

The Los Bronces Development Project

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Our Goals & Ambitions

- To become the most highly valued base metals business in the World
- Achieve long term sustainable maximisation of shareholder value through finding, acquiring, developing and operating large, long life, low cost base metal businesses in a Zero Harm, socially and environmentally responsible manner

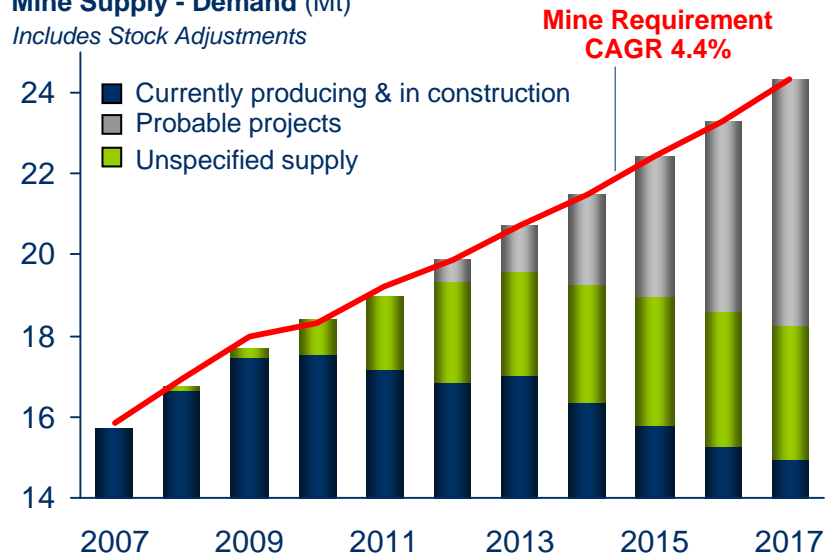
Market Focus

- Operations in the lower half of the cost curve
- Copper & zinc: Minimum production of 150ktpa over a 20+ year life of mine
- Nickel: Minimum production of 20ktpa over a 20+ year life of mine
- Pipeline of exciting development opportunities

- In 2006 copper was the largest (~\$102B turnover) and most profitable (cash margins of ~77%) base metal segment
- Outlook for the industry is positive, with projected growth of 4% pa, underpinned by continued China demand
- Theoretical supply/demand gap expected to develop around 2012 – the equivalent of 20 new Collahuasi mines will be required by 2017
- Several trends suggest low-cost assets (Q1/Q2) will be highly profitable
 - Quality of new reserves decreasing
 - Available resources becoming more remote, underground, lower grade, metallurgically complex and located in regions with more political risk
 - Higher capital development and operating costs

Mine Supply - Demand (Mt)

Includes Stock Adjustments



Copper is an attractive market for future Anglo investment

- The Los Bronces mine, mill and SxEw plants are located in the Andes Mountains 3,500masl, 65km NE of Santiago
- The Las Tortolas Cu-Mo flotation plant is located in Colina, 740masl, 45km N of Santiago
- The ore is transported by gravity in a slurry pipeline 56km long
- In 2006 Los Bronces produced 226kt of copper by flotation and SxEw:
 - 183kt concentrate
 - 43kt cathodes
- Los Bronces is a world class copper resource – 100% AAPlc owned
- Resource of 1.8Bnt @ 0.61% Cu with Mo by-products



Project Highlights

- Capex \$1.744bn (nominal)
- Expansion will increase ore throughput from current 61ktpd to 148ktpd
- Average production of copper will increase by 170ktpa over initial 10 years and 120ktpa over the LOM
- Start-up is forecast for Q1 2011
- Brownfields expansion - mining and metallurgy of the orebody are well known
- Negotiations over a new power supply contract complete
- LOM is greater than 30 years with significant exploration upside potential
- Fully permitted

Production Comparison

<i>(10 year average 2011 – 2020)</i>	<u>Current LOM</u>	<u>Expansion</u>
Mine tonnage (Mtpa)	84	128
Ore treated (Mtpa)	22	53
Production: Copper (ktpa)	226	400
Moly (kt)	2.1	5.4
Silver (Moz)	1.1	2.3

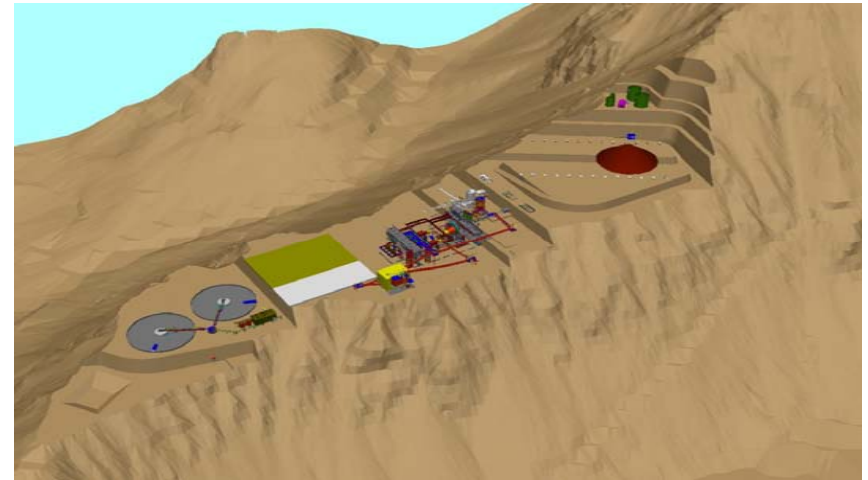


- Additional mining equipment
- Ore crushing and handling facilities
- New grinding plant located at Confluencia
- Ore slurry transport
- New copper and molybdenum flotation plants at Cerro Las Tortolas
- Associated infrastructure



Confluencia

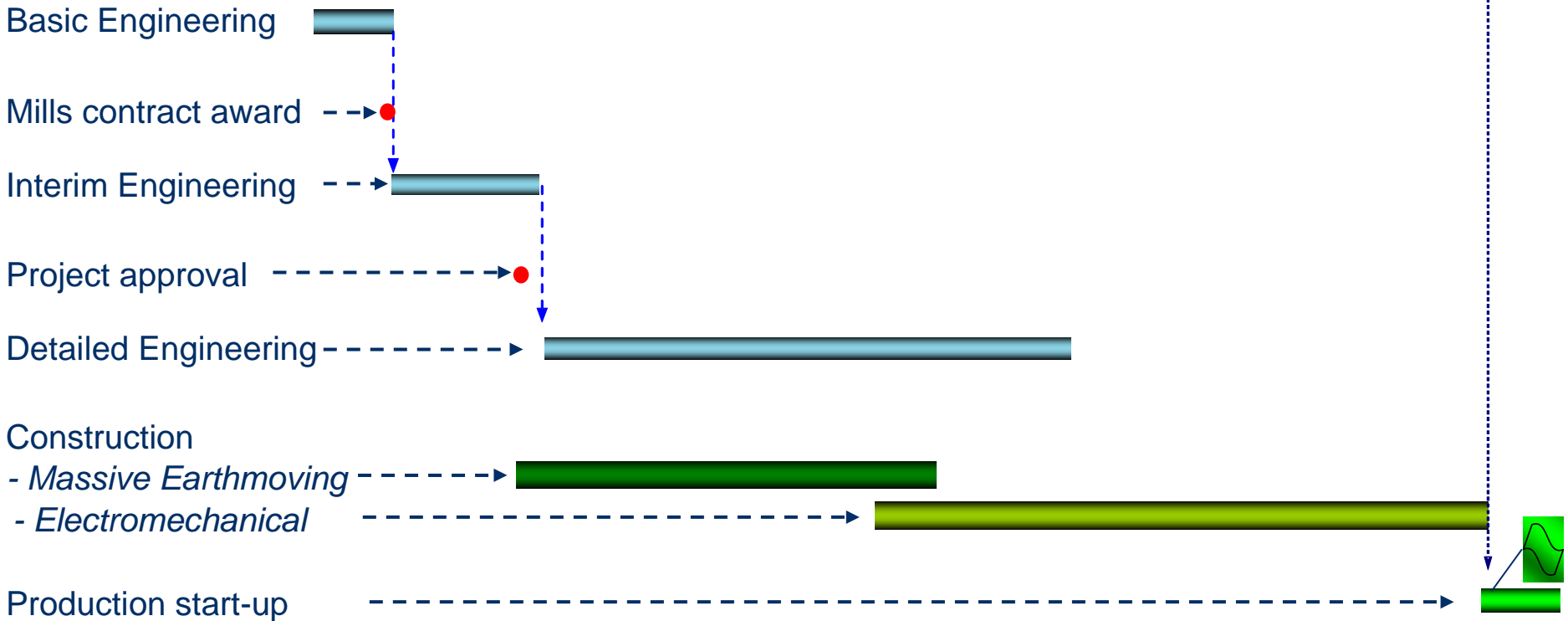
- New grinding plant 87ktpd nominal capacity located in Confluencia
- Connected with Los Bronces by a 5.5x4.5m, 4.2km long tunnel and a 4.4km conveyor belt
- Stockpile 70kt capacity
- Further expansion possible



Las Tortolas

- 52km ore slurry pipeline from Confluencia to the Cu-Mo flotation plant
- Thickeners and filters for Cu and Mo concentrates
- Enlarged tailings impoundment from 1,000 to 1,900Mt, height increased by 100m (total 200m)
- Increased water recovery system





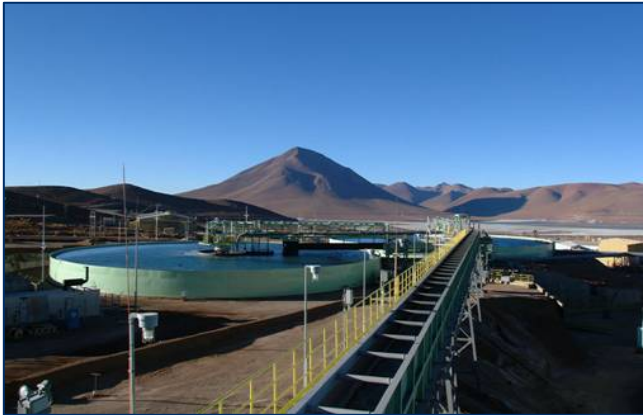
In Summary

- One of the largest mining projects recently committed in Chile
- Utilises proven large mine and plant equipment
- Two main physical work locations
 - Mine/Confluencia and Las Tortolas
- Low risk – brownfields expansion

Key Challenges

- Labor shortages
- Stretched Engineering and Construction capacity
- Equipment and construction materials shortages and long lead times
- Cost increases in equipment & bulk materials
- High altitude project with severe winter conditions

Collahuasi



- 4 potential projects - 2 debottlenecking and 2 sulphide leach
- Total capital cost \$3.2Bn (100% basis)
- Potential to expand to as much as 1Mtpa Cu identified (100% basis)
- Key issue is water

Quellaveco



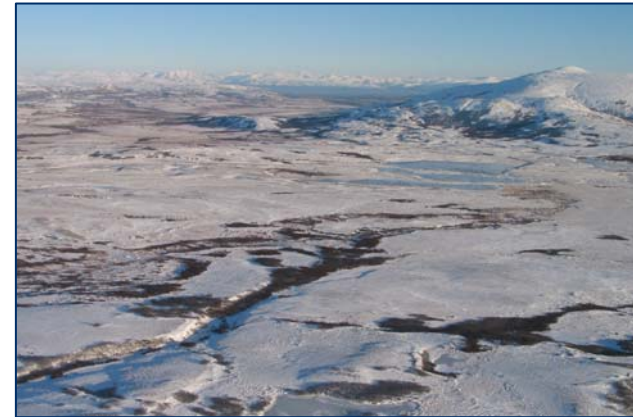
- Production of 200ktpa Cu over 26 year mine life
- Capital cost \$1.7Bn
- Revised feasibility study underway
- Development decision expected in H2 2008

Michiquillay



- Anglo was successful in the open tender process on 30 April with a bid of \$403M
- This year is focused on reaching agreement with the local community
- Five years to complete the feasibility study with production commencing 2015

Pebble



- 50/50 partnership with Northern Dynasty for a staged investment of \$1.4Bn
- Potential production levels of over 300ktpa Cu and 500kozpa Au, ramping up from 2015
- Project is not without its challenges – lies in an environmentally sensitive salmon fishing area

Barro Alto



- Production of 36ktpa Ni
- Capital cost \$1.2Bn
- Over 50% of the capital committed to date
- First production scheduled for Q1 2010

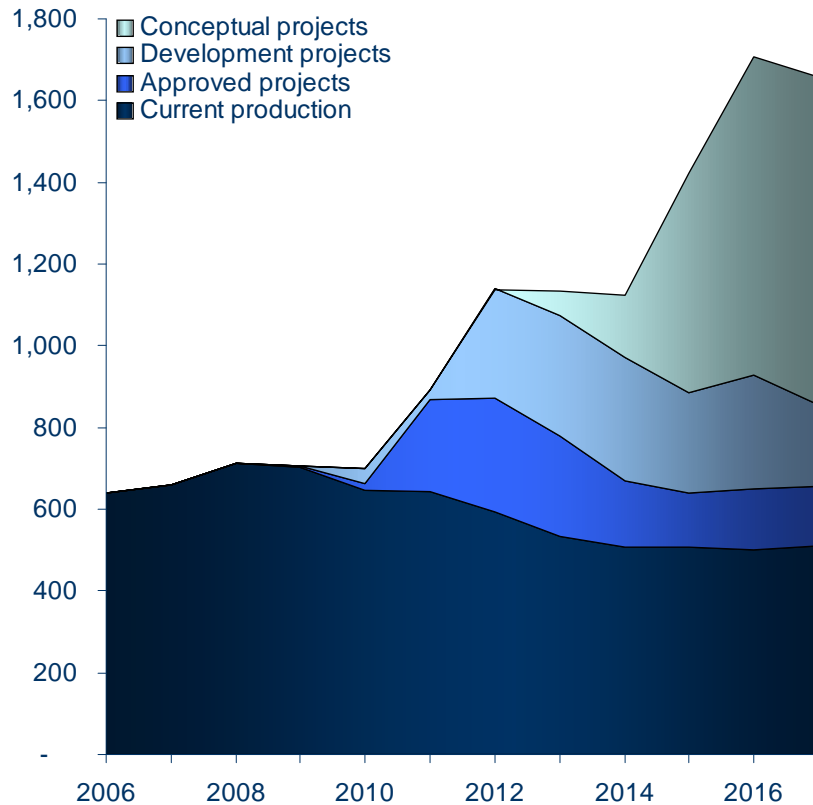
Jacare



- Licenses acquired in 2000 in central Brazil
- Potential Ni production in excess of Barro Alto
- Capital cost \$1.2Bn +
- Drilling ongoing

- Copper production could increase by over 100% and nickel by over 400% by 2017

Copper production (tonnes)



Nickel production (tonnes)

