and other payables	(42)
Total liabilities	**(610)**
Net assets acquired	461
Net attributable assets	**461**

Acquisition-related costs

Acquisition-related costs of $19 million are included in operating costs in the Consolidated income statement.

Revenue and profit contribution

From the acquisition date, the Woodsmith project has contributed no revenue and no profit or loss to the Group for the period from 17 March 2020 to 30 June 2020. For details of the segment results, see note 3, where the Woodsmith project is reported as the Crop Nutrients segment.

Royalty liability

Under financing arrangements prior to the Group's acquisition of the Woodsmith project, Hancock British Holdings Limited (Hancock) paid $250 million in return for future royalty payments amounting to 5% of gross revenues from the project on the first 13 million tonnes of product sold in each calendar year and a further 1% of gross revenues on sales in excess of 13 million tonnes.

19. ACQUISITIONS AND DISPOSALS (continued)

The liability to make these future payments was recognised at its fair value when the Group acquired the Woodsmith project, as required by IFRS 3 *Business Combinations,* and is subsequently measured under amortised cost. An interest expense is recorded in each period which reflects the interest rate used to calculate the fair value of the liability at acquisition.

Future royalty payments will vary based on the actual revenues achieved by the Woodsmith project. This uncertainty over future cash flows represents an embedded derivative. This derivative is measured at fair value and presented within derivative financial assets or derivative financial liabilities as appropriate in the table above. The fair value of the embedded derivative is valued as the discounted present value of all differences in expected royalty payments between the expectation prevailing on the acquisition date and the latest period-end date. At 30 June 2020 the embedded derivative had nil value as there was no difference between the latest expectation of royalty payments due and the expectation that prevailed at the acquisition date.

Commitments

At 30 June 2020 the Woodsmith project had contracted but unrecognised capital expenditure commitments of $1.2 billion, of which $82 million were non-cancellable.

Other

Other cash paid in respect of acquisitions principally relates to the payment of deferred consideration in respect of the Mototolo acquisition of control (Platinum Group Metals) which took place in 2018.

2019

There were no acquisitions in the six months ended 30 June 2019.

Disposals

In the six months ended 30 June 2020, the Group received net cash of $187 million on disposals which principally relates to the settlement of the deferred consideration relating to the sale of the 33% interest in Bafokeng Rasimone Platinum Mine (Platinum Group Metals) which completed on 10 December 2018.

2019

There were no disposals in the six months ended 30 June 2019.

Responsibility statement

We confirm that to the best of our knowledge:

(a) the Condensed financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*;

(b) the Half year financial report includes a fair review of the information required by DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the Half year financial report, and a description of the principal risks and uncertainties for the remaining six months of the financial year); and

(c) the Half year financial report includes a fair review of the information required by DTR 4.2.8R (being disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year).

By order of the Board

Mark Cutifani
Chief Executive

Stephen Pearce
Finance Director

INDEPENDENT REVIEW REPORT TO ANGLO AMERICAN PLC

Report on the Condensed financial statements

Our conclusion

We have reviewed Anglo American plc's Condensed financial statements (the "interim financial statements") in the half year financial report of Anglo American plc for the six month period ended 30 June 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated balance sheet as at 30 June 2020;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half year financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half year financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half year financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half year financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants
London
29 July 2020

Summary by operation

The disclosures in this section include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 66.

Marketing activities are allocated to the underlying operation to which they relate.

US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure 30.06.20
	'000 cts	$/ct	$/ct					
De Beers	**8,547** [2]	**119** [3]	**62** [4]	**1,223** [5]	**2**	**(179)**	**(214)**	**159**
Mining								
Botswana	n/a	124 [3]	36 [4]	n/a	83	57	n/a	29
Namibia	n/a	477 [3]	208 [4]	n/a	28	14	n/a	30
South Africa	n/a	94 [3]	71 [4]	n/a	26	(20)	n/a	58
Canada	n/a	56 [3]	39 [4]	n/a	36	12	n/a	12
Trading	n/a	n/a	n/a	n/a	(17)	(20)	n/a	1
Other[6]	n/a	n/a	n/a	n/a	(154)	(222)	n/a	29
	kt	c/lb	c/lb					
Copper	**294** [7]	**250** [8]	**107** [9]	**2,731**	**706**	**378**	**236**	**729**
Los Bronces[10]	136	n/a	140 [9]	669	221	44	n/a	133
Collahuasi[11]	135	n/a	69 [9]	752	546	428	316	153
Quellaveco[12]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	415
Other[13]	23	n/a	n/a	1,310	(61)	(94)	n/a	28
	koz	$/Pt oz	$/Pt oz					
Platinum Group Metals	**436** [14]	**5,520** [15]	**1,675** [16]	**3,331**	**610**	**476**	**264**	**200**
Mogalakwena	122 [14]	5,681 [15]	1,281 [16]	683	386	330	n/a	90
Amandelbult	88 [14]	5,476 [15]	2,430 [16]	475	137	116	n/a	14
Processing and trading[17]	141 [14]	n/a	n/a	1,617	156	145	n/a	—
Other[18]	85	5,858	1,835	556	(69)	(115)	n/a	96
	Mt	$/t	$/t					
Iron Ore[19]	**31.5**	**91**	**25** [21]	**3,291**	**1,827**	**1,606**	**1,038**	**235**
Kumba Iron Ore[20]	18.8	93 [19]	29 [21]	1,914	1,028 [22]	881 [22]	315 [22]	174
Iron Ore Brazil (Minas-Rio)	12.7	88 [19]	19 [21]	1,377	799 [22]	725 [22]	723 [22]	61
	Mt	$/t	$/t					
Coal	**n/a**	**n/a**	**n/a**	**1,969**	**23**	**(271)**	**(242)**	**375**
Metallurgical Coal	7.8 [23]	120 [24]	97 [25]	962	(10) [26]	(230) [26]	(185) [26]	287
Thermal Coal – South Africa	7.2 [23]	61 [24]	39 [25]	862	20 [26]	(8) [26]	(22) [26]	88
Thermal Coal – Colombia[27]	3.2	46	35	145	13	(33)	(35)	—
Nickel and Manganese	**n/a**	**n/a**	**n/a**	**564**	**218**	**132**	**72**	**12**
Nickel	20,400 t	502 c/lb	336 c/lb [28]	229	64 [29]	9 [29]	6 [29]	12
Manganese (Samancor)[30]	1.7 Mt	—	—	335	154	123	66	—
Crop Nutrients	**n/a**	**n/a**	**n/a**	**22**	**4**	**4**	**—**	**91**
Woodsmith	n/a	n/a	n/a	n/a	n/a	n/a	n/a	91
Other[31]	n/a	n/a	n/a	22	4	4	—	—
Corporate and other	**n/a**	**n/a**	**n/a**	**91**	**(40)**	**(62)**	**(268)**	**7**
Exploration	n/a	n/a	n/a	—	(43)	(44)	(41)	—
Corporate activities and unallocated costs	n/a	n/a	n/a	91	3	(18)	(227)	7
	n/a	**n/a**	**n/a**	**13,222**	**3,350**	**2,084**	**886**	**1,808**

See page 65 for footnotes.

Summary by operation (continued)

								30.06.19
US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
	'000 cts	$/ct	$/ct					
De Beers	15,547 [2]	151 [3]	62 [4]	2,647 [5]	518	324	187	278
Mining								
Botswana	n/a	148 [3]	27 [4]	n/a	225	198	n/a	42
Namibia	n/a	552 [3]	317 [4]	n/a	80	62	n/a	27
South Africa	n/a	125 [3]	62 [4]	n/a	38	26	n/a	128
Canada	n/a	159 [3]	49 [4]	n/a	160	121	n/a	24
Trading	n/a	n/a	n/a	n/a	96	93	n/a	—
Other[6]	n/a	n/a	n/a	n/a	(81)	(176)	n/a	57
	kt	c/lb	c/lb					
Copper	307 [7]	280 [8]	135 [9]	2,676	789	469	212	242
Los Bronces[10]	175	n/a	135 [9]	1,008	464	291	n/a	103
Collahuasi[11]	107	n/a	121 [9]	597	370	255	180	112
Quellaveco[12]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	—
Other[13]	25	n/a	n/a	1,071	(45)	(77)	n/a	27
	koz	$/Pt oz	$/Pt oz					
Platinum Group Metals	1,009 [14]	2,685 [15]	1,551 [16]	3,007	824	659	352	217
Mogalakwena	231 [14]	3,354 [15]	1,353 [16]	779	442	373	n/a	119
Amandelbult	194 [14]	2,485 [15]	1,720 [16]	485	126	100	n/a	26
Processing and trading[17]	398 [14]	n/a	n/a	1,244	162	148	n/a	—
Other[18]	186	2,741	1,629	499	94	38	n/a	72
	Mt	$/t	$/t					
Iron Ore[19]	32.0	103	30 [21]	3,584	2,036	1,819	994	278
Kumba Iron Ore[20]	21.4	108 [19]	34 [21]	2,427	1,366 [22]	1,214 [22]	436 [22]	186
Iron Ore Brazil (Minas-Rio)	10.6	92 [19]	21 [21]	1,157	670 [22]	605 [22]	558 [22]	92
	Mt	$/t	$/t					
Coal	n/a	n/a	n/a	3,204	996	607	405	336
Metallurgical Coal	9.9 [23]	187 [24]	68 [25]	1,880	906 [26]	610 [26]	419 [26]	253
Thermal Coal – South Africa	9.2 [23]	64 [24]	46 [25]	1,049	14 [26]	(32) [26]	(31) [26]	83
Thermal Coal – Colombia[27]	4.4	62	36	275	76	29	17	—
Nickel and Manganese	n/a	n/a	n/a	756	326	249	139	20
Nickel	18,600 t	563 c/lb	410 c/lb [28]	232	52 [29]	1 [29]	14 [29]	20
Manganese (Samancor)[30]	1.9 Mt	n/a	n/a	524	274	248	125	—
Corporate and other	n/a	n/a	n/a	n/a	(38)	(112)	(284)	15
Exploration	n/a	n/a	n/a	—	(53)	(54)	(47)	—
Corporate activities and unallocated costs	n/a	n/a	n/a	n/a	15	(58)	(237)	15
	n/a	n/a	n/a	15,874	5,451	4,015	2,005	1,386

See page 65 for footnotes.

Summary by operation (continued)

31.12.19

US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
	’000 cts	$/ct	$/ct					
De Beers	29,186 [2]	137 [3]	63 [4]	4,605 [5]	558	168	45	567
Mining								
Botswana	n/a	139 [3]	29 [4]	n/a	385	325	n/a	88
Namibia	n/a	534 [3]	303 [4]	n/a	121	86	n/a	55
South Africa	n/a	108 [3]	73 [4]	n/a	57	28	n/a	275
Canada	n/a	119 [3]	44 [4]	n/a	138	66	n/a	31
Trading	n/a	n/a	n/a	n/a	133	126	n/a	4
Other[6]	n/a	n/a	n/a	n/a	(276)	(463)	n/a	114
	kt	c/lb	c/lb					
Copper	644 [7]	273 [8]	126 [9]	5,840	1,618	960	509	1,078
Los Bronces[10]	336	n/a	135 [9]	1,872	745	378	n/a	239
Collahuasi[11]	254	n/a	100 [9]	1,414	916	691	486	275
Quellaveco[12]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	494
Other[13]	54	n/a	n/a	2,554	(43)	(109)	n/a	70
	koz	$/Pt oz	$/Pt oz					
Platinum Group Metals	2,215 [14]	2,819 [15]	1,543 [16]	6,866	2,000	1,672	872	569
Mogalakwena	519 [14]	3,433 [15]	1,329 [16]	1,789	995	863	n/a	264
Amandelbult	458 [14]	2,624 [15]	1,725 [16]	1,206	355	298	n/a	84
Processing and trading[17]	813 [14]	n/a	n/a	2,669	321	295	n/a	—
Other[18]	425	2,879	1,621	1,202	329	216	n/a	221
	Mt	$/t	$/t					
Iron Ore[19]	64.9	91	29 [21]	6,758	3,407	2,952	1,635	594
Kumba Iron Ore[20]	42.0	97 [19]	33 [21]	4,445	2,243 [22]	1,918 [22]	663 [22]	389
Iron Ore Brazil (Minas-Rio)	22.9	79 [19]	21 [21]	2,313	1,164 [22]	1,034 [22]	972 [22]	205
	Mt	$/t	$/t					
Coal	n/a	n/a	n/a	6,137	1,832	1,010	662	934
Metallurgical Coal	22.4 [23]	165 [24]	63 [25]	3,756	1,707 [26]	1,079 [26]	734 [26]	670
Thermal Coal – South Africa	18.1 [23]	61 [24]	45 [25]	1,887	(5) [26]	(94) [26]	(81) [26]	264
Thermal Coal – Colombia[27]	8.8	56	33	494	130	25	9	—
Nickel and Manganese	n/a	n/a	n/a	1,498	634	477	301	42
Nickel	41,700 t	624 c/lb	380 c/lb [28]	572	191 [29]	89 [29]	99 [29]	42
Manganese (Samancor)[30]	3.7 Mt	n/a	n/a	926	443	388	202	—
Corporate and other	n/a	n/a	n/a	121	(43)	(229)	(556)	56
Exploration	n/a	n/a	n/a	n/a	(126)	(128)	(115)	1
Corporate activities and unallocated costs	n/a	n/a	n/a	121	83	(101)	(441)	55
	n/a	n/a	n/a	31,825	10,006	7,010	3,468	3,840

See page 65 for footnotes.

Summary by operation (continued)

(1) Group revenue is shown after deduction of treatment and refining charges (TC/RCs).

(2) Total sales volumes on a 100% basis were 9.2 million carats (six months ended 30 June 2019: 16.5 million carats; year ended 31 December 2019: 30.9 million carats). Total sales volumes (100%) include De Beers Group's joint arrangement partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and Namibia Diamond Trading Company.

(3) Pricing for the mining business units is based on 100% selling value post-aggregation of goods. Realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to the unit cost, which relates to equity production only.

(4) Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.

(5) Includes rough diamond sales of $1.0 billion (six months ended 30 June 2019: $2.3 billion; year ended 31 December 2019: $4.0 billion).

(6) Other includes Element Six, downstream, acquisition accounting adjustments and corporate.

(7) Excludes 207 kt third-party sales (six months ended 30 June 2019: 142 kt; year ended 31 December 2019: 349 kt).

(8) Price represents realised price.

(9) C1 unit cost includes by-product credits.

(10) Figures on a 100% basis (Group's share: 50.1%).

(11) 44% share of Collahuasi sales and financials.

(12) Figures on a 100% basis (Group's share: 60%), except capex which represents the Group's share after deducting direct funding from non-controlling interests. H1 2020 capex on a 100% basis was $692 million, of which the Group's 60% share is $415 million. H1 2019 capex on a 100% basis was $454 million and was fully funded by cash from the 2018 Mitsubishi syndication transaction and, hence, was not included in reported capex. For year ended 31 December 2019, capex on a 100% basis was $1,338 million, of which $515 million was funded by cash from the Mitsubishi syndication transaction in 2018. Of the remaining $823 million, the Group and Mitsubishi funded their respective 60% and 40% shares via shareholder loans.

(13) Other operations includes El Soldado and Chagres (figures on a 100% basis, Group's share: 50.1%), third-party sales and purchases, projects and corporate costs.

(14) Sales volumes exclude the sale of refined metal purchased from third parties and toll material.

(15) Average US$ realised basket price. Excludes the impact of the sale of refined metal purchased from third parties.

(16) Total cash operating costs – includes on-mine, smelting and refining costs only.

(17) Purchase of concentrate from joint operations, associates and third parties for processing into refined metals, tolling and trading activities.

(18) Includes Unki, Mototolo and PGMs' share of joint operations.

(19) Minas-Rio sales volumes are reported as wet metric tonnes. Product is shipped with c.9% moisture. Total iron ore is the sum of Kumba (dry basis) and Minas-Rio (wet basis). Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha). Prices for Minas-Rio are the average realised export basket price (FOB Açu) (wet basis). Prices for total iron ore are a blended average.

(20) Sales volumes and realised price differ to Kumba's stand-alone reported results due to sales to other Group companies.

(21) Unit costs for Kumba Iron Ore are on an FOB (dry) basis. Unit costs for Minas-Rio are on an FOB (wet) basis. Unit costs for total iron ore are a blended average.

(22) Kumba Iron Ore segment includes $28 million projects and corporate costs (six months ended 30 June 2019: $27 million; year ended 31 December 2019: $66 million). Iron Ore Brazil segment includes $26 million projects and corporate costs (six months ended 30 June 2019: $23 million; year ended 31 December 2019: $55 million).

(23) South African sales volumes include export primary production, secondary production sold into export markets and production sold domestically at export parity pricing and pre-commercial production volumes from Navigation section of Khwezela and exclude domestic sales of 6.0 Mt (six months ended 30 June 2019: 4.4 Mt; year ended 31 December 2019: 9.8Mt) and non-equity traded sales of 5.6 Mt (six months ended 30 June 2019: 5.5 Mt; year ended 31 December 2019: 10.9 Mt). Metallurgical Coal sales volumes exclude thermal coal sales of 1.1 Mt (six months ended 30 June 2019: 0.7 Mt; year ended 31 December 2019: 1.8 Mt).

(24) Metallurgical Coal realised price is the weighted average hard coking coal and PCI sales price achieved at managed operations. Thermal Coal – South Africa realised price is the weighted average export thermal coal price achieved. Excludes third-party sales from locations other than Richards Bay.

(25) FOB cost per saleable tonne, excluding royalties. Metallurgical Coal excludes study costs. Thermal Coal – South Africa unit cost is for the trade operations.

(26) Metallurgical Coal segment includes $30 million projects and corporate costs (six months ended 30 June 2019: $28 million; year ended 31 December 2019: $69 million). Thermal Coal – South Africa segment includes $24 million projects and corporate costs (six months ended 30 June 2019: $26 million; year ended 31 December 2019: $59 million).

(27) Represents the Group's attributable share from its 33.3% interest in Cerrejón.

(28) C1 unit cost.

(29) Nickel segment includes $5 million projects and corporate costs (six months ended 30 June 2019: $5 million; year ended 31 December 2019: $12 million).

(30) Sales and financials include ore and alloy.

(31) Other comprises a 30% interest in The Cibra Group, a fertiliser distributor based in Brazil.

Introduction

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management makes reference to Alternative Performance Measures (APMs) of historical or future financial performance, financial position or cash flows that are not defined or specified under International Financial Reporting Standards (IFRS).

The APMs used by the Group fall into two categories:

- Financial APMs: These financial measures are usually derived from the financial statements, prepared in accordance with IFRS. Certain financial measures cannot be directly derived from the financial statements as they contain additional information, such as financial information from earlier periods or profit estimates or projections. The accounting policies applied when calculating APMs are, where relevant and unless otherwise stated, substantially the same as those disclosed in the Group's Consolidated financial statements for the year ended 31 December 2019.
- Non-financial APMs: These measures incorporate certain non-financial information that management believes is useful when assessing the performance of the Group.

The table below summarises the Group's financial APMs. APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, the APMs used by the Group may not be comparable with similarly titled measures and disclosures made by other companies. Refer to page 228 of the Group's Integrated Annual Report for the year ended 31 December 2019 for more information about the purpose and definition of APMs.

Alternative performance measures (continued)

Group APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Reconciliation to IFRS measure
Income statement			
Group revenue	Revenue	• Group's share of revenue from associates and joint ventures	Note 3
Underlying EBIT	Profit/(loss) before net finance income/(costs) and tax	• Operating and non-operating special items and remeasurements • Underlying EBIT from associates and joint ventures	Note 3
Underlying EBITDA	Profit/(loss) before net finance income/(costs) and tax	• Operating and non-operating special items and remeasurements • Depreciation and amortisation • Underlying EBITDA from associates and joint ventures	Note 3
Underlying earnings	Profit/(loss) for the financial period/year attributable to equity shareholders of the Company	• Special items and remeasurements	Note 3
Underlying effective tax rate	Income tax expense	• Tax related to special items and remeasurements • The Group’s share of associates’ and joint ventures’ profit before tax, before special items and remeasurements, and tax expense, before special items and remeasurements	Note 6
Underlying earnings per share	Earnings per share	• Special items and remeasurements	Notes 3 and 4
Mining EBITDA margin	Operating profit margin	• Revenue from associates and joint ventures • Operating and non-operating special items and remeasurements • Underlying EBIT from associates and joint ventures • Adjustment to Debswana to reflect as a 50/50 joint operation • Exclusion of third-party sales, purchases and trading activity	Page 68
Balance sheet			
Net debt	Borrowings less cash and related hedges	• Debit valuation adjustment • Borrowings do not include the Hancock royalty liabilities (note 19) on the basis that obligations to make cash payments against this liability only arise when the Woodsmith project generates revenues, and that otherwise the Group is not currently contractually liable to make any payments under this arrangement (other than in the event of the Woodsmith project’s insolvency).	Note 13
Attributable ROCE	No direct equivalent	• Non-controlling interests’ share of capital employed and underlying EBIT • Average of opening and closing attributable capital employed	Page 68
Cash flow			
Capital expenditure (capex)	Expenditure on property, plant and equipment	• Cash flows from derivatives related to capital expenditure • Proceeds from disposal of property, plant and equipment • Direct funding for capital expenditure from non-controlling interests • Reimbursement of capital expenditure	Note 11
Attributable free cash flow	Cash flows from operations	• Capital expenditure • Cash tax paid • Dividends from associates, joint ventures and financial asset investments • Net interest paid • Dividends to non-controlling interests • Capital repayment of lease obligations	Page 6
Sustaining attributable free cash flow	Cash flows from operations	• Cash tax paid • Dividends from associates, joint ventures and financial asset investments • Net interest paid • Dividends to non-controlling interests • Capital repayment of lease obligations • Sustaining capital expenditure • Capitalised operating cash flows relating to life-extension projects	Page 6

Alternative performance measures (continued)

Mining EBITDA margin

The Mining EBITDA margin is derived from the Group's Underlying EBITDA as a percentage of Group Revenue, adjusted to exclude certain items to better reflect the performance of the Group's mining business. The Mining EBITDA margin reflects Debswana accounting treatment as a 50/50 joint operation, excludes third-party sales, purchases and trading and excludes Platinum Group Metals' purchase of concentrate.

US$ million (unless otherwise stated)	**30.06.20**	30.06.19
Underlying EBITDA	**3,350**	5,451
Group Revenue	**13,222**	15,874
Margin	**25 %**	34 %
Adjustments for:		
Debswana adjustment to reflect as a 50/50 joint operation	**2 %**	4 %
Exclude third-party purchases, trading activity and processing[1]	**10 %**	7 %
Mining EBITDA margin[2]	**38 %**	46 %

[1] Third-party purchases, trading activity and processing consists of Platinum Group Metals' purchase of concentrate, third-party sales and purchases and the impact of third-party trading activity.
[2] Percentages are presented to the nearest whole number.

Attributable return on capital employed (ROCE)

Attributable ROCE is calculated as attributable underlying EBIT divided by average attributable capital employed. Since the APM has no direct equivalent under IFRS it is not reconciled to an IFRS measure within the Condensed financial statements. The table below sets out the calculation of attributable ROCE. A reconciliation to 'Profit/(loss) before net finance income/(costs) and tax', the closest equivalent IFRS measure to underlying EBIT, is provided within note 3 to the Condensed financial statements. A reconciliation to 'Net assets', the closest equivalent IFRS measure to capital employed, is provided within note 10 to the Condensed financial statements.

	Attributable ROCE %	
	30.06.20	30.06.19
De Beers	**(4)**	7
Copper	**13**	14
Platinum Group Metals	**24**	29
Iron Ore	**34**	42
Coal	**(15)**	28
Nickel and Manganese	**12**	20
Crop Nutrients	**—**	—
Corporate and other	**n/a**	n/a
	11	22

Alternative performance measures (continued)

30.06.20

US$ million	**Underlying EBIT**	**Annualised underlying EBIT**	**Less: Non-controlling interests' share of underlying EBIT**	**Attributable underlying EBIT**	**Opening attributable capital employed**	**Closing capital employed**	**Less: Non-controlling interests' share of closing capital employed**	**Closing attributable capital employed**	**Average attributable capital employed**
De Beers[(1)]	**(179)**	**(328)**	**59**	**(269)**	**7,566**	**8,658**	**(1,231)**	**7,427**	**7,497**
Copper	**378**	**756**	**(30)**	**726**	**5,400**	**9,274**	**(3,203)**	**6,071**	**5,736**
Platinum Group Metals	**476**	**952**	**(202)**	**750**	**3,405**	**3,480**	**(550)**	**2,930**	**3,168**
Iron Ore	**1,606**	**3,212**	**(857)**	**2,355**	**7,161**	**7,849**	**(990)**	**6,859**	**7,010**
Coal	**(271)**	**(542)**	**(4)**	**(546)**	**3,721**	**3,735**	**(60)**	**3,675**	**3,698**
Nickel and Manganese	**132**	**264**	**(2)**	**262**	**2,305**	**2,119**	**—**	**2,119**	**2,212**
Crop Nutrients	**4**	**8**	**(8)**	**—**	**—**	**840**	**—**	**840**	**420**
Corporate and other	**(62)**	**(124)**	**1**	**(123)**	**38**	**174**	**—**	**174**	**106**
	2,084	**4,198**	**(1,043)**	**3,155**	**29,596**	**36,129**	**(6,034)**	**30,095**	**29,847**

30.06.19

US$ million	Underlying EBIT	Annualised underlying EBIT	Less: Non-controlling interests' share of underlying EBIT	Attributable underlying EBIT	Opening attributable capital employed	Closing capital employed	Less: Non-controlling interests' share of closing capital employed	Closing attributable capital employed	Average attributable capital employed
De Beers[(1)]	324	604	(93)	511	7,164	8,648	(1,233)	7,415	7,290
Copper	469	938	(295)	643	4,334	7,258	(2,443)	4,815	4,575
Platinum Group Metals	659	1,318	(294)	1,024	3,416	4,264	(685)	3,579	3,498
Iron Ore	1,819	3,638	(1,167)	2,471	5,799	7,116	(1,137)	5,979	5,889
Coal	607	1,214	(8)	1,206	4,066	4,470	(64)	4,406	4,236
Nickel and Manganese	249	498	(7)	491	2,390	2,428	—	2,428	2,409
Corporate and other	(112)	(224)	3	(221)	(51)	44	—	44	(4)
	4,015	7,986	(1,861)	6,125	27,118	34,228	(5,562)	28,666	27,893

(1) For half year reporting attributable underlying EBIT is annualised apart from the calculation of De Beers' attributable ROCE, where it is based on the prior 12 months, rather than the annualised half year performance, owing to the seasonality of sales and underlying EBIT profile of De Beers.

Sustaining attributable free cashflow

Sustaining attributable free cashflow is used to measure the amount of cash available to finance returns to shareholders or growth after servicing debt, providing a return to minority shareholders and meeting the capex commitments needed to sustain the current production base of existing assets. Sustaining attributable free cashflow is also used as an incentive measure in executives' remuneration and is proposed to be used in LTIP 20. It is calculated as attributable free cash flow prior to growth capex. A reconciliation of 'Cash flows from operations', the closest equivalent IFRS measure, is provided on page 6 of the report. Growth capital expenditure in 2020 principally related to Quellaveco, Woodsmith, and construction of another diamond mining vessel (De Beers) (2019: Quellaveco and construction of a greenfield synthetic diamond plant (De Beers)).

Exchange rates and commodity prices

US$ exchange rates	**30.06.20**	30.06.19	31.12.19
Period end spot rates			
South African rand	**17.36**	14.17	14.03
Brazilian real	**5.40**	3.82	4.02
Sterling	**0.82**	0.79	0.76
Australian dollar	**1.46**	1.43	1.43
Euro	**0.89**	0.88	0.89
Chilean peso	**818**	680	752
Botswana pula	**11.81**	10.63	10.60
Peruvian sol	**3.53**	3.29	3.32
Average rates for the period			
South African rand	**16.67**	14.20	14.45
Brazilian real	**4.92**	3.84	3.95
Sterling	**0.79**	0.77	0.78
Australian dollar	**1.52**	1.42	1.44
Euro	**0.91**	0.89	0.89
Chilean peso	**813**	676	703
Botswana pula	**11.49**	10.67	10.77
Peruvian sol	**3.42**	3.32	3.34

Commodity prices		**30.06.20**	30.06.19	31.12.19
Period end spot prices				
Copper(1)	US cents/lb	**274**	271	279
Platinum(2)	US$/oz	**814**	818	971
Palladium(2)	US$/oz	**1,905**	1,524	1,920
Rhodium(3)	US$/oz	**8,000**	3,365	6,050
Iron ore (62% Fe CFR)(4)	US$/tonne	**101**	118	92
Iron ore (66% Fe Concentrate CFR)(5)	US$/tonne	**110**	123	106
Hard coking coal (FOB Australia)(4)	US$/tonne	**116**	194	140
PCI (FOB Australia)(4)	US$/tonne	**70**	122	87
Thermal coal (FOB South Africa)(6)	US$/tonne	**50**	64	87
Thermal coal (FOB Australia)(7)	US$/tonne	**51**	69	66
Thermal coal (FOB Colombia)(6)	US$/tonne	**43**	42	47
Nickel(1)	US cents/lb	**580**	574	635
Manganese ore (44% CIF China)(5)	US$/dmtu	**5.02**	5.74	4.20
Average market prices for the period				
Copper(1)	US cents/lb	**249**	280	272
Platinum(2)	US$/oz	**848**	832	864
Palladium(2)	US$/oz	**2,136**	1,410	1,539
Rhodium(3)	US$/oz	**9,254**	2,846	3,914
Iron ore (62% Fe CFR)(4)	US$/tonne	**91**	91	93
Iron ore (66% Fe Concentrate CFR)(5)	US$/tonne	**104**	106	104
Hard coking coal (FOB Australia)(4)	US$/tonne	**137**	205	177
PCI (FOB Australia)(4)	US$/tonne	**83**	125	110
Thermal coal (FOB South Africa)(6)	US$/tonne	**67**	74	72
Thermal coal (FOB Australia)(7)	US$/tonne	**61**	88	78
Thermal coal (FOB Colombia)(6)	US$/tonne	**46**	60	54
Nickel(1)	US cents/lb	**566**	559	632
Manganese ore (44% CIF China)(5)	US$/dmtu	**5.07**	6.33	5.58

(1) Source: London Metal Exchange (LME).
(2) Source: London Platinum and Palladium Market (LPPM).
(3) Source: Johnson Matthey/Comdaq.
(4) Source: Platts.
(5) Source: Metal Bulletin.
(6) Source: Argus/McCloskey.
(7) Source: globalCOAL.

ANGLO AMERICAN plc

(Incorporated in England and Wales – Registered number 03564138)
(the Company)

Notice of Interim Dividend

(Dividend No. 37)

Notice is hereby given that an interim dividend on the Company's ordinary share capital in respect of the year to 31 December 2020 will be paid as follows:

Amount (United States currency) (note 1)	28 cents per ordinary share
Amount (South African currency) (note 2)	459.76280 cents per ordinary share
Last day to effect removal of shares between the United Kingdom (UK) and South African (SA) registers	Monday, 17 August 2020
Last day to trade on the JSE Limited (JSE) to qualify for dividend	Tuesday, 18 August 2020
Ex-dividend on the JSE from the commencement of trading (note 3)	Wednesday, 19 August 2020
Ex-dividend on the London Stock Exchange from the commencement of trading	Thursday, 20 August 2020
Record date (applicable to both the UK principal register and SA branch register)	Friday, 21 August 2020
Movement of shares between the UK and SA registers permissible from	Monday, 24 August 2020
Last day for receipt of US$:£/€ currency elections by the UK Registrars (note 1)	Friday, 4 September 2020
Last day for receipt of Dividend Reinvestment Plan (DRIP) mandate forms by the UK Registrars (notes 4, 5 and 6)	Friday, 4 September 2020
Currency conversion US$:£/€ rates announced on (note 7)	Friday, 11 September 2020
Last day for receipt of DRIP mandate forms by Central Securities Depository Participants (CSDPs) (notes 4, 5 and 6)	Friday, 18 September 2020
Last day for receipt of DRIP mandate forms by the South African Transfer Secretaries (notes 4, 5 and 6)	Monday, 21 September 2020
Payment date of dividend	Friday, 25 September 2020

Notes

1. Shareholders on the UK register of members with an address in the UK will be paid in Sterling and those with an address in a country in the European Union which has adopted the Euro will be paid in Euros. Such shareholders may, however, elect to be paid their dividends in US dollars provided the UK Registrars receive such election by Friday, 4 September 2020. Shareholders with an address elsewhere will be paid in US dollars except those registered on the South African branch register who will be paid in South African rand.
2. Dividend Tax will be withheld from the amount of the gross dividend of 459.76280 cents per ordinary share paid to South African shareholders at the rate of 20% unless a shareholder qualifies for exemption. After the Dividend Tax has been withheld, the net dividend will be 367.81024 cents per ordinary share. Anglo American plc had a total of 1,363,118,080 ordinary shares in issue, including 50,488 treasury shares, as at 29 July 2020. In South Africa the dividend will be distributed by Anglo American South Africa Proprietary Limited, a South African company with tax registration number 9030010608, or one of its South African subsidiaries, in accordance with the Company's dividend access share arrangements. The dividend in South African rand is based on an exchange rate of US$1:R16.42010 taken on Wednesday, 29 July 2020, being the currency conversion date.
3. Dematerialisation and rematerialisation of registered share certificates in South Africa will not be effected by CSDPs during the period from the JSE ex-dividend date to the record date (both days inclusive).
4. Those shareholders who already participate in the DRIP need not complete a DRIP mandate form for each dividend as such forms provide an ongoing authority to participate in the DRIP until cancelled in writing. Shareholders who wish to participate in the DRIP should obtain a mandate form from the UK Registrars, the South African Transfer Secretaries or, in the case of those who hold their shares through the STRATE system, their CSDP.
5. In terms of the DRIP, and subject to the purchase of shares in the open market, share certificates/CREST notifications are expected to be mailed and CSDP investor accounts credited/updated on or around Monday, 19 October 2020. CREST accounts will be credited on Wednesday, 30 September 2020.
6. Copies of the terms and conditions of the DRIP are available from the UK Registrars or the South African Transfer Secretaries.
7. The US$:£/€ conversion rates will be determined by the actual rates achieved by Anglo American buying forward contracts for those currencies, during the two days preceding the announcement of the conversion rates, for delivery on the dividend payment date.

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South African Transfer Secretaries
Computershare Investor Services (Pty) Limited
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Rosebank, 2196, South Africa
Private Bag X9000
Saxonwold, 2132
South Africa

This is Exhibit "E" referred to in the Affidavit #4 of Thomas Croese

sworn before me by two-way video conference this 19th day of October, 2020.

A Commissioner for Oaths in and for the Province of Alberta

Carley R. Frazer
Student-at-Law

ALROSA Q3 and 9M 2020 operating results

Moscow, 16 October 2020 – ALROSA, a global leader in diamond production, reports its Q3 2020 diamond production of 9.2 m carats and a q-o-q increase in sales to 5 m carats. 9M 2020 diamond production declined to 22.9 m carats, and sales amounted to 15.1 m carats.

- **Q3 ore and gravels output** went down to 4.7 mt vs 9.8 mt in Q2 (Q3 2019: 8.8 mt) following the COVID-19-related measures. As a result, ore and gravels inventories dropped by 21% q-o-q to 25.8 mt.
- **Q3 ore and gravels processing** rose 57% q-o-q (down 33% y-o-y) to **11.5 mt** due to the relaunch of a number of processing plants after the suspension of operations in Q2, as well as the seasonal production growth at alluvial deposits. The 24% y-o-y decline resulted from crisis response measures taken in 2020. **9M** volumes were at **24.8 mt** (down 27%).
- **Q3 diamond production** grew by 62% q-o-q to **9.2 m cts** on higher utilization rates at processing facilities. **9M** production was down by 23% to **22.9 m cts**.
- **Q3 diamond grade** improved by 4% q-o-q to **0.8 cpt**. **9M** diamond grade rose by 6% to **0.93 cpt** as a result of discontinued operations at less profitable assets.
- **Sales:** due to a decrease in inventory of end products at cutters and polishers, as well as at retailers as demand for diamond jewelry gradually recovered, the demand for rough diamonds has been improving since August. **Q3 diamond sales** saw an 8x increase q-o-q reaching **5 m cts**, including 4.1 m cts of gem-quality diamonds. **9M** sales declined 40% to **15.1 m cts**.
- **Diamond inventories as at the end of Q3** grew 16% q-o-q to **30.6 m cts**.
- **Q3 average realised price for gem-quality diamonds** totalled **$133/ct** (down 34% q-o-q and 2% y-o-y) due to normalised sales mix as sales volumes increased. **9M** prices were 1% up at **$129/ct**.
- **Q3 diamond price index** declined by 7% q-o-q, YTD the index was down 13% (see page 4 for details).
- **Proceeds from rough and polished diamond sales in Q3** came in at **$589 m** (a 6.8x increase q-o-q and down 4% y-o-y), including $553 m in revenue from rough diamond sales and $36 m in revenue from polished diamond sales. Sales for **9M** totalled **$1,580 m** (down 35%).

Diamond market overview

- Loosening of the COVID-related restrictions and a shift in consumer behaviour towards online shopping resulted in the gradual recovery of demand for diamond jewelry in the key US and China markets, which saw y-o-y growth of jewelry sales over the past two to three months. As consumer sentiment improved, jewelry businesses restocked before the festive season.
- India's cutters and polishers that were either closed until August or had underutilised capacity due to the COVID-19 pandemic managed to gradually increase activity following the partial lifting of lockdown measures. Their diamond stocks have declined, nearing shortage in some product categories, which led to partial recovery of polished diamond prices.
- The market saw the demand for rough diamonds rise by the end of August, with jewelry businesses' stocking up before Christmas holidays. As the Company acts in a responsible way, it decided to slightly adjust prices in order to satisfy the real demand while maintaining the profitability level required by the midstream.
- The diamond industry began to show signs of improvement. It is, however, too early to talk about a full recovery before we see the year's key figures – the USA holiday season sales.

Hereinafter, data on Q3 and 9M 2020 production, sales, prices, and inventories is preliminary and may be updated. Data on the diamond market is the Company's estimate.

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Key events until the end of 2020 (*Investor calendar*)

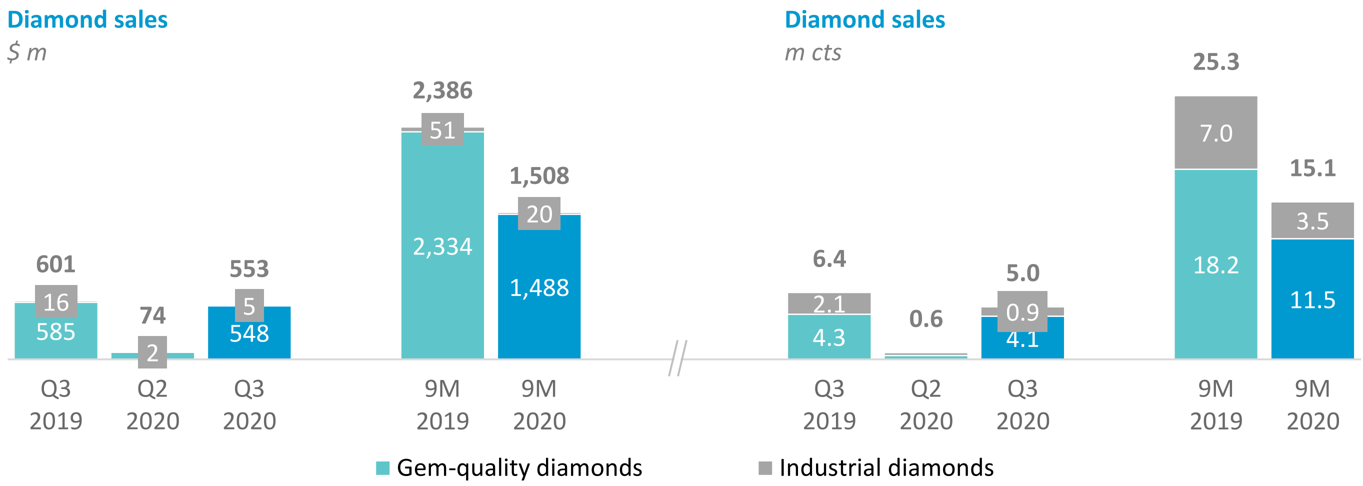
9 November	October 2020 sales results
Date TBC, November	Q3 2020 IFRS results
10 December	November 2020 sales results

PRELIMINARY SALES RESULTS

Sales
Q3: 5 m cts
9M: 15.1 m cts

- Due to a decrease in inventory of end products at cutters and polishers, as well as at retailers as demand for diamond jewelry gradually recovered, the demand for rough diamonds has been improving since August.**Q3 diamond sales** increased 8x q-o-q (down 21% y-o-y) and reached **5 m cts**, including 4.1 m cts of gem-quality diamonds. Industrial diamond sales amounted to 0.9 cts.

  9M sales dropped by 40% to **15.1 m cts**, including 11.5 m cts of gem-quality diamonds and 3.5 m cts of industrial diamonds.



Inventories
30.6 m cts

Total sales
(incl. polished diamonds)
Q3: $589 m
9M: $1,580 m

Rough diamond sales
Q3: $553 m
9M: $1,508 m

- **Diamond inventories** as at the end of Q3 increased to **30.6 m cts** (up 16% or 4.3 m cts q-o-q), as production exceeded sales.
- **Q3 total sales** grew 6.8x to **$589 m**, including $553 m in rough diamond sales (excl. polished) (7.5x increase q-o-q and down 8% y-o-y).

  9M total sales amounted to $1,580 m (down 35% y-o-y), including $1,508 m in rough diamond sales (ex. polished diamonds) (down 37%).
- **Q3 polished diamond sales** amounted to $36 m (2.8x increase q-o-q and 3.7x increase y-o-y). **9M** polished diamond sales grew by 93% to **$71 m**, among other things due to the consolidation of PO “Kristall” in October 2019.

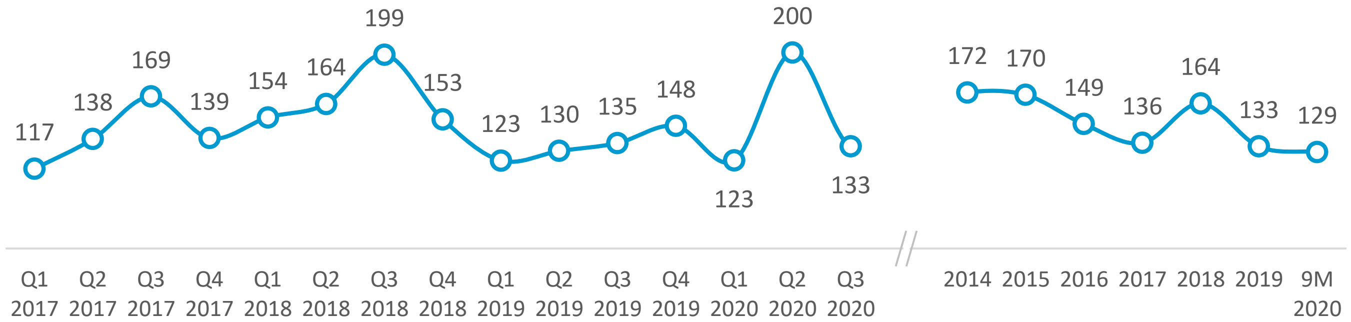
Average realised prices for gem-quality diamonds
Q3: $133/ct
9M: $129/ct

- **Q3 average realised price for gem-quality diamonds** totalled **$133/ct** (down 34% q-o-q and 2% y-o-y) due to normalised diamond sales mix on the back of the q-o-q growth of sales volumes.

  9M average realised prices increased marginally (up 1%) to **$129/ct**.

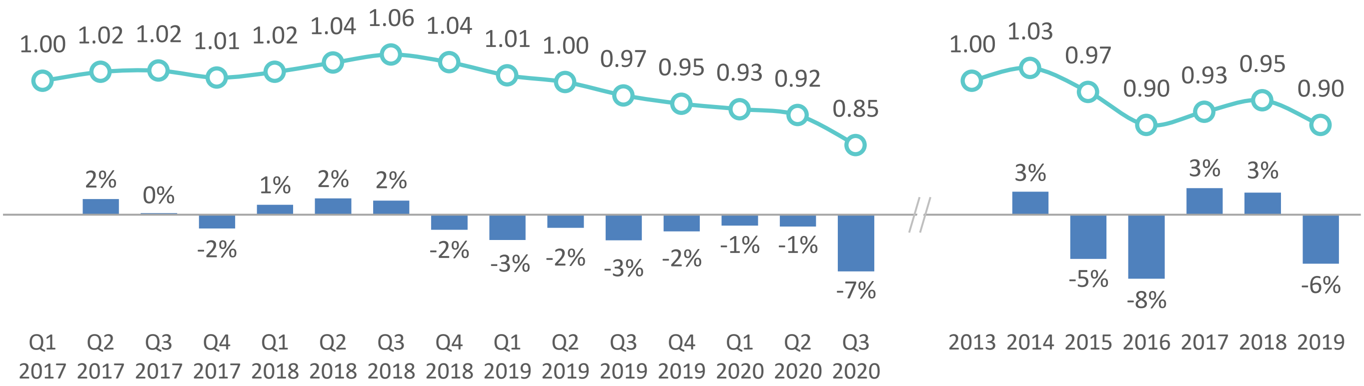
Average realised prices for gem-quality diamonds

$/ct



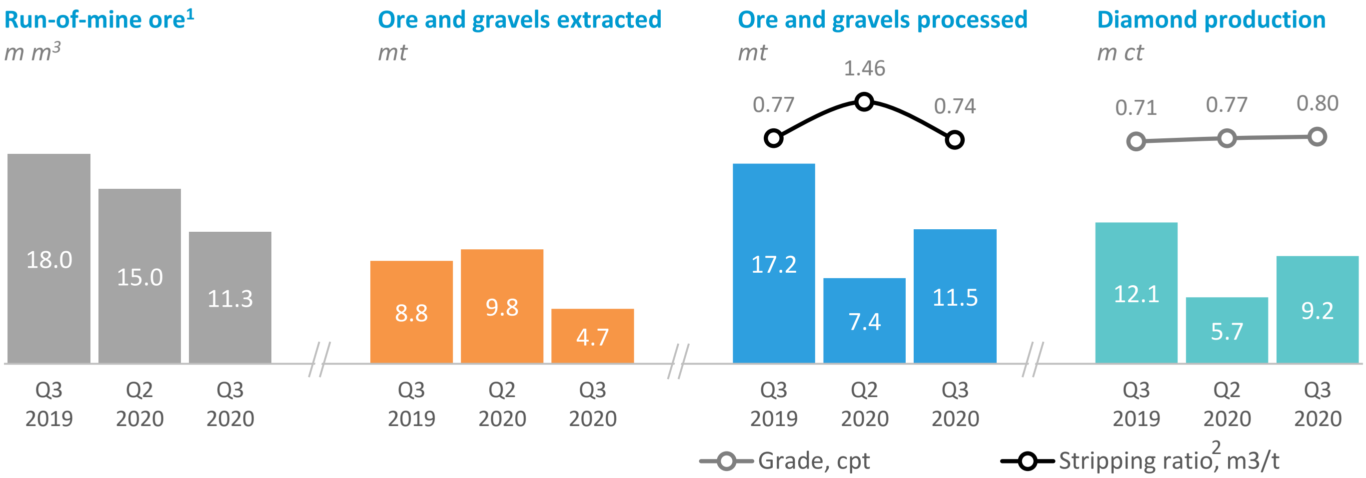
- **In Q3, the diamond price index** lost 7% q-o-q, as the Company needed to resume rough diamond sales to satisfy real demand and maintain the profitability level required by the cutting sector amid the fall of the polished diamond prices during the year. YTD the diamond price index lost 13%.

Gem-quality diamond price indices

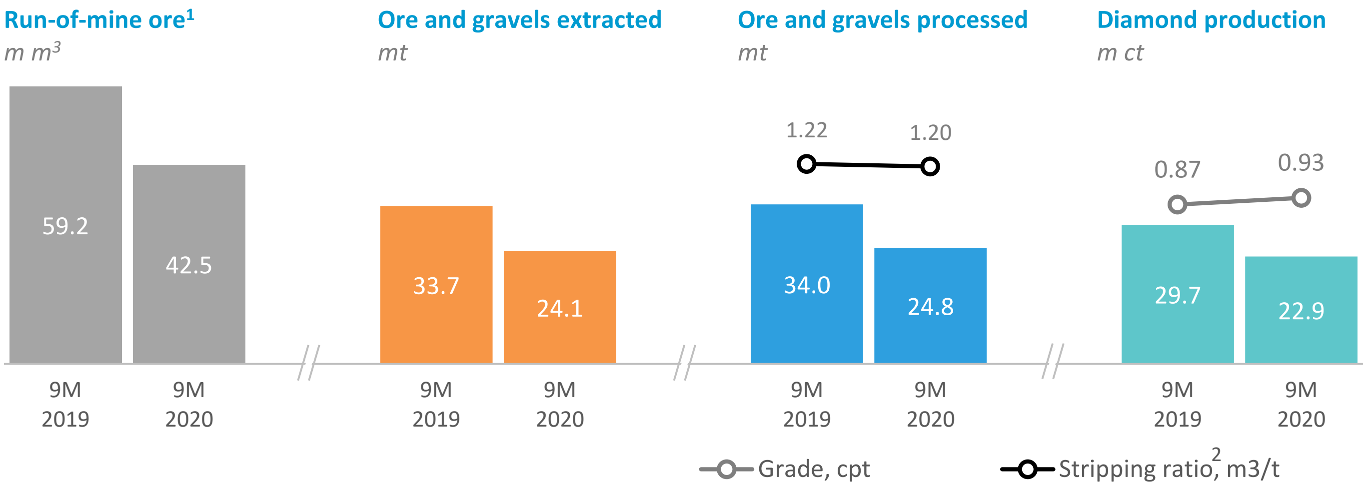


PRODUCTION

Key highlights for Q3



Key highlights for 9M



Production
Q3: 9.2 m cts
9M: 22.9 m cts

- **Diamond production in Q3** was up 62% q-o-q (down 24% y-o-y) to **9.2 m cts** due to the seasonal increase in production at alluvial deposits and resumed operation of the facilities that were suspended in Q2.

  9M production declined by 23% to **22.9 m cts** as part of measures to cut the 2020 output due to the crisis caused by the spread of COVID-19 (see the press release dated 22 May here).

- **Q3 ore and gravels processing** rose 57% q-o-q (down 33% y-o-y) to **11.5 mt** driven by the relaunch of a number of processing plants (No. 12 of the Udachny Division, No. 3 of the Mirny Division and No. 1 of Severalmaz) after the suspension of operations in Q2, and seasonal production growth at Nyurba Division and Almazy Anabara alluvial deposits. The indicator declined by 24% compared to Q3 2019.

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[1] *Less pre-stripping.*
[2] *The stripping ratio is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes).*

9M ore and gravels processing amounted to **24.8 mt**, down 27% y-o-y as a result of the 2020 output reduction.

- **Ore and gravels inventories as at the end of Q3** shrank by 21% q-o-q (up 9% y-o-y) to **25.8 mt**, as processing exceeded production.

Run-of-mine ore
Q3: 11.3 m m^3
9M: 42.5 m m^3

- **Q3 and 9M run-of-mine ore** declined by 25% q-o-q (down 37% y-o-y) to **11.3 m m^3** and by 28% to **42.5 m m^3**, respectively, also due to the production cutting decision.
- **Q3 stripping ratio** saw a 2x decrease q-o-q to 0.74 m^3/t due to a 21% decline in stripping and a 57% increase in processing. **9M** stripping ratio remained largely unchanged at 1.20 m^3/t.
- **Q3 open-pit mining** decreased to **3 m cts** (down 4% q-o-q and 42% y-o-y) due to the overall production cut, accounting for 33% of the Group's total production.

  9M open-pit mining totalled **12.1 m cts** (down 29%) and accounted for 53% of the Group's total production.
- **Q3 underground mining** added 87% q-o-q (down 11% y-o-y) totalling **1.4 m cts** due to resumed ore processing from the Udachnaya and International underground mines after the halt of processing in Q2. In Q3, underground mining accounted for 15% of the Group's total production.

  9M underground mining amounted to **4.1 m cts** (down 22% y-o-y), its share in total production was 18%.
- **Q3 alluvial mining** grew 2.7x q-o-q and totalled **4.8 m cts** (down 10% y-o-y), mainly due to a seasonal increase in processing of gravels from the Nyurba Division and Almazy Anabara. In Q3, the share of alluvial deposits in the Group's total production went up to 52% (Q3 2019: 44%) as a result of lower output from other types of mining.

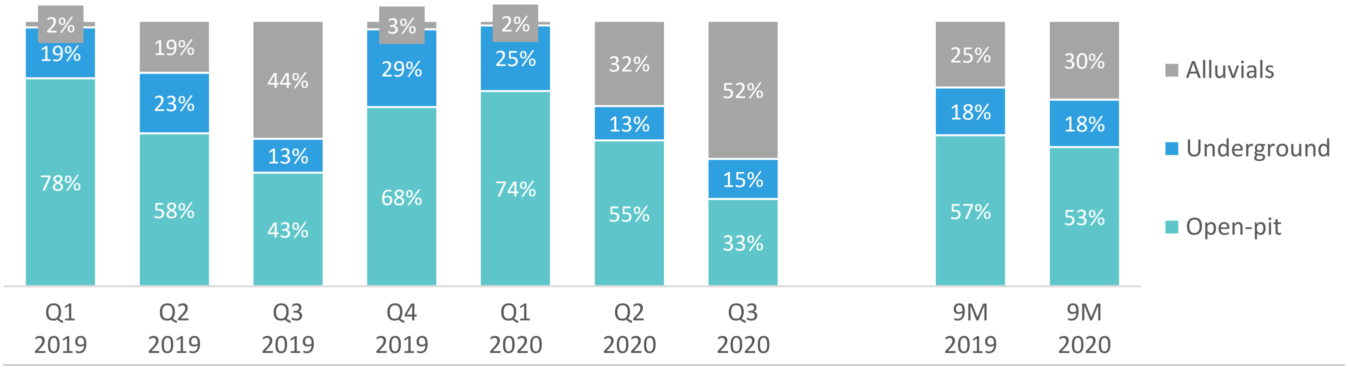
  9M alluvial mining declined by 9% to **6.8 m cts**, mainly driven by the lower output at the Almazy Anabara deposits (down 32%). 9M alluvial mining accounted for 30% of the Group's total production.

Average diamond grade
Q3: 0.8 cpt
9M: 0.93 cpt

- **Q3 average diamond grade** went up by 4% q-o-q (up 14% y-o-y) to **0.8 cpt** primarily due to expanded processing of gravels from the Nyurba Division deposits (Q3 average diamond grade: 2.38 cpt) and ore from the Udachnaya mine (Q3 average diamond grade: 1.26 cpt).

  9M average diamond grade added 6% and amounted to **0.93 cpt**.

Diamond production by mining type



PERFORMANCE BY DIVISION

Aikhal Division operational overview

Accounted for 21% and 31% in ALROSA Group's total diamond production in Q3 and 9M, respectively

	Q3 2020	Q2 2020	*q-o-q*	Q3 2019	*y-o-y*
Ore processing, '000 t	2,299	2,103	*9%*	1,670	*38%*
Grade, cpt	0.84	1.05	*(20%)*	0.78	*8%*
Diamond production, '000 cts	1,937	2,214	*(13%)*	1,298	*49%*

Aikhal Division:
- *Jubilee pipe*
- *Aikhal pipe*
- *Zarya pipe*
- *Komsomolskaya pipe (mining completed in 2019)*

Location: Republic of Sakha (Yakutia), near Aikhal settlement, 485 km away from Mirny town

Q3 diamond production decreased by 13% q-o-q (up 49% y-o-y) to **1,937,000 cts**. **Ore processed** in this period amounted to **2,299,000 t**, up 9% q-o-q (up 38% y-o-y).

Open-pit mining

Jubilee:

- A 22% increase q-o-q (up 92% y-o-y) was associated with ore processing going up by 44% while the average grade shrank by 15% due to the processing of lower-grade blocks.

Zarya:

- Q3 saw the processing of ore from the stockpiles, with production for this period amounting to 43,000 cts. A 69% reduction q-o-q was driven by the decision to suspend mining from 15 May to 31 December 2020 (see the press release dated 5 May here). Processing of Zarya ore started in Q4 2019.

Underground mining

Aikhal:

- In Q3, remaining ore from the stockpiles was processed, with production for the period standing at 80,000 cts. An 86% q-o-q (down 64% y-o-y) decrease was due to the decision to suspend mining operations from 15 May to 1 October 2020.

Mirny Division operational overview

Accounted for 7% and 6% in ALROSA Group's total diamond production in Q3 and 9M, respectively

	Q3 2020	**Q2 2020**	***q-o-q***	**Q3 2019**	***y-o-y***
Ore and gravels processing, '000 t	1,463	1,006	*45%*	1,813	*(19%)*
Grade, cpt	0.47	0.10	*4.6x*	0.39	*20%*
Diamond production, '000 cts	691	103	*6.7x*	715	*(3%)*

Mirny Division:
- *Mir pipe*
- *International pipe*
- *Alluvial deposits*

Location: Republic of Sakha (Yakutia), Mirny town, 220 km south of the Arctic Circle

Q3 diamond production totalled **691,000 cts** (up 6.7x q-o-q and down 3% y-o-y). **Ore and gravels processed** in this period amounted to **1,463,000 t**, an increase of 45% q-o-q (down 19% y-o-y).

Underground mining
International:
- Q3 production came in at 566,000 cts, going up by 63% y-o-y as a result of processing the deposit's ore accumulated in the stockpiles and not processed previously in Q2 following the decision to suspend operations at processing plant No. 3 from 1 April to 1 September 2020 as part of measures to cut the 2020 output. Another contributing factor was the low base effect of last year (production in Q3 2019 stood at 347,000 cts) driven by the scheduled maintenance at the processing plant and the challenging mining and geological environment.

Alluvial mining
- A 21% q-o-q increase in production to 125,000 cts was due to seasonality of operations at the alluvial deposits. The y-o-y production went down by 66% due to the suspension of operations at processing plant No. 3 from 1 April to 1 September 2020 and processing of gravels from lower-grade blocks (average grade fell by 56% y-o-y).

Udachny Division operational overview

Accounted for 8% and 10% in ALROSA Group's total diamond production in Q3 and 9M, respectively

	Q3 2020	Q2 2020	q-o-q	Q3 2019	y-o-y
Ore and gravels processing, '000 t	726	539	*35%*	2,433	*(70%)*
Grade, cpt	1.08	0.60	*81%*	0.70	*55%*
Diamond production, '000 cts	784	321	*2.4x*	1,694	*(54%)*

Udachny Division:
- *Udachnaya pipe*
- *Zarnitsa pipe*
- *V.Munskoye deposit*
- *Mining at the alluvial deposits was completed in 2019.*

Location: Republic of Sakha (Yakutia), 550 km north of Mirny town

Q3 diamond production was up 2.4x q-o-q (down 54% y-o-y) to **784,000 cts**. **Ore processed** in this period amounted to **726,000 t**, an increase of 35% q-o-q (down 70% y-o-y).

Open-pit mining

Zarnitsa:

- Q3 saw the processing of ore from the stockpiles, with diamond production for this period amounting to 30,000 cts (down 64% q-o-q and 84% y-o-y). In 2019, the Company decided to suspend mining operations at this deposit from 1 May to 31 December 2020.

Zapolyarnaya (V.Munskoye deposit):

- Q3 saw the processing of ore from the stockpiles, with diamond production for this period amounting to 13,000 cts (down 85% q-o-q and 97% y-o-y). In May 2020, the Company decided to suspend mining operations at this deposit from 1 June to 1 October 2020.

Underground mining

Udachnaya:

- Production totalled 741,000 cts. A 4x increase q-o-q was due to the suspension of operations at processing plant No. 12 starting 1 May as part of measures to cut the 2020 output, followed by operations resumed on 1 September. Another driver was an effort to increase the plant's productivity by replacing the pumping equipment at the thickening section. A 25% reduction y-o-y was due to the longer downtime of the plant in 2020.

Nyurba Division operational overview

Accounted for 23% and 26% in ALROSA Group's total diamond production in Q3 and 9M, respectively

	Q3 2020	Q2 2020	q-o-q	Q3 2019	y-o-y
Ore and gravels processing, '000 t	914	571	*60%*	875	*4%*
Grade, cpt	2.37	2.92	*(19%)*	3.75	*(37%)*
Diamond production, '000 cts	2,163	1,665	*30%*	3,284	*(34%)*

Nyurba Division:
- *Nyurbinskaya pipe*
- *Botuobinskaya pipe*
- *Alluvial deposits*

Location: Republic of Sakha (Yakutia), 200 km north-west of Nyurba town and 320 km north-east of Mirny town

Q3 diamond production increased 30% q-o-q (down 34% y-o-y) to **2,163,000 cts**. **Ore and gravels** processed in this period amounted to **914,000 t**, an increase of 60% q-o-q and 4% y-o-y.

Open-pit mining

As part of the decisions made to reduce the 2020 output, no ore from the Nyurba Division deposits was planned for processing in Q3 as the capacity of plant No. 16 was utilised by gravels from the alluvial deposits. Q3 saw pilot processing of 60,000 t of ore from lower-grade blocks of the Nyurbinskaya and Botuobinskaya pipes.

Nyurbinskaya:
- Q3 production totalled 72,000 cts (down 82% q-o-q and 85% y-o-y).

Botuobinskaya:
- Q3 production totalled 58,000 cts (down 86% q-o-q and 97% y-o-y).

Alluvial mining in Q3 amounted to 2 m cts, demonstrating a 2.4x rise q-o-q on the back of both seasonality (operations of processing plant No. 15) and considerably lower volumes of primary deposit ore being processed by plant No. 16. Production doubled on a y-o-y basis as plant No. 16 processed no gravels from the alluvial deposits in 2019 due to a project to improve operational efficiency at the Nyurba Division.

Severalmaz operational overview

Accounted for 11% in ALROSA Group's total diamond production in Q3 and 9M

	Q3 2020	Q2 2020	q-o-q	Q3 2019	y-o-y
Ore processing, '000 t	843	335	*2.5x*	983	*(14%)*
Grade, cpt	1.17	1.59	*(26%)*	1.21	*(3%)*
Diamond production, '000 cts	986	532	*85%*	1,185	*(17%)*

Severalmaz (Lomonosov Division):
- *Arkhangelskaya pipe*
- *Karpinskogo-1 pipe*
- *Karpinskogo-2 pipe*

Location: Arkhangelsk Region, Russian Federation

Q3 diamond production increased 85% q-o-q (down 17% y-o-y) to **986,000 cts**. **Ore processing** demonstrated a 2.5x increase (down 14% y-o-y) to **843,000 t**.

Severalmaz is exclusively engaged in open pit operations.

In Q3, production increased q-o-q after the processing plant resumed operations for three months starting 8 July following temporary suspension introduced on 16 May as part of the measures to reduce the 2020 output (see the press release on the processing plant resuming operations here). After the three months expired, the processing was suspended until the next year (the exact re-start date will be determined after the 2021 output target is approved). The mining operations were suspended for the period from 15 May to 1 November.

Arkhangelskaya:

- Q3 production totalled 599,000 cts (up 2.9-fold q-o-q and flat y-o-y).

Karpinskogo-1:

- Production totalled 387,000 cts (up 35% q-o-q and down 34% y-o-y).

Almazy Anabara operational overview

Accounted for 29% and 15% in ALROSA Group's total diamond production in Q3 and 9M, respectively

	Q3 2020	Q2 2020	q-o-q	Q3 2019	y-o-y
Gravels processing, '000 t	5,280	2,800	*89%*	9,400	*(44%)*
Grade, cpt	0.51	0.31	*66%*	0.42	*21%*
Diamond production, '000 cts	2,675	856	*3.1x*	3,939	*(32%)*

Almazy Anabara: several alluvial deposits located in the north-west of the Republic of Sakha (Yakutia)

Diamond production in Q3 demonstrated a seasonal 3.1x growth to **2,675,000 cts**, driven by higher processing of gravels (up by 89%) and increase in average grade (up by 66%) as a result of processing of gravels from higher-grade deposits. On a y-o-y basis, production declined by 32% on the back of the decisions made to cut the 2020 output.

Almazy Anabara conducts mining operations from May/June to September (weather permitting).

APPENDICES

Appendix 1. Diamond production

'000 cts	Production method	Q3 2020	Q2 2020	q-o-q	Q3 2019	y-o-y
Aikhal Division		**1,937**	**2,214**	***(13%)***	**1,298**	***49%***
Jubilee pipe	Open pit	1,814	1,484	*22%*	944	*92%*
Komsomolskaya pipe	Open pit	–	–	–	133	
Aikhal mine	Underground	80	590	*(86%)*	222	*(64%)*
Zarya pipe	Open pit	43	139	*(69%)*	–	
Mirny Division		**691**	**103**	***6.7x***	**715**	***(3%)***
International mine	Underground	566	–		347	*63%*
Alluvial and technogenic deposits	Alluvials	125	103	*21%*	369	*(66%)*
Udachny Division		**784**	**321**	***2.4x***	**1,694**	***(54%)***
Zarnitsa pipe	Open pit	30	83	*(64%)*	184	*(84%)*
Zapolyarnaya pipe	Open pit	13	87	*(85%)*	483	*(97%)*
Udachnaya mine	Underground	741	151	*4.9x*	983	*(25%)*
Alluvial deposits	Alluvials	–	–		43	
Nyurba Division		**2,163**	**1,665**	***30%***	**3,284**	***(34%)***
Nyurbinskaya pipe	Open pit	72	410	*(82%)*	472	*(85%)*
Botuobinskaya pipe	Open pit	58	405	*(86%)*	1,793	*(97%)*
Alluvial deposits	Alluvials	2,033	851	*139%*	1,019	*2.0x*
Severalmaz		**986**	**532**	***85%***	**1,185**	***(17%)***
Arkhangelskaya pipe	Open pit	599	247	*2.4x*	598	*0%*
Karpinskogo-1 pipe	Open pit	387	285	*35%*	587	*(34%)*
Karpinskogo-2 pipe	Open pit	–	–		–	
Almazy Anabara	Alluvials	**2,675**	**856**	***3.1x***	**3,939**	***(32%)***
Total		**9,235**	**5,691**	***62%***	**12,116**	***(24%)***

Appendix 2. Ore and gravels processing

'000 t	Production method	Q3 2020	Q2 2020	*q-o-q*	Q3 2019	*y-o-y*
Aikhal Division		**2,299**	**2,103**	***9%***	**1,670**	***38%***
Jubilee pipe	Open pit	2,120	1,470	*44%*	1,272	*67%*
Komsomolskaya pipe	Open pit	–	–		347	
Aikhal mine	Underground	12	100	*(88%)*	51	*(76%)*
Zarya pipe	Open pit	167	533	*(69%)*	–	
Mirny Division		**1,463**	**1,006**	***45%***	**1,813**	***(19%)***
International mine	Underground	109	–		63	*72%*
Alluvial and technogenic deposits	Alluvials	1,354	1,006	*35%*	1,749	*(23%)*
Udachny Division		**726**	**539**	***35%***	**2,433**	***(70%)***
Zarnitsa pipe	Open pit	117	298	*(61%)*	748	*(84%)*
Zapolyarnaya pipe	Open pit	23	145	*(84%)*	758	*(97%)*
Udachnaya mine	Underground	586	96	*6.1x*	753	*(22%)*
Alluvial deposits	Alluvials	–	–	–	174	–
Nyurba Division		**914**	**571**	***60%***	**875**	***4%***
Nyurbinskaya pipe	Open pit	36	89	*(60%)*	118	*(69%)*
Botuobinskaya pipe	Open pit	24	76	*(68%)*	350	*(93%)*
Alluvial deposits	Alluvials	854	406	*110%*	407	*2.1x*
Severalmaz		**843**	**335**	***2.5x***	**983**	***(14%)***
Arkhangelskaya pipe	Open pit	555	190	*2.9x*	555	*0%*
Karpinskogo-1 pipe	Open pit	288	146	*98%*	428	*(33%)*
Karpinskogo-2 pipe	Open pit	–	–	–	–	–
Almazy Anabara	Alluvials	**5,280**	**2,800**	***89%***	**9,400**	***(44%)***
Total		**11,525**	**7,354**	***57%***	**17,173**	***(33%)***

Appendix 3. Grade

cpt	Production method	Q3 2020	Q2 2020	q-o-q	Q3 2019	y-o-y
Aikhal Division		**0.84**	**1.05**	***(20%)***	**0.78**	***8%***
Jubilee pipe	Open pit	0.86	1.01	*(15%)*	0.74	*15%*
Komsomolskaya pipe	Open pit	–	–	–	0.38	
Aikhal mine	Underground	6.64	5.90	*13%*	4.35	*53%*
Zarya pipe	Open pit	0.26	0.26	*(2%)*	–	
Mirny Division		**0.47**	**0.10**	***4.6x***	**0.39**	***20%***
International mine	Underground	5.22	–	–	5.50	*(5%)*
Alluvial and technogenic deposits	Alluvials	0.09	0.10	*(10%)*	0.21	*(56%)*
Udachny Division		**1.08**	**0.60**	***81%***	**0.70**	***55%***
Zarnitsa pipe	Open pit	0.25	0.28	*(9%)*	0.25	*3%*
Zapolyarnaya pipe	Open pit	0.56	0.60	*(7%)*	0.64	*(12%)*
Udachnaya mine	Underground	1.26	1.57	*(20%)*	1.31	*(3%)*
Alluvial deposits	Alluvials	–	–		0.25	
Nyurba Division		**2.37**	**2.92**	***(19%)***	**3.75**	***(37%)***
Nyurbinskaya pipe	Open pit	2.00	4.60	*(57%)*	4.00	*(50%)*
Botuobinskaya pipe	Open pit	2.42	5.33	*(55%)*	5.12	*(53%)*
Alluvial deposits	Alluvials	2.38	2.09	*14%*	2.50	*(5%)*
Severalmaz		**1.17**	**1.59**	***(26%)***	**1.21**	***(3%)***
Arkhangelskaya pipe	Open pit	1.08	1.30	*(17%)*	1.08	*0%*
Karpinskogo-1 pipe	Open pit	1.34	1.96	*(32%)*	1.37	*(2%)*
Karpinskogo-2 pipe	Open pit	–	–		–	
Almazy Anabara	Alluvials	**0.51**	**0.31**	***66%***	**0.42**	***21%***
Total		**0.80**	**0.77**	***4%***	**0.71**	***14%***

Appendix 4. Diamond, ore and gravels inventories

Inventories (as at the end of the period)	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Diamonds, m cts	30.6	26.3	21.1	22.6	21.7	15.9	14.3	17.0	15.5	11.7
Ore and gravels, mt	25.8	32.7	30.2	26.5	23.6	31.8	29.6	23.9	21.7	29.8

GLOSSARY

gem-quality diamonds – diamonds used in jewelry

V.Munskoye deposit – the Udachny Division’s Verkhne-Munskoye deposit

ct, cts – carat, unit of mass (weight) equal to 200 mg; one of the 4Cs of diamond quality along with colour, cut and clarity

stripping ratio is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes)

p.p. – percentage point

diamond price index helps track changes in average diamond prices on a like-for-like basis (excluding 10.8+ cts stones)

average realised price is sales revenue in US dollars divided by sales volume in carats

t – tonne

This is Exhibit "F" referred to in the Affidavit #4 of Thomas Croese

sworn before me by two-way video conference this 19th day of October, 2020.

A Commissioner for Oaths in and for the Province of Alberta

Carley R. Frazer
Student-at-Law

PRESS RELEASES – 2020

ANGLO AMERICAN ROUGH DIAMOND SALES VALUE FOR DE BEERS' EIGHTH SALES CYCLE OF 2020

14 October, 2020

Anglo American plc announces the value of rough diamond sales (Global Sightholder Sales and Auctions) for De Beers' eighth sales cycle of 2020, amounting to $467 million.

	Cycle 8 2020[1] (provisional)	Cycle 7 2020[2] (actual)	Cycle 8 2019 (actual)
Sales value[3]	$467m	$334m	$297m

(1) Cycle 8 2020 provisional sales value represents sales as at 9 October 2020.
(2) Cycle 7 2020 actual sales value represents sales between the dates of 19 August and 10 September.
(3) Sales values are quoted on a consolidated accounting basis. Auction sales included in a given cycle are the sum of all sales between the end of the preceding cycle and the end of the noted cycle.

Owing to the restrictions on the movement of people and products in various jurisdictions around the globe, De Beers Group has continued to implement a more flexible approach to rough diamond sales during the eighth sales cycles of 2020, with the sight event extended beyond its normal week-long duration. As a result, the provisional rough diamond sales figure quoted for Cycle 8 represents the expected sales value for the period 21 September to 9 October and remains subject to adjustment based on final completed sales.

Bruce Cleaver, CEO, De Beers Group, said: "We continue to see a steady improvement in demand for rough diamonds in the eighth sales cycle of the year, with cutters and polishers increasing their purchases as retail orders come through ahead of the key holiday season. It's encouraging to see these demand trends, but these are still early days and there is a long way to go before we can be sure of a sustained recovery in trading conditions."

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Notes to editors:

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

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment – we are committed to being carbon neutral across our operations by 2040. We work together with our business partners and diverse stakeholders to unlock sustainable 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.

www.angloamerican.com

22 Oct 2020

Q3 2020 Production Report

16:39 SAST on 16 Oct 2020

JSE ZAR 418.00

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11:24 EDT on 16 Oct 202

PINK SHEETS (OTC) USD 12.

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This is Exhibit "G" referred to in the Affidavit #4 of Thomas Croese

sworn before me by two-way video conference this 19th day of October, 2020.

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A Commissioner for Oaths in and for the Province of Alberta

Carley R. Frazer
Student-at-Law

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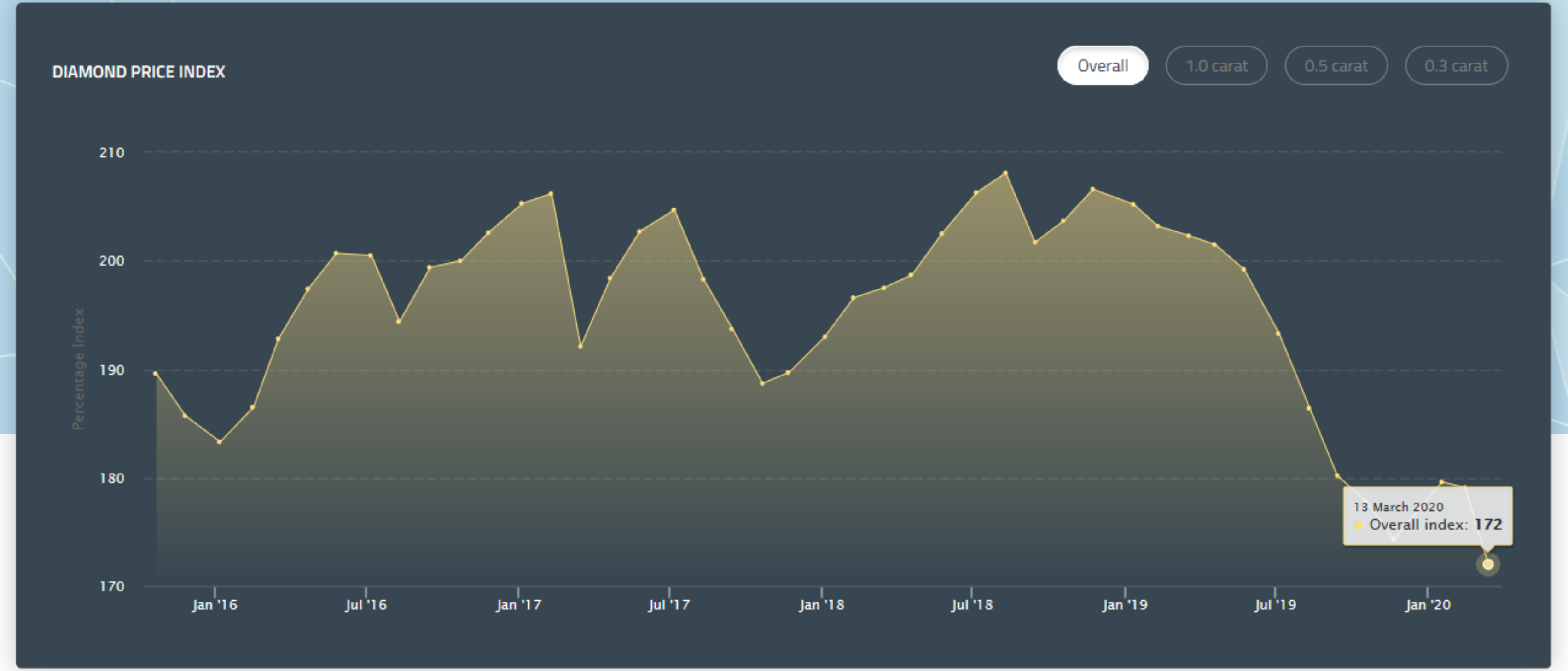

108.54	101.11	92.56
1.0 carat index	0.5 carat index	0.3 carat index

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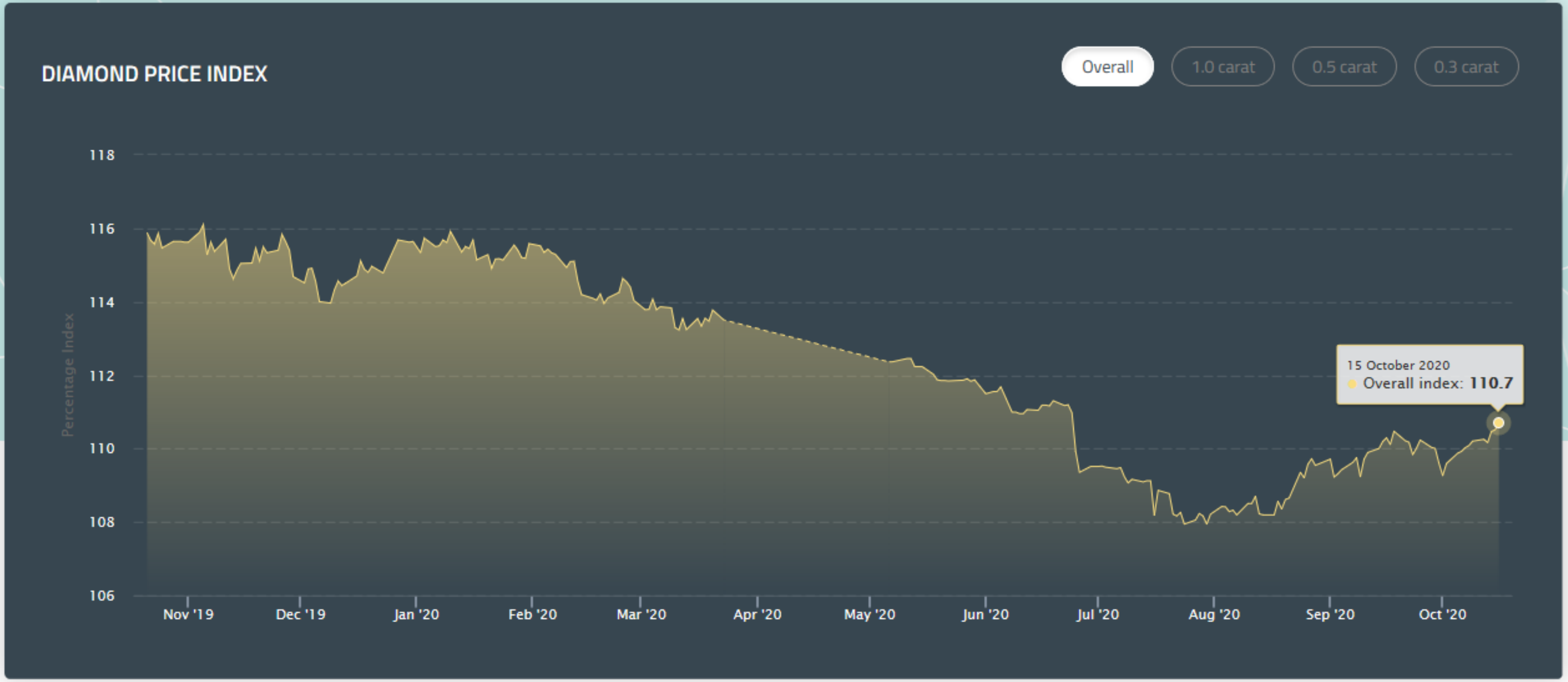

108.54	101.11	92.56
1.0 carat index	0.5 carat index	0.3 carat index

Diamond markets close due to Corona virus

By RICHARD PLATTMARCH 30TH, 2020

Given the impact of the Corona virus on business activity we have decided to stop updating the index and publishing the weekly index report until there is significant increase in trading activity.

Consequently, we are leaving the overall polishedprices index unchanged at 113.8, its value on 23rd March 2020.