

China and global mining challenges

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Beijing

- **Introduction to Anglo American**
- **Anglo American in China**
- **China's growing influence on mining and metals**
- **Global challenges for mining's licence to operate**

Anglo American plc



Platinum
74.8%
of Anglo
Platinum

Gold
42%
AngloGold
Ashanti

Diamonds
45%
De Beers

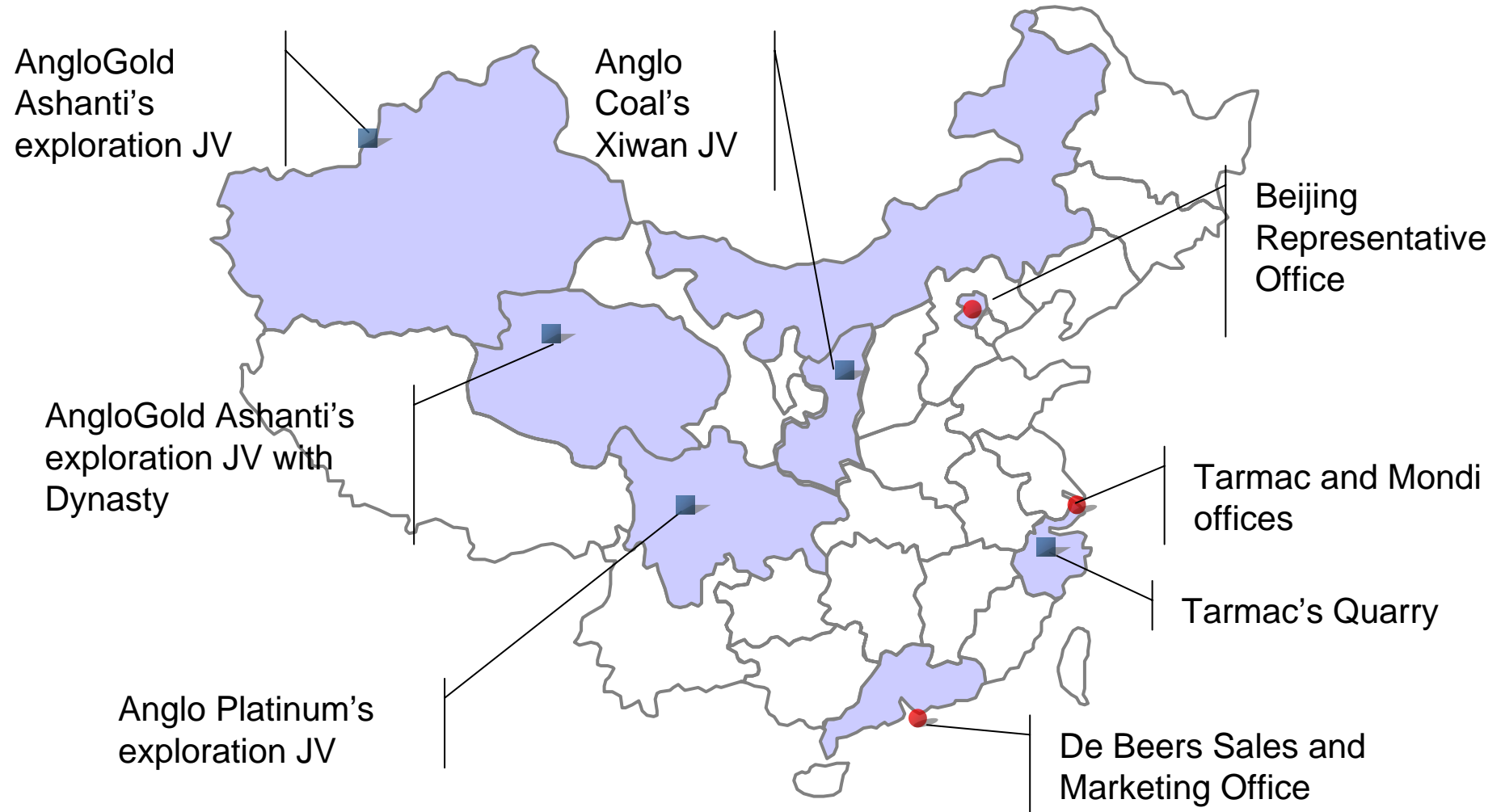
Coal
100%

Base Metals
100%

Industrial Minerals
100%

Paper and Packaging
100%

Ferrous Metals
100%



Yang Quarry, Huzhou, Zhejiang Province

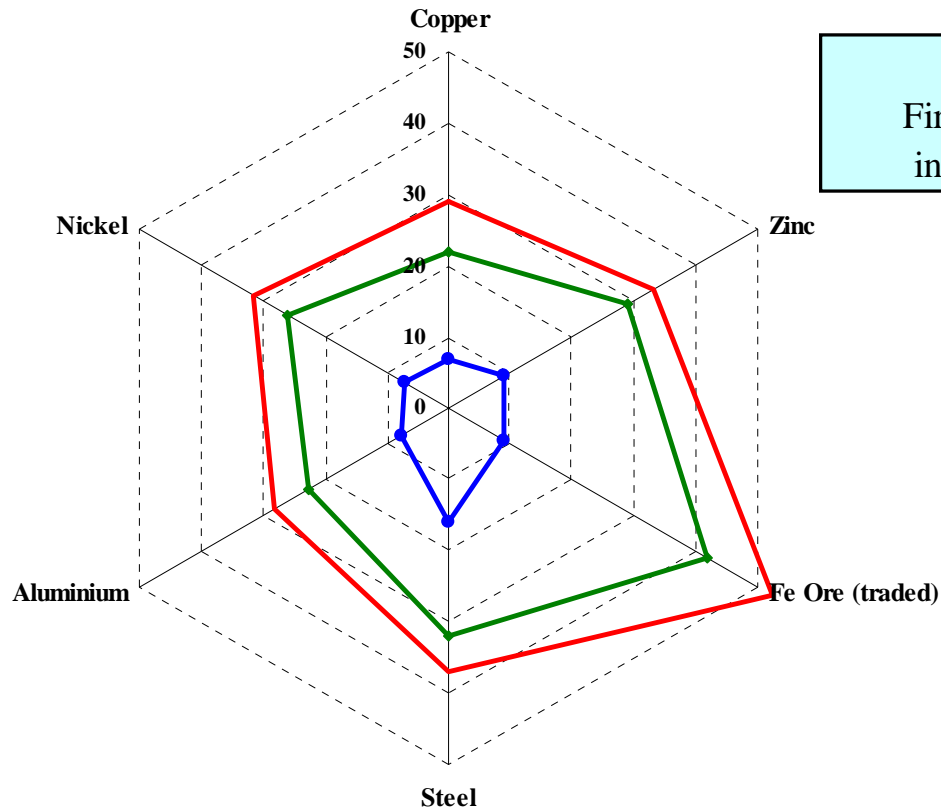
- Yang Quarry set up in 2003, formerly operated by five local businesses and each year between 12 and 15 people were killed
- Investment of \$24m, capacity is 3 Mt of aggregate
- Production started Jan 2006 and now at 1.4 Mt



Xiwan Coal to Chemical project - Shaanxi

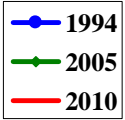


- **CJV formed with Shaanxi Coalfield Geology Bureau**
- **Coal to gas, power and chemicals**
- **Completed pre – feasibility and now on feasibility study**
- **Investment ~ US\$4 billion, start date about 2009**

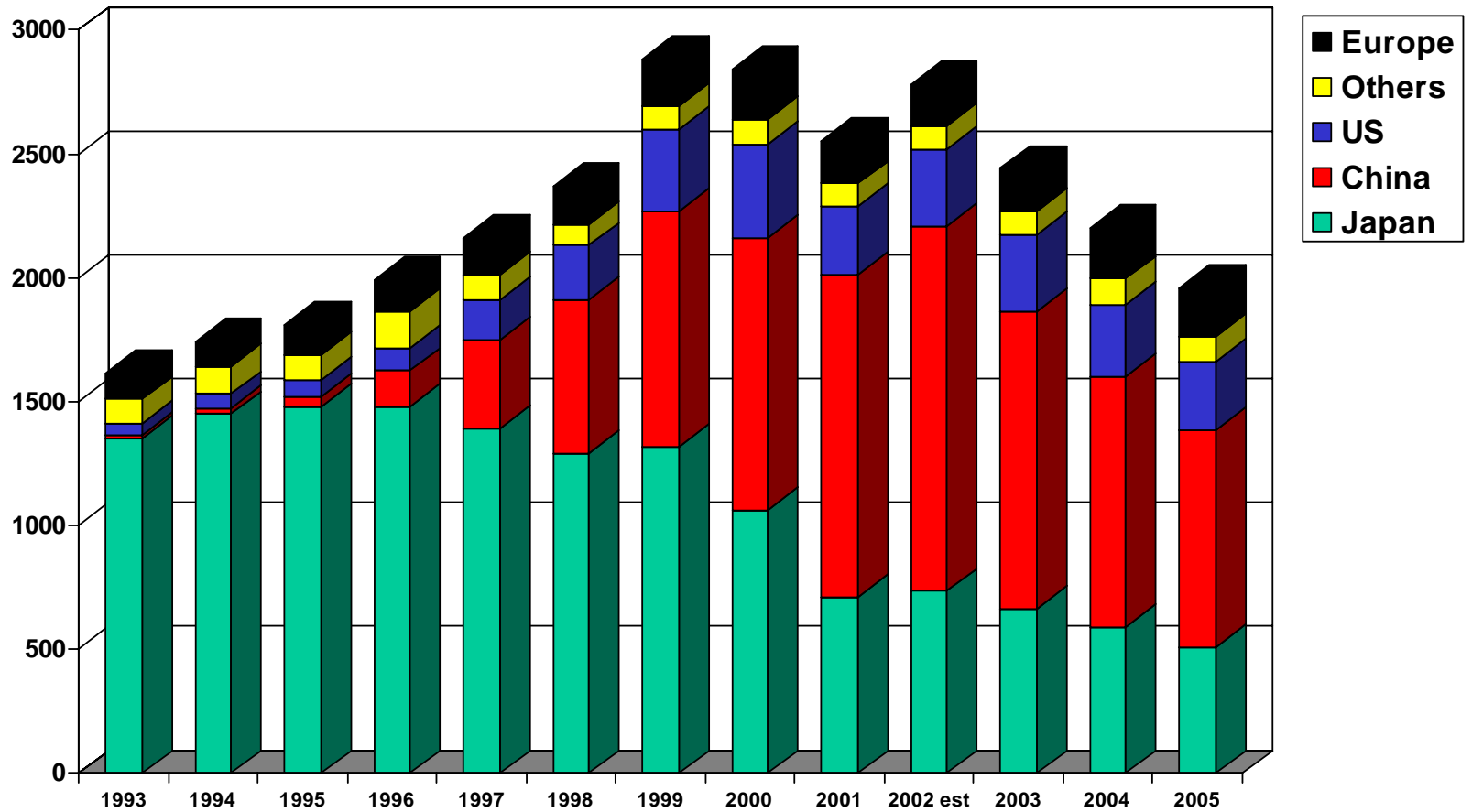


**China's Share of World
First-use Metals Consumption
in 1994, 2005 and 2010e (%)**

Note: Fe ore is sea-borne.
Ni includes Ni content of stainless imports.
Source: MSU, WBMS, INSG, Macquarie (Fe Ore, Steel and Al).



Global yearly consumption of new platinum for jewellery



- **Growing community assertiveness**
- **Ensuring community access to ‘fair share’ of benefits**
- **Adoption of IFC Performance Standards**
- **Equator Principles banks**
- **International Council on Mining and Metals – Resource Endowment Project**

Raising Standards through Voluntary Initiative

- **Extractive Industries Transparency Initiative**
- **Kimberley Process**
- **Voluntary Principles on Security and Human Rights**
- **Global Reporting Initiative**

- **Key global challenge**
- **Kyoto – ‘common but differentiated responsibilities’**
- **Energy efficiency**
- **Potential for Chinese leadership in carbon efficient technologies**

- **Big energy consumer (equivalent of Chile)**
- **Energy efficiency target (12% improvement by 2014)**
- **Biofuels**
- **4 Clean Development Mechanism project**
- **Carbon Capture and Storage (Monash, Australia)**
- **FutureGen zero emissions generation project**
- **Xiwan clean coal project**

- **China is transforming mining and metals sector**
 - Impact on commodity markets
 - Desire for security of supply
 - Major Chinese companies emerging as competitors and partners
- **Common challenges for all mining companies**
 - Defining limits to corporate responsibilities
 - Addressing indirect impacts of operations
 - Working for sustainable development
 - Partnerships
 - Avoiding the ‘resource curse’