

Kumba Iron Ore Limited
A member of the Anglo American plc group
(Incorporated in the Republic of South Africa)
(Registration number 2005/015852/06)
JSE Share code: KIO
ISIN: ZAE000085346
("Kumba" or the "Company")

Sishen mine to be restored to full production capacity by 2016

Kumba announces plans to restore Sishen mine to production capacity of 37 Mtpa by 2016 and to sustain production at Kolomela mine at 10 Mtpa, an 11% increase above the mine's original design capacity.

The Company will detail its plans at the Anglo American plc ("Anglo American") investor presentation this afternoon in London. The presentation will begin at 14:30 and end at approximately 19:00 (SA times) and will be webcast live via the Anglo American website [www.angloamerican.com] and the presentation slides will be available on the Company's website [www.angloamericankumba.com] from 12:30 today.

The Sishen mine recovery and optimisation plan expects phased production increases from ~30 Mt in 2013 to ~35 Mt in 2014, ~36 Mt in 2015 and ~37 Mt in 2016. Production of 37 Mtpa has been confirmed in several technical studies as Sishen's life-of-mine production capacity.

Sishen mine's pit is currently constrained due to inadequate waste stripping, resulting in insufficient exposed ore. As the ore body dips and thins to the west, waste stripping of up to 270 Mtpa is required for the production of 37 Mtpa at current marketing specifications, which will see the strip ratio peak at between 5.5x and 5.7x before stabilising at a lower level over the life of mine.

To facilitate the expansion of Sishen mine to the west, the Company has completed a comprehensive feasibility study for the relocation of the Dingleton community and an extensive consultation process with interested and affected parties, the community and the relevant government departments. The Kumba board has now approved the plan to resettle the community in Kathu, which is expected to cost an estimated R4.2 billion capex (nominal) over a 4 – 6 year period.

At Kolomela, technical studies have confirmed the mine's capacity to sustain production at 10 Mtpa, 1 Mtpa above its original design capacity. Further, incremental expansions of the mine are also being studied.

Kumba anticipates total iron ore production, excluding Thabazimbi, of between 44 – 46 Mt in 2014, 45 – 47 Mt in 2015 and 46 – 48 Mt in 2016.

A further operational update will be given at the Company's 2013 annual results presentation on 11 February 2014.

This announcement contains forward-looking statements and is subject to a number of risks and uncertainties, many of which are beyond Kumba's control and all of which are based on the Company's current beliefs and expectations about future events. The operational forecasts provided in this announcement are estimates and have not been reviewed and reported on by the Company's external auditors.

Centurion
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