

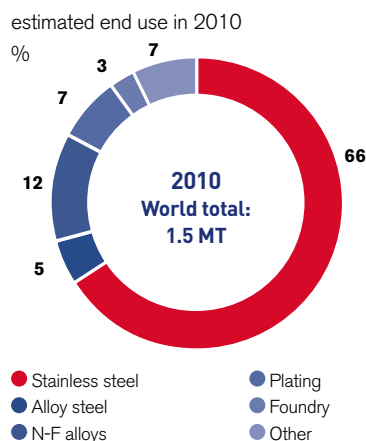
# BRAZIL

Anglo American opened its first Brazilian office in Rio de Janeiro, in 1973. The country is home to two of our business units – Iron Ore Brazil and Nickel and two of our major approved growth projects – Minas-Rio and Barro Alto – and continues to be a significant area of expansion.

## OUR BUSINESS

- Including contractors, we currently employ more than 17,000 people in Brazil.
- Our Nickel business in Brazil has two operating assets – Codemin and the recently commissioned, world class Barro Alto project.
- We will become the world's largest producer of ferronickel when our Barro Alto operation reaches full production.
- In the first half of 2011, our Nickel business generated an operating profit of \$93 million.
- Iron Ore Brazil's portfolio consists of a 100% interest in Minas-Rio, a 49% shareholding in LLX Minas-Rio, which owns the port of Açú (together, the Minas-Rio project), and a 70% interest in the Amapá iron ore system.
- The port of Açú, which is currently under construction, is where iron ore from the Minas-Rio project will be exported.
- Brazil is also home to our Catalão (niobium) and Copebrás (phosphates) operations.

## GLOBAL NICKEL CONSUMPTION BY FIRST USE



Source: Brook Hunt - a Wood Mackenzie company

## OUR OPERATIONS

- Amapá, located in the Amapá state in northern Brazil, is in the process of ramping up its iron ore pellet feed and sinter feed production, and produced 4.0 million tonnes in 2010.
- The 100% owned Codemin open pit nickel mine in Niquelândia, in the state of Goiás, has been operating since 1982.
- In 2010, Codemin produced 8,500 tonnes of nickel contained in ferronickel.
- First metal at the \$1.9 billion Barro Alto nickel operation was produced on schedule in March 2011.
- At Barro Alto, average production over the life of mine – more than 25 years – will be 36,000 tonnes per annum of nickel contained in ferronickel.



## OUR COMMODITIES

- Iron ore is the main raw material used to make steel, the most widely used of all metals.
- China is the world's principal steelmaker, where crude steel production for 2010 was 626 million tonnes. Total global production for 2010 was 1.4 billion tonnes.
- Nickel can occur in two types of deposits: sulphides that are mined underground and laterites that can be mined by open pit methods.
- Over 65% of nickel is used to manufacture stainless steel and around 25% in other steel and non-ferrous alloys

## OUR PROJECTS

- Our Minas-Rio project will include open pit mines and a beneficiation plant producing high grade iron ore pellet feed.
- On completion of the Minas-Rio project, ore will be transported through a slurry pipeline more than 500 kilometres in length to the port of Açú.
- Jacaré, located in Brazil, is a 100% owned, unapproved nickel growth project.
- The Jacaré project is expected to have an estimated production rate of 85,000 tonnes of nickel contained in ferronickel per annum and is also expected to operate in the lower half of the cost curve.

## NICKEL

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## OUR COMMUNITIES

- We work closely with several NGOs, including our partner Care Brazil to improve local and sustainable development in all communities surrounding our operations.
- Both the Amapá mine and the Minas-Rio project are in environmentally sensitive areas and we work closely with NGO Fauna and Flora to create appropriate biodiversity plans.
- As part of the Minas-Rio project development, we have invested \$230,000 to acquire and install six water treatment stations that will provide approximately 5,000 people in the communities of Catuné, Água Santa de Minas, Tombos, Porciúncula and Natividade with potable water.
- At Barro Alto, we are committed to reducing water consumption, energy consumption and CO<sub>2</sub> emissions. For example, we have created a closed circuit which limits evaporation losses to 5%, and are reusing rainwater in all of the project's industrial processes.



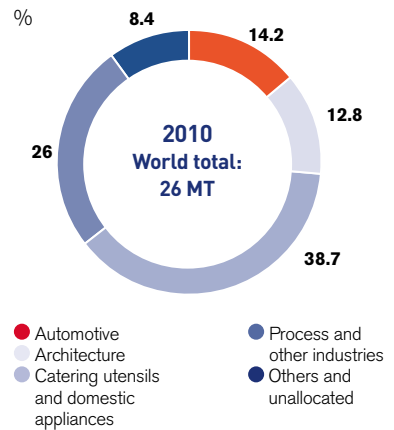
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- More than \$12 million has been invested in environmental preservation initiatives around the Barro Alto project.
- We have invested more than \$5 million in the city of Barro Alto's basic infrastructure, such as schools and hospitals, training programmes for teachers and professional courses.

## GLOBAL STAINLESS STEEL CONSUMPTION



Source: Brook Hunt - a Wood Mackenzie company

Real Mining. Real People. Real Difference.