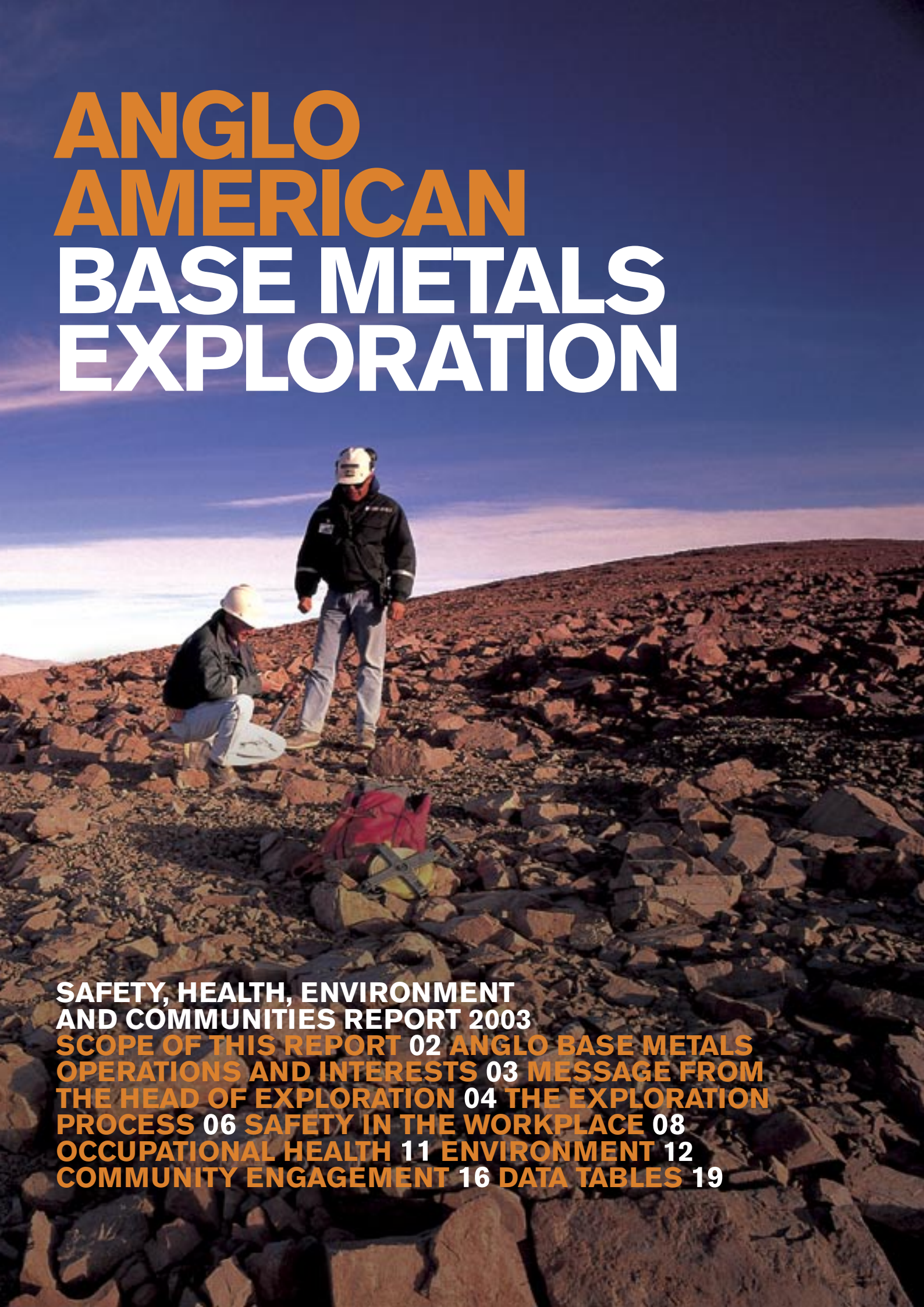
ANGLO AMERICAN BASE METALS EXPLORATION



SAFETY, HEALTH, ENVIRONMENT AND COMMUNITIES REPORT 2003

CONTENTS

SCOPE OF THIS REPORT

ANGLO AMERICAN PLC, WITH ITS SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES, IS A GLOBAL LEADER IN THE MINING AND NATURAL RESOURCE SECTORS.

Above: Exploration in the frozen Cordillera of central Chile with a river of snow on the right and alteration areas in the background

Previous page: Exploration drilling at Lake Lindsay in central Queensland, Australia

It has significant interests in gold, platinum, diamonds, coal, base metals, ferrous metals and industries, industrial minerals and paper and packaging.

The information in this report relates solely to Anglo Base Metals' exploration activities and focuses on safety, health, community relations, business practices and environmental performance.

With regional offices in London, Johannesburg, Vancouver, Santiago and Perth, the exploration division of Anglo Base Metals has active exploration programmes for copper, nickel and zinc in Canada, Mexico, Brazil, Peru, Chile, Ireland, Sweden, Finland, Zambia, Democratic Republic of the Congo, South Africa, Namibia, India, China, the Philippines and Australia.

COPPER		NICKEL		ZINC/LEAD		MINERAL SANDS		NIOBIUM	
Collahuasi (Chile)	44%	Codemin (Brazil)	90%	Hudson Bay (Canada)	100%	Namakwa Sands (South Africa)	100%	Catalão (Brazil)	100%
Mantos Blancos (Chile)	100%	Loma de Níquel (Venezuela)	91%	Black Mountain (South Africa)	100%				
Mantoverde (Chile)	100%	Barro Alto (Brazil)	100%	Lisheen (Ireland)	100%				
Los Bronces (Chile)	100%			Gamsberg (South Africa)	100%				
El Soldado (Chile)	100%			Skorpion (Namibia)	100%				
Chagres (Chile)	100%								
Palabora (South Africa)	29%								
Quellaveco (Peru)	80%								

ANGLO BASE METALS OPERATIONS AND INTERESTS

MESSAGE FROM THE HEAD OF EXPLORATION

THIS IS OUR FIRST SAFETY, HEALTH, ENVIRONMENT AND COMMUNITIES REPORT FOR ANGLO AMERICAN'S BASE METALS EXPLORATION ACTIVITIES. WE BELIEVE THAT THE APPLICATION OF SUSTAINABLE DEVELOPMENT PRINCIPLES IN A SYSTEMATIC AND THOROUGH WAY IS IMPERATIVE FOR GOOD BUSINESS PERFORMANCE AND LONG-TERM VALUE BOTH FOR THE ANGLO AMERICAN GROUP AND FOR THE COMMUNITIES WITH WHICH WE INTERACT.

We are committed to and guided by the principles of conduct and ethics contained in Anglo American plc's *Good Citizenship: Our Business Principles*.

Our objective is to identify base metals mineral deposits that will become the superior mining operations of tomorrow, yielding above average returns over long mine lives.

We have approximately 220 employees, of whom 120 are full-time or contract geoscientists. Our annual exploration budget in 2003 was US$48 million, with exploration initiatives ranging from reconnaissance to near-mine exploration.

Exploration highlights in 2003 included:

- extension of known mineralisation at our Chilean copper operations
- new nickel mineralisation found during exploration on the West Raglan project in Canada, and
- additional copper/gold mineralised porphyries discovered in the Philippines.

The development of good relations between our exploration teams and the communities affected by our work is a priority. Our geologists are often the first contact that communities have with Anglo American. We have a responsibility to interact positively with the people in these often-remote areas and to manage our exploration activities so that we minimise adverse social and environmental impacts.

Some of our exploration activities are hazardous and, regrettably, these resulted in 5 lost-time injuries in 2003. While this represents an improvement when compared with the 14 lost-time injuries in 2002, we remain committed to our ultimate goal of no lost-time injuries.

In line with our commitment to systematic business practices, we will be pursuing the adoption of formal management systems and standards. During 2004, we will be working towards OHSAS 18001 safety and health and ISO 14001 environmental management certification. I hope that you will find this report of interest and welcome your comments and feedback.

Owen Bavinton
August 2004

Left: Head of Exploration and Geology Owen Bavinton (centre) with his senior management team, from left, Ed Yarrow (North America and Europe), Nick Franey (Asia Pacific), Chris Carlon (South America), Graham Brown (global overview) and Ian Willis (Africa)

Right: The new SQUID (super-conducting quantum interference device) geophysical tool being used to detect conductive nickel sulfide mineralisation in the Yilgarn region of Western Australia

Below: Anglo American's *Spectrem* aircraft flying a geophysical survey in Canada. The 'bird' underneath the aircraft measures electromagnetic signals

SPECTREM SURVEY SYSTEM

Anglo American's unique in-house *Spectrem* airborne electro-magnetic (AEM) survey system permits non-intrusive data collection to assist in mineral target definition and interpretation of geological anomalies. This world-class system can dramatically reduce the cost of time spent in field exploration. *Spectrem* has the ability to detect, at depth, conductive targets that may have mineralisation associated with them, and map the underlying geology in which these targets occur.

Spectrem has accumulated over 600,000 line kilometres of surveys over Canada, Ireland, parts of Africa and South America as part of the Anglo American Group's exploration programme.

It has recently assisted in the significantly improved understanding of base metals deposits in Canada, and was responsible for the discovery of both the Photo Lake and Konuto Lake deposits of Anglo Base Metals' Hudson Bay Mining and Smelting Company.

TECHNICAL DEVELOPMENTS

Anglo American continues to undertake significant in-house and sponsored research and development in the areas of cryogenic electromagnetic technology, airborne gravity gradiometry, radio frequency and radar applications. The super-conducting quantum interference device (SQUID), an electromagnetic receiver, was initially developed as a magnetic gradiometer system but has been refined into a ground-based time-domain electromagnetic system.

The system produces significantly higher signal-to-noise ratios than competing systems and provides a considerable advantage in exploring for buried conductive targets such as nickel sulphides, especially in areas of conductive cover.

THE EXPLORATION PROCESS

THE EXPLORATION PROCESS IS THE PATH TAKEN TO ADVANCE IDEAS AND CONCEPTS TO THE DISCOVERY OF A MINERAL DEPOSIT. THE BASE METALS EXPLORATION TEAMS WORK CLOSELY WITH ANGLO AMERICAN TECHNOLOGY SPECIALISTS, PARTICULARLY IN THE FIELDS OF GEOLOGY, MINERALOGY, GEOPHYSICS, GEOCHEMISTRY, GEOSTATISTICAL ANALYSIS AND REMOTE SENSING.

Early stage reconnaissance is carried out using advanced exploration techniques, some of which were developed in-house. Prospective mineral belts are identified and assessed, and areas within them are selected for exploration.

Remote sensing interpretation of satellite imagery and aerial photographs are used to identify prospective targets for field checking. Geophysical methods and techniques include ground and airborne surveys using specially developed tools such as the *Spectrem* airborne electro-magnetic survey system as well as magnetic and radiometric tools.

These techniques allow exploration teams to cover large areas of ground quickly and relatively inexpensively. Specialised software is used to interpret the data and guide follow-up surveys to determine the nature and extent of anomalous target areas. Geological and geochemical tools are used to identify zones of base metals mineralisation and their altered host rocks.

Drilling provides information on ore grades, geology and deposit shape. Geophysical tools, such as magnetics, density measurements (gravity), electro-magnetic surveys and borehole surveys, contribute to the understanding of geological structures. The effective combination of geological interpretation, geophysics, geochemistry and drilling information minimises project risk.

To track the base metals exploration process, the exploration division has defined four categories that classify exploration work, measure the risk and implement management actions.

Left: Examining drill core at an exploration site in Brazil

Right: A drilling programme on Trout Lake, close to Flin Flon in Manitoba, Canada

Below: Drilling for copper-gold deposits in the Coober Pedy region of Australia

CATEGORY 1
NEW INVESTIGATIONS

These comprise exploration activities ranging from regional reconnaissance to more detailed geological work leading to an initial discovery. Early-stage targets are generated through geological or economic intelligence, property and regional evaluation, desk studies, satellite and aerial photograph interpretation, regional geochemistry and geophysics.

CATEGORY 2
DEPOSIT EVALUATION

Category 2 includes the exploration and evaluation of discoveries generated by Category 1 exploration, or as a result of acquisitions or joint venture agreements, or from previous mining activity. It leads to a better understanding of the deposit size, grade and geometry.

CATEGORY 3
NEAR-MINE EXPLORATION

Category 3 consists of exploration for satellite deposits around existing operations and is undertaken in close liaison with the nearby mine.

CATEGORY 4
MINE EXTENSIONS

This exploration is aimed at extending the reserves of existing mining operations, or increasing technical confidence levels in existing resources. Responsibility for planning and managing this exploration lies with the geology team at the relevant operation, with advice and input from specialists in the exploration division.

SAFETY IN THE WORKPLACE

ANGLO AMERICAN PLC'S SAFETY CAMPAIGN, OTTO, WHICH FOCUSES ON ZERO TOLERANCE TOWARDS UNSAFE WORKING PRACTICES AND TARGET ZERO FOR WORKPLACE INJURIES, WAS IMPLEMENTED THROUGHOUT THE GROUP IN 2000.

Above: Core drilling near the Lisheen zinc/lead mine in Ireland, where a new orebody was identified

In line with this campaign, the base metals exploration division is committed to continuous improvement in safety performance. Safety remains a key focus of its risk-management efforts to ensure that employees and contractors remain injury-free. Ongoing initiatives that have led to a culture of safety include:

- management support for safety programmes
- structured training regimes
- regular safety audits
- screening and training of contractors
- clearly understood safety rules.

The safety performance reflects this improving culture of safety:

- no fatalities in 2002 and 2003
- the lost-time injury frequency rate (LTIFR) decreased by 61% from 1.27 in 2002 to 0.49 in 2003, with a target of 0.35 set for 2004, a further decrease of 28%
- the lost-time injury severity rate (LTISR) improved from 296 in 2002 to 33.5 in 2003, and a target of 24 has been set for 2004
- solid safety initiatives in 2003 increased awareness of unsafe behaviour and unsafe situations.

The Anglo American chief executive's safety competition, introduced in 2000, was judged for the first time in 2001. Each division in the Group nominates its top safety performers from both large and small business units (the latter comprising fewer than 100 people) for consideration for the chief executive's safety awards for the year under review. In the 2003 competition, Anglo American's exploration team in India, headed by exploration manager Lambodar Moharana, achieved third place for safety excellence in the small business units category.

Anglo American plc's chief executive Tony Trahar noted: "Exploration in India has been without a lost-time injury for the last three years – a remarkable achievement when even driving represents an adventure."

Anglo American Group chief executive Tony Trahar (left) and Ian Willis, who was manager of exploration for Asia Pacific until his transfer to Africa in 2004, with the bronze certificate of excellence for small business units won by Exploration India for the year 2003

SAFETY RULES

Anglo American Base Metals Exploration safety rules were developed to identify the main risks based on frequency and severity of safety incidents.

Driving motorised vehicles: **Initiatives are in place to reduce the high risk of injury from driving long distances, often in severe weather conditions and over difficult terrain. For example, in Canada and Sweden, winter driving courses are conducted on frozen lakes to improve driver skills.**

Drilling operations: **Drilling is a necessary part of exploration and there are inherent risks from the operation of large machinery. Regular site inspections are conducted and drilling contractors are screened for their safety performance and commitment prior to contracts being awarded.**

Working in isolation: **Geologists working in remote locations a long distance from medical support receive survival first aid training and protective equipment for all weather conditions, and they are not allowed to work alone.**

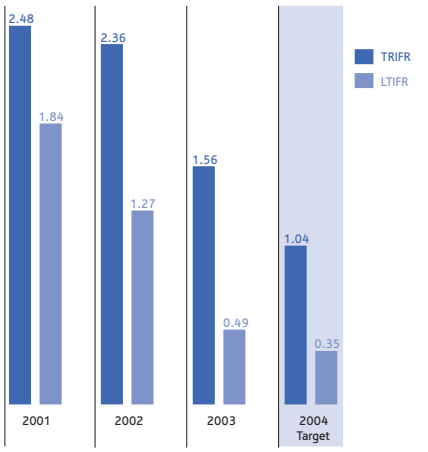
Working at heights: **To avoid injuries caused by falls, personnel are required to wear a safety harness when working at heights greater than two metres.**

Lifting of heavy equipment: **Training sessions are conducted in correct lifting techniques to reduce the risk of injuries.**

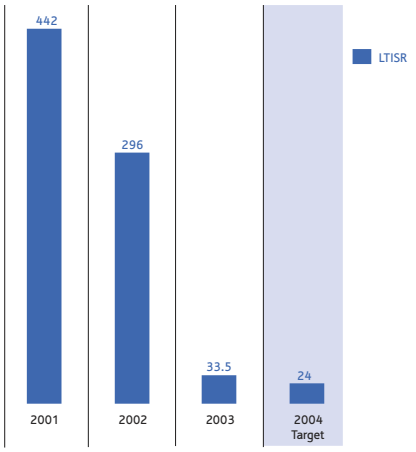
Working in confined spaces: **Safety procedures are in place to prevent injuries to geologists working in confined spaces such as trenches or old mine workings.**

Energy and machinery isolation: **Training is provided for new recruits and exploration employees working on new procedures or in unfamiliar surroundings. These include repairs to equipment and working near potentially dangerous machines such as drill rigs, helicopters or fixed-wing aircraft.**

TOTAL REPORTABLE INJURY FREQUENCY RATE (TRIFR) AND LOST-TIME INJURY FREQUENCY RATE (LTIFR) PER 200,000 MANHOURS



LOST-TIME INJURY SEVERITY RATE (LTISR) PER 200,000 MANHOURS



EXPLORATION IN INDIA

Anglo American has been engaged in grass-roots mineral exploration for base metals in India since January 2000. Activities commenced with a zinc exploration project in Rajasthan, which by 2003 had expanded to five exploration projects for zinc and nickel, located in the states of Rajasthan, Andhra Pradesh and West Bengal. The operations involve traversing and mapping, geochemical sampling (soils, stream sediments and rock chips), ground geophysical surveys and drilling (percussion and diamond core).

The operating environment for the exploration work is highly varied, including diverse terrain (flat-lying to undulating topography in a semi-arid climate in Rajasthan and Andhra Pradesh, forested hills in temperate climate in Jharkhand and West Bengal) and strong cultural diversity (widely differing culture and language) from project to project. With a workforce of 11 employees, 23 contract workers and some 400 local villagers hired in the different project areas to assist in short-term exploration work, the Indian exploration operations have experienced zero fatalities and zero lost-time injuries since the start of operations.

Above left: Anglo American's base metals exploration manager in India, Lambodar Moharana (centre back, in blue shirt) with the Indian base metals exploration team outside their offices in Udaipur, Rajasthan

Above right: Geologists bag ore samples at a potential copper site in Chile

Left: Exploration division geophysicists and Chinese colleagues conduct ground electromagnetic measurements in China

OCCUPATIONAL HEALTH

THE FOCUS IN OCCUPATIONAL HEALTH IS TO PREVENT OR MINIMISE WORK-RELATED HEALTH IMPAIRMENT OF EMPLOYEES AND CONTRACTORS. AT THE END OF 2002, THE ANGLO AMERICAN OCCUPATIONAL HEALTH MANAGEMENT GUIDELINES WERE DISTRIBUTED TO ALL OPERATIONS. THESE PROVIDE KEY PERFORMANCE INDICATORS THAT MAY BE USED FOR AUDIT PURPOSES.

Hazard identification and risk assessments (HIRA) are conducted at every work site and each risk is assessed in terms of severity and frequency. Directives are then issued to prevent or avoid the risks and plans are developed to mitigate the hazards.

The main health risks to which exploration personnel are exposed include:

- noise-induced hearing loss
- dust
- tropical infectious diseases
- communicable diseases.

The exploration division is committed to ensuring a healthy work environment and protecting its employees from these risks through:

- risk-based medical examination and surveillance of employees prior to, during the course of, and on termination of employment
- training in the recognition of health hazards and avoidance of exposure
- appropriate personal protective equipment, and training in the consistent use of this to limit exposure to potential risks
- prophylactics to guard against disease, including insect repellents and immunisation, as required.

ENVIRONMENT

THE ENVIRONMENTAL STANDARDS AND POLICIES OF ANGLO AMERICAN'S BASE METALS EXPLORATION PROGRAMMES ARE BEING ADVANCED THROUGH COMMITMENT TO ACHIEVING ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION BY DECEMBER 2004.

Base metals exploration activities require access to large tracts of land. During the early stage of exploration, impacts on the environment are limited to cross-country traverses on foot, small exploration camps and airborne surveys.

However, as exploration progresses and drill targets are identified, larger equipment (such as drills and bulldozers) is required to establish trails and move equipment. Drilling requires water, fuel for the pumps and drilling equipment, and access to the drill site.

The exploration division is committed to managing these activities to minimise the impact on the environment. Roads and drill sites are constructed to minimise impacts on vegetation and, in some areas, helicopters are used to transport drilling equipment.

Work crews are trained to prevent spills and have contingency plans in place to mitigate the effects of any spillage. Some drills use water to cool the drill bit and transport the drill cuttings up the drill pipe.

Systems have been developed to collect coarse cuttings for proper disposal and to recycle the water used.

When drilling is complete, the debris is removed and the site is rehabilitated. Revegetation is undertaken where required.

IMPACTS RESULTING FROM EXPLORATION

The purpose of the following table is to classify and define exploration activity and its level of risk, and to assess the potential impact on the environment at each exploration level. Approximate time-frames and the extent of land affected by the exploration activity are estimated. The impact for each level of exploration activity is ranked according to its effects on the environment.

Above: Careful exploration and project development contribute to the preservation of the biodiversity seed bank and the habitats of the endemic vertebrates and invertebrates in the Sperrgebiet in Namibia, part of the Succulent Karoo biome, the only arid to semi-arid region listed in the world's top 25 biodiversity hotspots

DEFINITION	GENERATIVE	TARGET DEFINITION	DRILL TESTING	INFILL DRILLING
OBJECTIVE	DEPOSIT POTENTIAL	TARGET EVALUATION	ECONOMIC DRILL INTERSECTION	DEPOSIT, SHAPE, SIZE, GRADE
TECHNICAL RISK	VERY HIGH	HIGH	HIGH-MODERATE	MODERATE-LOW
INVOLVES	• Commodity identification • Research • Reconnaissance • Staking claims • Geological mapping • Airborne geophysics • Geochemistry • Community consultation	• Collection of rock, soil or sediment samples • Line clearing • Geological mapping • Geology • Geochemistry • Ground geophysics • Community consultation • Heritage and cultural surveys	• Drilling identified targets • Community consultation • Baseline environmental surveys • Environmental monitoring • Drill site and track rehabilitation	• Property drilling at priority targets • Community consultation • Environmental monitoring • Drill site and track rehabilitation
TIME	Several months	Less than one year	One to two years	Several years
ASPECTS	• Aircraft • Tenements • Temporary camps • Tracks	• Aircraft • Temporary camps • Tracks • Grids	• Aircraft • Temporary camps • Tracks • Drilling	• Aircraft • Temporary to permanent camps • Roads • Drilling
CONTROLLED ENVIRONMENTAL AND COMMUNITY IMPACTS	• Minor noise • Minor dust • Nil to minor track impacts • Minimal surface disturbance • Minor camp impacts	• Minor noise • Minor dust • Minor track impacts • Minimal surface disturbance • Minor camp impacts • Local purchases of supplies and services • Hire of local labour	• Localised noise • Localised dust • Minor road and track impacts • Localised surface disturbance • Controlled camp impacts • Local purchases of supplies and services • Hire of local labour	• Localised noise • Localised dust • Minor road and track impacts • Localised surface disturbance • Controlled camp impacts • Local purchases of supplies and services • Hire of local labour • Development of infrastructure
EXTENT OF AREA	1,000-10,000 km^2	100-1,000 km^2	10-100 km^2	5-10 km^2
LEVEL OF IMPACT	Negligible	Minor	Low	Low to moderate

EXPLORATION IN THE ENVIRONMENTALLY SENSITIVE SPERRGEBIET IN NAMIBIA

Exploration for zinc has been ongoing in the environmentally sensitive Sperrgebiet in southern Namibia since the beginning of construction of the Skorpion Zinc mine in 2000.

Activities include various types of geological and geophysical surveys as well as extensive drilling operations, all conducted under strict environmental management programme obligations and biannual external audits.

A specially-trained team is fully dedicated to rehabilitating areas disturbed by drilling and surveys, both past and present.

The team levels all disturbed ground by hand and with agricultural harrows. Plant species from the surrounding areas are then replanted into the formerly disturbed areas and watered over a period of time.

During 2003, over 850 drill sites, mainly from rotary air-blast drilling, were rehabilitated. The excellent results surpass Skorpion's official environmental commitments, as specified in the environmental impact assessment, and have been favourably received by botanists from the Southern Namib Restoration Fund.

This has resulted in a very good working relationship between the exploration team and local representatives of the Namibian Ministry of Environment and Tourism, who have chosen to endorse these rehabilitation methods as the new standard for exploration activities by all mining companies in the Sperrgebiet.

The picture below left shows an old prospecting vehicle track that has remained visible for decades in the environmentally sensitive Sperrgebiet in Namibia. The picture below right shows how the rehabilitated track now matches the natural surroundings.

Far left: Exploration team members in the field in north-west Queensland, Australia

Left: Geologists examine core samples at an exploration site in central Chile

Right: A meeting at Suggi Lake in Canada to discuss regional land use with the Cumberland House commercial fishing community

Below right: Exploration camp at the West Raglan project in northern Quebec, Canada

Below left: Drilling for zinc near Black Mountain in South Africa

AIRBORNE SURVEY IN THE CANADIAN ARCTIC

Exploration crews have traditionally considered low-level flying with helicopters and aircraft to be a low environmental impact activity.

However, during a recent community visit in the Canadian Arctic, local Inuit voiced concerns about the potential impact of low-flying aircraft on caribou migration, calving and breeding. Accordingly, Anglo American geologists postponed the staking of claims, airborne surveys and other exploration work until more had been learned about the caribou habitat and habits.

The exploration team will revisit the communities and work with local groups to determine sensitive areas and specific timing for caribou migration and breeding activity and arrive at mutually acceptable solutions to prevent or mitigate impacts on the caribou population.

COMMUNITY ENGAGEMENT

DURING 2003, THE BASE METALS EXPLORATION DIVISION SPENT MORE THAN $220,000 ON DONATIONS AND COMMUNITY SOCIAL INVESTMENT, INCLUDING STAFF TIME SPENT ON DELIVERING PROJECTS FOR THE BENEFIT OF LOCAL COMMUNITIES.

The largest single item of expenditure during the year was $141,000 spent on community projects in the Philippines.

Exploration geologists are often the first company representatives to enter countries and communities. They understand the importance of consulting with local people to exchange views and listen to concerns, and they recognise the need to build trust and relationships through honest dialogue based on mutual respect.

Anglo American's exploration teams are committed to explaining their activities and the impacts of exploration on community life and the environment, and listening to inputs from the community.

Potential problems are resolved through a combination of respect for traditional knowledge and the application of best practices to minimise any impact.

Contact in each new area is established with recognised authorities and other representative groups, including tribal/traditional leaders and non-government organisations. Regular meetings are held with the groups to discuss relevant issues. These include the nature of the work to be carried out, the extent of the land to be traversed or occupied, use of local water and power resources, safety, health and environmental risks, and the establishment of a forum for requests, questions and complaints. Following the consultation process with landowners and communities, permission is received prior to commencement of exploration activities.

Particular attention is paid to the identification of restricted or sensitive areas to be avoided. In some cases, access agreements are signed with community groups.

Many exploration operations are temporary and small-scale. It is, therefore, necessary to manage expectations at community level about the likelihood of exploration success.

At the onset of most exploration activity, the technical risk is high and the possibility of making a discovery is remote. Conversely, the environmental impact of the activity is restricted to a small footprint. Where intensive drilling is planned, baseline community and environmental surveys are conducted. The exploration schedules and plans are explained so that affected

Left: Inuit dignitaries visiting the West Raglan exploration project in the Canadian Arctic are (from left) Willie Keatainak and Joanasie Owpaluk, of the Qaqqalik landholding corporation, and the 2003 mayor of Salluit, Qalingo Angotigirk

Right: Sami from Kaitum settlement in northern Sweden lead the mobilisation of exploration drill equipment to Riekko

communities have realistic expectations about the work to be carried out.

Communities are often looking for business and employment opportunities for their people. Anglo American's base metals exploration activities offer such opportunities providing they contribute to the community, add value to the exploration effort, and the environmental and social impacts are carefully managed. The exploration project teams hire local workers whenever possible and also encourage the contractors to do so.

Exploration projects require services and supplies in order to function optimally. Part of the consultation process is to identify mutually beneficial business opportunities to purchase goods and services from local communities. Consideration is also given to assistance with community projects, depending on the size and term of the exploration programme.

ESTABLISHING TRUST IN THE CANADIAN ARCTIC

Anglo American's exploration teams begin conceptual planning to minimise potential social and environmental impacts at the same time as they begin the geological exploration, and these three aspects are managed in parallel. This is reflected in the exploration programme that commenced in August 2002 at the West Raglan project in the Nunavik area of the Canadian Arctic circle. The Nunavik area covers 507,000 km^2 and includes 9,890 people in 16 Inuit villages.

The permits required for establishing a temporary camp and carrying out exploration work are obtained from the Kativik regional government after consultation with the village landholding corporations. The base metals exploration team met with the mayor of Salluit and the director of the landholding corporation to discuss proposed activities. In August 2003, a visit of local dignitaries, including the mayor of Salluit and senior members of the Qaqqalik landholding corporation in Nuvumiut, was organised to the exploration operations at Lake Chukotat.

The exploration team continues to ensure that village leaders are informed of its exploration activities and any concerns are addressed promptly.

ENGAGING WITH THE SAMI PEOPLE IN SWEDEN

The Sami people are reindeer herders indigenous to northern Scandinavia. Numbering some 85,000 in total, approximately 20,000 Sami are in northern Sweden. They have their own parliament (Sametinget) based in Kiruna, but have no homeland or land rights.

Anglo Base Metals has been undertaking mineral exploration in northern Sweden since December 1999. Through engagement and the establishment of mutual understanding, the exploration team has developed a good working relationship with the Sami and other stakeholders. Fundamental to this relationship are communication and respect for nature, cultures and traditions.

Prior to exploration activities being undertaken at Riekko, a meeting was held with the head of the Girjas Sami village to explain the company's proposed exploration programme and to discuss its timing to ensure that the programme would not coincide with the short period of reindeer herding.

Following encouraging initial exploration results, a drill programme was planned and a subsequent follow-up meeting was held with the head of the Girjas village to explain the programme.

As a result of discussions with the local Sami, the exploration team ensured that drill casings were cut off as close to the ground as possible to ensure that these did not pose a hazard to snowmobiles.

The village community received favourably a request for logistical assistance in moving the drilling equipment. Using their vast local knowledge of the district to ensure safe and environmentally responsible mobilisation and de-mobilisation from the area, the local Sami people from the Kaitum settlement assisted with the movement of equipment. Restocking of equipment and supplies to the camp and the storage of drill cores was facilitated through Kaitum.

COMMUNITY ENGAGEMENT AT BOYONGAN IN THE PHILIPPINES

Anglo American's exploration programme in the Philippines is conducted in joint venture with Philex Gold. Following the discovery of significant copper-gold mineralisation at Boyongan in August 2000, an environmental and community development programme, based on the principle of community partnership-building, was implemented.

This programme focuses on minimising environmental impacts in the project area, the improvement of basic social services, small business development programmes, and

the re-greening of the project area. Small business projects implemented to date include the establishment of vegetable nurseries and gardens in communal and private properties, the dispersal of livestock for breeding purposes and the establishment of small-scale trading.

Infrastructure projects include the improvement of the community's water supply system, the repair of public buildings and schools and maintenance of the main access road. Educational assistance has included an elementary scholarship programme, the donation of computers to schools and a computer literacy programme conducted for the teachers.

At the 50th Philippine Mine Safety and Environment Conference held in Manila in November 2003, President Arroyo presented the Anglo American-Philex Gold Inc exploration joint venture with the Presidential Mineral Industry Environmental Award for the second year in succession.

The joint venture partners were commended for the outstanding safety record and the innovative approaches to stakeholder engagement, community development programmes and sound environmental management.

COMMUNITY ASSISTANCE IN INDIA

During 2003, Anglo American's exploration team in India provided assistance to Seva Mandir, a non-government organisation based in Udaipur. This organisation had built a hospital in 1995 to provide health services to some 100 surrounding villages, and the hospital also housed their education, health and infrastructure development outreach services.

After several years of poor rainfall, the water supply to the hospital complex dried up, and attempts by Seva Mandir to drill a tube well had failed.

The base metals exploration team in India responded swiftly to an urgent appeal for assistance. Using their technical skills and superior drilling equipment, a well was installed to supply water to the complex.

In a letter addressed to Anglo American's head office, the NGO's chief executive Neelima Khetan writes: "Seva Mandir is a 30-year old institution. It has received generous support from donors the world over, but it has yet to witness the passion and commitment shown by your local team to help us in a crisis."

Above left: Local residents discuss with Anglo American and Philex Gold the social development policies of the Boyongan joint venture project in the Philippines

Above right: At the 50th Philippine Mine Safety and Environment Conference held in Manila in November 2003, the president of the Philippines, Gloria Macapagal-Arroyo, is greeted at the Anglo American Philippines display booth by exploration manager Paddy Waters

Below: Exploration geologist Pragya Singh Chauhan explains the workings of the drill used to provide a water supply at Rajasthan hospital in Udaipur, India

DATA TABLES

2001

Exploration	First aid cases (FAC)	Medical treatment cases (MTC)	Non-lost-time injuries (NLTI)	Lost-time injuries (LTI)	Lost days due to lost-time injuries	Non-lost-time injury freqency rate (NLTIFR)	Lost-time injury frequency rate (LTIFR)	LTIFR excluding restricted work cases	Lost-time injury severity rate (LTISR)	Total reportable injury frequency rate (TRIFR)
Total	4		13	17	502	1.452	1.899	1.675	442.00	2.010
South America			3	5	43	1.159	1.932	1.932	132.94	1.932
Africa	3		6	6	376	1.844	1.844	1.537	687.14	2.152
North America and Europe				2	15		2.733	2.733	163.98	2.733
Asia Pacific	1		4	4	68	1.680	1.680	1.260	228.45	1.680

2002

Exploration	First aid cases (FAC)	Medical treatment cases (MTC)	Non-lost-time injuries (NLTI)	Lost-time injuries (LTI)	Lost days due to lost-time injuries	Non-lost-time injury freqency rate (NLTIFR)	Lost-time injury frequency rate (LTIFR)	LTIFR excluding restricted work cases	Lost-time injury severity rate (LTISR)	Total reportable injury frequency rate (TRIFR)
Total	12	11	23	14	382	2.302	1.270	1.201	296.00	2.502
South America	2	1	3	5	34	1.404	2.339	1.871	127.25	2.807
Africa	2	2	4	6	160	1.730	2.595	2.595	452.97	3.460
North America and Europe	2	3	5	2	5	6.232	2.493	1.246	49.85	6.232
Asia Pacific	6	5	11	1	183	2.365	0.215	0.215	314.72	1.290

2003

Exploration	First aid cases (FAC)	Medical treatment cases (MTC)	Non-lost-time injuries (NLTI)	Lost-time injuries (LTI)	Lost days due to lost-time injuries	Non-lost-time injury freqency rate (NLTIFR)	Lost-time injury frequency rate (LTIFR)	LTIFR excluding restricted work cases	Lost-time injury severity rate (LTISR)	Total reportable injury frequency rate (TRIFR)
Total	14	12	26	5	43	2.536	0.488	0.488	33.54	1.658
South America	4	1	5	1	3	2.355	0.471	0.471	11.30	0.942
Africa	3	1	4	2	14	1.798	0.899	0.899	50.28	1.348
North America and Europe		2	2	2	26	1.814	1.814	1.814	188.66	3.628
Asia Pacific	7	8	15			3.184				1.698

Note: Frequency and severity rates are calculated per 200,000 manhours.

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COVER PICTURE
Prospecting for base metals high in the Andes near Collahuasi in northern Chile

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