

Official opening of the Unki Mines smelter Shurugwi, Midlands Province, Republic of Zimbabwe

Message by James Maposa, Chairman of Unki Mines

Your Excellency, the President of the Republic of Zimbabwe, Emmerson D Mnangagwa, Vice President, Constantino G D N Chiwenga, the Minister of Mines, Honourable Winston Chitando, the Minister of Finance, Honourable Mthuli Ncube, the Midlands Provincial Affairs Minister, Honourable Larry Mavima, Ambassadors of the United Kingdom and South Africa, Distinguished Guests

Ladies and Gentlemen, it is my honour and pleasure to welcome you to the official opening of the Anglo American Platinum Unki Mines smelter.

Mr President, since your inauguration in August last year, you have emphasised that “Zimbabwe is open for business” and shared your vision of transforming Zimbabwe into a middle-income economy, with increased investment, decent jobs, broad based empowerment, free from poverty and corruption by 2030.

This is a vision we share, and the official opening today of this \$62 million platinum group metals smelter is proof that at Anglo American Platinum we mean business and that we’re here to stay – to join you on this journey to economic growth and future prosperity.

From experience gained over the more than a hundred years of our existence, we know that no government can go it alone. That’s why Anglo American has always and will continue to contribute to the development of the countries where we operate. Partnership with government, with our host communities, with local business and with our employees is how we operate as defined in our corporate purpose: “To reimagine mining to improve people’s lives”.

Mr President, in many ways your Vision 2030 is mirrored in the Anglo American Sustainability Strategy, which is built around three global sustainability pillars: trusted corporate leader, thriving communities, and healthy environment. We are currently developing plans for each operational site relevant to the operation's local context, priorities and opportunities. These plans are centred in a set of three rather ambitious stretch goals per sustainability pillar. For example, for thriving communities, in our quest for sustainability our target is to create five jobs offsite for every job onsite in our operations by 2030; and to have three jobs offsite for every job onsite by 2025 already.

Mining companies can have a significant positive impact on the communities and countries where they operate. In 2018, Unki Mines spent about USD75 million on procurement from local suppliers; employees earned more than USD32 million, and nearly USD25 million was paid in tax to the Zimbabwean government.

You have prioritised job creation and so do we. In addition to the 1,137 employees and 1,089 contractors employed by Unki Mines, the new smelter is employing 73 employees. They have been trained at our smelters in South Africa and are fully capable of operating this modern facility and to share the knowledge and experience they've gained with current and future colleagues.

The focus in Vision 2030 on suitably equipping Zimbabwean students for the demands of the future is most welcome as we seek to modernise mining to improve safety and productivity and ensure that we optimise the use of these precious resources that we are the custodian of. Fittingly, as part of our Sustainable Strategy, our education target is to have all schools in our host communities operating in the top 20% of the state schools in the countries in which we operate by 2030.

Unki mine was recently awarded top honours in the Operation Excellence category of the Anglo American Applaud Awards. This internal recognition programme celebrates the best of the best in Anglo American globally. This means that Unki mine is the best from an operational excellence perspective across Anglo American's global mining companies. Well done to the General Manager, Walter Nemasasi and the team.

Unki is a strategic investment for Anglo American Platinum, who remains a long-term investor in Zimbabwe. Our association with the country started in 2008 with the decision to build Unki Mine. The mine development and concentrator construction were completed at the end of 2010, soon followed by the building of employee housing.

In July 2015, we announced that we would be constructing a purpose-built smelter, in line with our commitment to local beneficiation of minerals and in support of the Government's plan of greater beneficiation of industrial and precious metals.

This was discussed with the Ministry of Mines and Mining Development and a roadmap for the project was agreed. Regular updates of progress have been provided to the Ministry resulting in Government honouring its commitment by deferring the imposition of the beneficiation tax on an annual basis for the years 2016 to 2019.

Construction work got going in earnest in February 2017 on completion of the detailed feasibility study and securing of all relevant approvals. The furnace heat-up started in early August 2018 and the smelter has been ramping-up with the first production of matte at the end of September and the first export of crushed matte in mid-November. The matte is transported to the Anglo American Platinum converter process facility in Rustenburg, South Africa for further processing.

The custom-design, cost-efficient smelter is sized to match Unki's current production; however, it can be upgraded to meet future

increased mine production.

Mr President, for Anglo American Platinum and Unki Mines, this is a proud day. However, none of this would have been possible without the support of and cooperation of Government on all levels and I would like to thank you and your administration for that.

To date Unki Mines is the only PGM company that has heeded Government's beneficiation call. However, Unki must be profitable for it to improve people's lives, pay taxes, and contribute to the upliftment of our host communities.

We would like to continue discussions we've already started with government to help the mine survive and prosper.

The current 50% forex retention remains a challenge. Electricity tariffs, and some outstanding regulatory issues – in particular the indigenisation policy for the PGM sector – are all issues that we are engaging with Government on and are confident that we'll be able to find solutions to allow further growth of the sector.

As you've said before Mr President, a new day is dawning in Zimbabwe. As you seek to accelerate industrialisation, modernisation and mechanisation, and to stimulate the value chains across industries and commerce, in the next four years, Anglo American Platinum will be with you. The opening of the Unki Mines smelter is another milestone on the road we are walking with you. Long may this journey continue.

Thank you.