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## **VEDANTA UPDATE ON KCM**

**01 February 2021, London:** Vedanta Resources Holdings Limited and its parent, Vedanta Resources Limited (“the Parent Company”), notes that the ruling in the Zambian High Court this morning has not upheld the temporary injunction placed upon the Provisional Liquidator (“PL”) on 18 January 2021. Vedanta is disappointed at the judgement and continues to believe that the Provisional Liquidator is currently contravening the limitations of its office and will be consulting its legal team as to its next steps. Whilst it is the firm intention of the Company to find an amicable solution to the dispute with ZCCM-IH that is in the best interest of KCM and Zambia, Vedanta will act within its rights both in Zambia and internationally to ensure that its interests in KCM are fully protected.

Vedanta also notes that the plan outlined by the PL to split and restructure the KCM business is not only illegal, but it will result in a substantial loss in revenue for the Zambian state and its people, as well as the long-term erosion of the individual assets’ value.

Since Vedanta Resources became a shareholder in KCM in 2004, it has invested over \$1.7bn in KCM’s mining operations to establish it as a world class copper mining and metals company underpinned by strong sustainable development practices. As well as spending over \$900m on developing the Konkola Copper mine and increasing the mine life to 2030, Vedanta has invested over \$450m on a new smelter at Nchanga. This smelter was uniquely designed to maximise the value of the Konkola concentrate at the mine, and there will be a significant decrease in the value of copper extracted if the high-grade concentrate from Konkola is sold to other smelters in Zambia. Similarly, there is no other smelter in the country able to refine the cobalt present in the Konkola ore body and thus produce the valuable cobalt alloy.

The two units, the mine, and the smelter, are clearly designed to work as one integrated structure.

Vedanta remains strongly committed to KCM, its operations and employees, local communities and the Government of Zambia, just as it has been over the past fifteen years. This commitment includes providing significant financial and technical support to KCM in order to stabilise current operations as well as further developing the assets to allow for a successful turnaround of the business, as outlined in our Financial Letter of Support submitted to the KCM board of directors and the Zambian High Court on 16 August 2019. Should Vedanta regain control it will also ensure the payment of all outstanding validated and approved creditor debt.

ENDS

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