IRON ORE AND MANGANESE

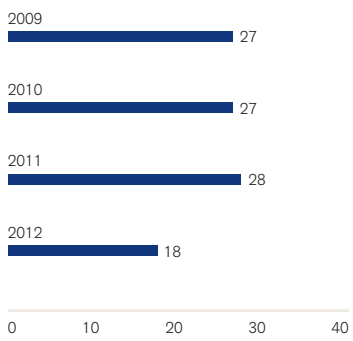
We have a unique iron ore resource footprint with large, high-quality resource bases in South Africa and Brazil.

Demand for iron ore globally is largely dependent on the state of the steel industry worldwide and, more specifically, on that of the steel manufacturing sector in China. Global steel consumption is forecast to grow in excess of 4% over the next three years.

FINANCIAL HIGHLIGHTS[1]

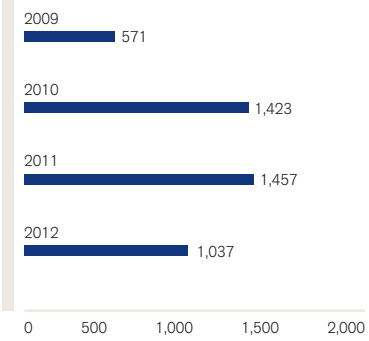
Share of Group net operating assets

%



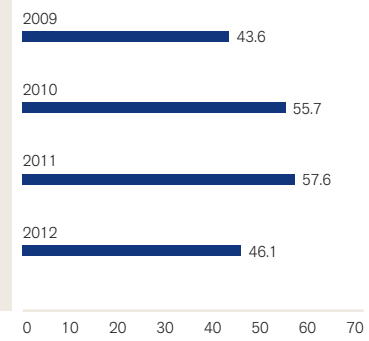
Underlying earnings

$ m



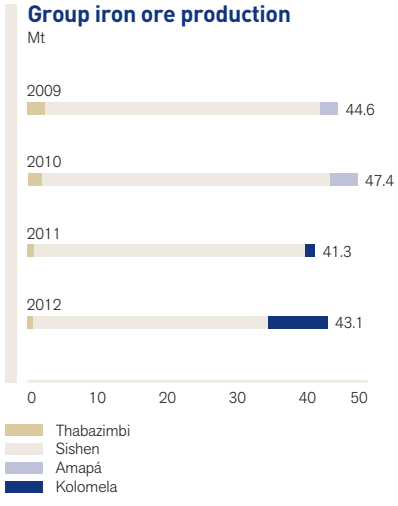
Operating margin

%



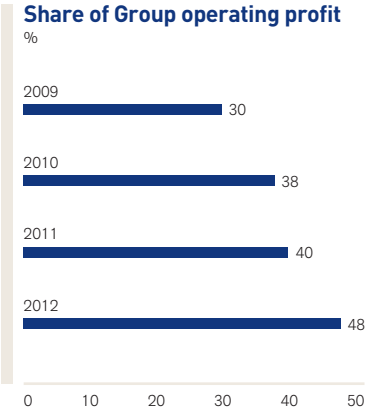
Group iron ore production

Mt



Share of Group operating profit

%



[1] In 2012 Amapá has been reclassified from Iron Ore and Manganese to Other Mining and Industrial to align with internal management reporting. 2011 comparatives have been reclassified to align with current presentation.

FINANCIAL DATA[1]

$ million	2012	2011	2010	2009
Total turnover	**6,403**	**7,643**	**6,612**	**3,419**
Of which:				
Kumba Iron Ore	**5,572**	6,717	5,310	2,816
Iron Ore Brazil	**–**	–	319	–
Samancor	**831**	926	983	603
Projects and Corporate	**–**	–	–	–
EBITDA	**3,198**	**4,586**	**3,856**	**1,593**
Of which:				
Kumba Iron Ore	**3,175**	4,640	3,514	1,562
Iron Ore Brazil	**(1)**	(137)	(73)	(135)
Samancor	**153**	198	415	166
Projects and Corporate	**(129)**	(115)	–	–
Depreciation and amortisation	**249**	**186**	**175**	**104**
Operating profit before special items and remeasurements	**2,949**	**4,400**	**3,681**	**1,489**
Of which:				
Kumba Iron Ore	**2,980**	4,491	3,396	1,487
Iron Ore Brazil	**(5)**	(141)	(97)	(141)
Samancor	**103**	165	382	143
Projects and Corporate	**(129)**	(115)	–	–
Operating special items and remeasurements	**(5,139)**	(79)	356	(1,139)
Operating profit after special items and remeasurements	**(2,190)**	**4,321**	**4,037**	**350**
Net interest, tax and non-controlling interests	**(1,912)**	**(2,943)**	**(2,258)**	**(918)**
Underlying earnings	**1,037**	**1,457**	**1,423**	**571**
Of which:				
Kumba Iron Ore	**1,085**	1,534	1,210	490
Iron Ore Brazil	**(30)**	(130)	(77)	(119)
Samancor	**83**	144	290	200
Projects and Corporate	**(101)**	(91)	–	–
Net operating assets	**9,356**	**12,427**	**11,701**	**10,370**
Capital expenditure	**2,077**	**1,659**	**1,195**	**1,140**

(1) In 2012 Amapá has been reclassified from Iron Ore and Manganese to Other Mining and Industrial to align with internal management reporting. 2011 comparatives have been reclassified to align with current presentation.

BUSINESS OVERVIEW

UNDERLYING OPERATING PROFIT
(2011: $4,400m)

$2,949m

SHARE OF GROUP UNDERLYING OPERATING PROFIT
(2011: 40%)

48%

UNDERLYING EBITDA
(2011: $4,586m)

$3,198m

Key financial and non-financial performance indicators

$ million (unless otherwise stated)[1]	2012	2011
Underlying operating profit	**2,949**	4,400
Kumba Iron Ore	**2,980**	4,491
Iron Ore Brazil	**(5)**	(141)
Samancor	**103**	165
Projects and Corporate	**(129)**	(115)
Underlying EBITDA	**3,198**	4,586
Net operating assets	**9,356**	12,427
Capital expenditure	**2,077**	1,659
Share of Group underlying operating profit	**48%**	40%
Share of Group net operating assets	**18%**	28%
Non-financial indicators[2]	**2012**	**2011**
Number of fatal injuries		
Kumba Iron Ore	**2**	–
Iron Ore Brazil	**–**	1
Lost-time injury frequency rate		
Kumba Iron Ore	**0.10**	0.08
Iron Ore Brazil	**0.01**	0.01
Total energy consumed in 1,000 GJ		
Kumba Iron Ore	**7,603**	7,045
Iron Ore Brazil	**713**	2,074
Total greenhouse gas emissions in 1,000 tonnes CO_2e		
Kumba Iron Ore	**945**	907
Iron Ore Brazil	**49**	112
Total water used for primary activities in 1,000 m^3		
Kumba Iron Ore	**8,803**	8,179
Iron Ore Brazil	**895**	5,273

(1) In 2012, Amapá was reclassified from Iron Ore and Manganese to Non-core within the Other Mining and Industrial (OMI) segment to align with internal management reporting. Financial comparatives have been reclassified to align with current presentation.

(2) In a given year, non-financial data is reported within the business unit that had management control of the operation; therefore non-financial data for Amapá is reported within OMI and Iron Ore Brazil for 2012 and 2011 respectively.

BUSINESS OVERVIEW continued

Our Iron Ore portfolio is based in South Africa and Brazil. In South Africa, we have a 69.7% (2011: 65.2%) shareholding in Kumba Iron Ore Limited, a leading supplier of seaborne iron ore. Our Brazilian interests comprise of the Minas-Rio project (composed of Iron Ore Brazil's 100% share in Anglo American Minério de Ferro Brasil S.A., and its 49% holding in LLX Minas-Rio, which owns the port of Açu currently under construction, and from which the project's iron ore will be exported).

Kumba, listed on the Johannesburg Stock Exchange, produces a leading quality lump ore and also produces premium fine ore, in a lump-to-fine ratio of 60:40. Kumba operates three mines – Sishen mine in the Northern Cape, which produced 33.7 million tonnes (Mt) of iron ore in 2012; the new Kolomela mine, situated close to Sishen mine, which was brought into production during 2011 and produced 8.5 Mt during 2012; and Thabazimbi mine in Limpopo, with an output of 0.8 Mt.

Export ore is transported via the Sishen/Kolomela-Saldanha iron ore export channel (IOEC) to Saldanha Port. The rail and port operations are owned and operated by the South African parastatal, Transnet Freight Rail (TFR).

Kumba is well positioned to supply the growing Asia-Pacific and Middle East markets and European steel markets. In 2012, the company exported 90% of its total iron ore sales volumes of 44.4 Mt, with 69% of these exports destined for China and the remainder for Europe, Japan, South Korea and India.

Our Minas-Rio iron ore project is located in the states of Minas Gerais and Rio de Janeiro and will include open pit mines and a beneficiation plant in Minas Gerais producing high grade pellet feed. On completion of Phase 1, ore will be transported through a 525 kilometre slurry pipeline to the port of Açu in Rio de Janeiro state.

Our Manganese interests consist of a 40% shareholding in Samancor Holdings, which owns Hotazel Manganese Mines and Metalloys, both in South Africa, and a 40% shareholding in each of the Australian-based operations Groote Eylandt Mining Company (GEMCO) and Tasmanian Electro Metallurgical Company (TEMCO), with BHP Billiton owning 60% and having management control. Samancor is the world's largest producer of manganese ore and is among the top global producers of manganese alloy. Its operations produce a combination of ores and alloys from sites in South Africa and Australia.

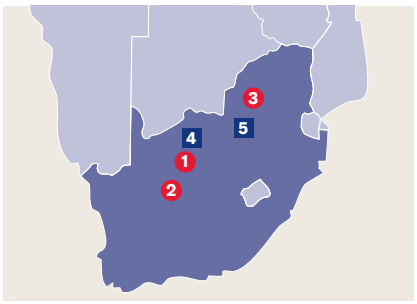
OUR IRON ORE AND MANGANESE OPERATIONS

Key
- Open cut
- Port
- Other

South Africa

Kumba operates three mines – Sishen in the Northern Cape, which produced 33.7 Mt of iron ore in 2012, Thabazimbi mine in Limpopo, with an output of 0.8 Mt, and Kolomela mine, also in the Northern Cape, produced 8.5 Mt during the year.

Samancor Manganese, which is the world's largest producer of seaborne manganese ore and is among the top three global producers of manganese alloy, is headquartered in South Africa.



1	69.7%	Kumba Iron Ore – Sishen mine
2	69.7%	Kumba Iron Ore – Kolomela mine
3	69.7%	Kumba Iron Ore – Thabazimbi mine
4	40%	Samancor Manganese – Hotazel
5	40%	Samancor Manganese – Metalloys

South America

The Minas-Rio iron ore project is located in the states of Minas Gerais and Rio de Janeiro in Brazil and will include open cut mines and a beneficiation plant in Minas Gerais producing high grade pellet feed. On completion of Phase 1, ore will be transported through a slurry pipeline, over 500 km long to the port of Açu in the state of Rio de Janeiro.

1	100%	Minas-Rio (Brazil)
2	49%	LLX Minas-Rio (Brazil)

Australia

The Australian Samancor Manganese operations consist of Groote Eylandt Mining Company (GEMCO), situated off the east coast of the Northern Territory of Australia, and Tasmanian Electro Metallurgical Company (TEMCO), which is based at Bell Bay, approximately 55 km from Launceston, Tasmania.

1	40%	GEMCO
2	40%	TEMCO

INDUSTRY OVERVIEW

Global demand for iron ore is linked primarily to the state of the global steel industry and, more specifically, to the crude steel manufacturing sector in China. The country is the largest steel producer and consumer in the world and accounts for more than two-thirds of global seaborne iron ore imports.

Manganese alloy is a key input into the steelmaking process. Manganese high-grade ore is particularly valuable to alloy producers because it is proportionately more efficient than low-grade ore in the alloying process.

Markets

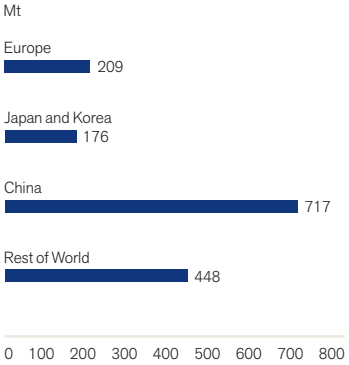
Global crude steel production increased by 2% in 2012 to 1,550 Mt (2011: 1,526 Mt). This increase was driven primarily by China, where crude steel output increased by around 3% to 717 Mt (2011: 695 Mt). In the rest of the world, crude steel output was fairly flat at 833 Mt.

Seaborne iron ore supplies were subject to adverse weather conditions in both Brazil and Australia in the first quarter of 2012, and ongoing Indian supply disruptions following the ban on iron ore mining in Goa. For the year as a whole, seaborne supplies were 0.3% higher, reaching a level of 1,062 Mt.

Considerable price volatility marked 2012, especially during the third quarter when prices fell by as much as 36%, as Chinese steel mills depleted stockpiles and reduced raw material inventory levels to as little as 17 days' worth of production requirements. Iron ore prices reached a high of $151/t (62% Fe CFR China) in April 2012, but fell to a low of $89/t in early September, before stabilising at around $130/t towards the end of the year. The market recovered at the end of 2012, with steel mills returning to the market, which was reflected in a marked increase in index iron ore prices. Overall, index prices averaged $130/t (CFR 62% Fe Platts) in 2012, 23% lower than the $169/t average achieved in 2011.

MARKET INFORMATION

2012 Global crude steel production



Source: World Steel Association

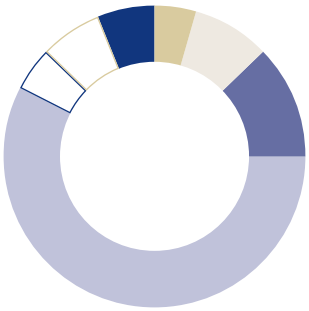
Iron ore price (FOB Australia)

Source: Platts

(1) QAMOM is a pricing mechanism based on average quarter in arrears minus one month.

2012 Iron ore demand

Global 1,092 Mt(1)



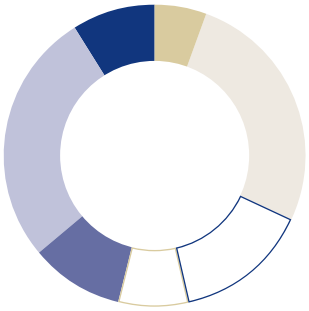
North America	49 Mt
Europe	92 Mt
Japan and rest of Asia	132 Mt
China	628 Mt
India	54 Mt
CIS	71 Mt
Incorporating:	
South America	39 Mt
Rest of World	27 Mt

Source: CRU, AME, company reports and Anglo American estimates

(1) Global iron ore, Fe unit basis

2012 Iron ore production

Global 1,092 Mt(1)



North America	61 Mt
South America	288 Mt
China	159 Mt
India	82 Mt
CIS	110 Mt
Australia	295 Mt
Incorporating:	
Europe	48 Mt
Rest of World	49 Mt

Source: CRU, AME, company reports and Anglo American estimates

(1) Global iron ore, Fe unit basis

STRATEGY

A key element of Anglo American's strategy is to grow its position in iron ore and to supply premium iron ore products against a background of declining quality global iron ore supplies. We have a unique iron ore resource profile, with extensive, high quality resource bases in South Africa and Brazil.

Kumba seeks to maximise total shareholder value by enhancing the value of its current operations through its asset optimisation programmes, capturing value across the value chain through its commercial and logistics strategies, executing its growth projects efficiently, and ensuring that it has the organisational capability to execute its strategy.

The company plans to grow its business organically in order to achieve production of 70 Mtpa from South Africa and, in the longer term, through expanding its production footprint into other countries in Africa.

Minas-Rio will capture a significant part of the pellet feed market with its premium product featuring high iron content and low contaminants. Phase 1 of the Minas-Rio project will produce 26.5 Mtpa, with potential optimisation to 29.8 Mtpa.

Projects

The components of Kumba's growth include new developments, expansions at existing operations, and growth though technological advances that will allow the processing of lower grade ore.

Kumba is currently studying opportunities to expand Kolomela's production through a beneficiation process, which could add a further 6 Mtpa to its output. The project has progressed to pre-feasibility study and further decisions will be made in due course, depending on prevailing market conditions.

The SEP 1B commenced construction during the year, and is expected to be commissioned in 2013, within the $48 million capex budget.

The growth portfolio is constantly being reviewed taking into account the macroeconomic environment, the outcome of project studies and the status of the IOEC expansion study.

Construction is under way at the first phase of the 26.5 Mtpa Minas-Rio iron ore project, with optimisation to 29.8 Mtpa. Anglo American announced in December 2012 that all three injunctions that had disrupted the project in the year, contributing to the delay of first ore on ship (FOOS) to the end of 2014, had been lifted.

The primary drivers of the capital expenditure increase from the previous estimate in 2011 relate to:

- The delay in FOOS from late 2013 to late 2014;
- Scope changes, including those agreed as part of the review process and taking into consideration additional land access costs and purchases, increased earth and civil works required following access to various sites along the pipeline and the increased costs of meeting licence conditions;
- Construction inflation costs, including contract adjustments and mining equipment price increases;
- A centrally held risk contingency of $600 million to accommodate a number of potential factors to achieve the FOOS date of the end of 2014, including the potential for additional price escalation, productivity acceleration and finalisation of the extent of earth and civil works required on land that is yet to be accessed.

Following its approval in 2011, the $279 million GEEP2 project (Anglo American's 40% share: $112 million) will increase GEMCO's beneficiated product capacity from 4.2 Mtpa to 4.8 Mtpa through the introduction of a dense media circuit by-pass facility. The project is expected to be completed, on schedule and budget, in late 2013. The expansion will also address infrastructure constraints by increasing road and port capacity to 5.9 Mtpa, creating 1.1 Mtpa of latent capacity for future expansion.

The addition of a $91 million (on a 100% basis) high carbon ferro-manganese furnace at the Metalloys smelter in South Africa will add an additional 130,000 tonnes of capacity per year. Hot commissioning was completed, on schedule, in the fourth quarter of 2012, with full production expected in the second quarter of 2013.

PROJECT PIPELINE – KEY PROJECTS

Key
- Open cut
- Port

Minas-Rio phase 1

Overall capex: $8.8bn[1]

Country
Brazil

Ownership
100%

Production volume
26.5 Mtpa iron ore pellet feed (wet basis)

Full project capex
$8.8bn[1]

First production
H2 2014

Construction is under way at the first phase of the 26.5 Mtpa Minas-Rio iron ore project, with optimisation to 29.8 Mtpa. Anglo American announced in December 2012 that all three injunctions that had disrupted the project during the year, contributing to the delay of first ore on ship (FOOS) to the end of 2014, had been lifted. During Q1 2013, two further authorisations were released relating to, firstly, the archaeological survey at the tailings dam, and the second related to works necessary for the commencement of pre-stripping at the mine site. Activities at the beneficiation plant, pipeline, filtration plant and port continued as planned.

Sishen lower grade project (unapproved)

Overall capex: TBD

Country
South Africa

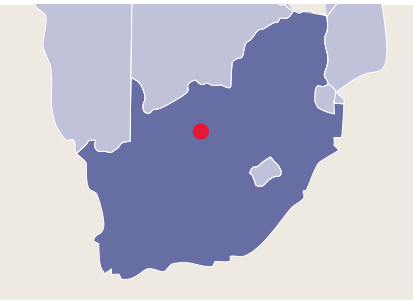
Ownership*
52%

Including active production volume
6 Mtpa iron ore

Full project capex
TBD

First production
TBD

Sishen production will be increased by up to 6 Mtpa with the development of Sishen Lower Grade Project. The project will use the additional material available in the definition of the larger optimised pit shell, supplemented by material that became available with the refinement of the Sishen product range. The increased mining activity required to mine the larger pit will in part be utilised by beneficiating the low Fe grade portion of the material resulting in some of the waste being reclassified as ore.



[1] Capital expenditure, post acquisition of Anglo American's shareholding in Minas-Rio, includes 100% of the mine and pipeline, and an attributable share of the port.
* Kumba Iron Ore owns 74% of Sishen, Thabazimbi and Kolomela. Anglo American plc through its 70% ownership in Kumba effectively owns 52% of Sishen.

PRODUCTION DATA

	2012	2011	2010	2009
Kumba Iron Ore[1] – tonnes				
Lump	**26,580,500**	25,445,100	25,922,300	25,300,000
Fines	**16,484,600**	15,822,500	17,462,600	16,643,000
Total iron ore production for Kumba Iron Ore	**43,065,100**	**41,267,600**	**43,384,900**	**41,943,000**
Samancor[2] – tonnes				
Manganese ore	**3,347,800**	2,786,600	2,952,800	1,570,000
Manganese alloy[3]	**198,400**	300,500	312,000	129,000

(1) Kolomela reached commercial production on 1 December 2011. Costs associated with 984,700 tonnes of production (2010: nil) have been capitalised before commercial production was reached.
(2) Saleable production.
(3) Production includes Medium Carbon Ferro Manganese.

IRON ORE

Ore Reserve and Mineral Resource estimates as at 31 December 2012

KUMBA IRON ORE

The Ore Reserve and Mineral Resource estimates were compiled in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2007 Edition as amended July 2009). The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Anglo American plc's interest in Kumba Iron Ore Limited is 69.7%. Rounding of figures may cause computational discrepancies.

Kumba Iron Ore Operations ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011	Saleable Product 2012		Saleable Product 2011	
Kolomela (OP)[1]	51.5	24		Mt	Mt	%Fe	%Fe	Mt	%Fe	Mt	%Fe
Hematite			Proved	107.6	109.7	64.8	64.9	107	64.8	110	65.0
			Probable	102.0	93.7	64.0	64.3	102	64.0	94	64.4
			Total	**209.5**	**203.4**	**64.4**	**64.6**	**209**	**64.4**	**203**	**64.7**
Sishen (OP)[2]	51.5	17				%Fe	%Fe				
Hematite			Proved	642.9	525.8	59.4	58.9	485	65.3	393	65.0
			Probable	276.0	458.1	58.8	59.3	201	65.0	351	65.1
			Total	**918.9**	**983.9**	**59.2**	**59.1**	**686**	**65.2**	**744**	**65.0**
Thabazimbi (OP)[3]	51.5	6				%Fe	%Fe				
Hematite			Proved	0.4	2.7	61.1	61.4	0	62.9	2	63.2
			Probable	9.0	7.7	60.6	60.4	7	62.9	6	63.0
			Total	**9.5**	**10.4**	**60.6**	**60.7**	**7**	**62.9**	**8**	**63.1**

Kumba Iron Ore Operations MINERAL RESOURCES	Attributable %	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011
Kolomela (OP)[4]	51.5		Mt	Mt	%Fe	%Fe
Hematite		Measured	43.3	46.6	64.9	65.0
		Indicated	17.0	16.1	65.2	65.1
		Measured and Indicated	**60.3**	**62.7**	**65.0**	**65.0**
		Inferred (in LOM Plan)	50.5	45.9	64.2	64.3
		Inferred (ex. LOM Plan)	55.7	53.7	62.8	62.7
		Total Inferred	**106.2**	**99.6**	**63.5**	**63.4**
Sishen (OP)[5]	51.5				%Fe	%Fe
Hematite		Measured	315.1	111.1	61.0	61.3
		Indicated	137.3	274.8	58.4	61.6
		Measured and Indicated	**452.4**	**385.9**	**60.2**	**61.5**
		Inferred (in LOM Plan)	24.7	173.4	56.0	49.1
		Inferred (ex. LOM Plan)	67.7	217.2	55.0	53.8
		Total Inferred	**92.5**	**390.6**	**55.3**	**51.7**
Thabazimbi (OP)[6]	51.5				%Fe	%Fe
Hematite		Measured	0.2	1.1	62.5	61.1
		Indicated	10.4	7.2	62.5	62.0
		Measured and Indicated	**10.7**	**8.3**	**62.5**	**61.9**
		Inferred (in LOM Plan)	2.8	3.0	60.7	61.8
		Inferred (ex. LOM Plan)	8.2	3.9	62.8	61.8
		Total Inferred	**11.1**	**6.9**	**62.3**	**61.8**

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Kumba Iron Ore – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011
Zandrivierspoort[7]	25.8		Mt	Mt	%Fe	%Fe
Magnetite and Hematite		Measured	132.9	128.5	35.0	34.9
		Indicated	177.9	182.3	34.5	34.5
		Measured and Indicated	**310.8**	**310.8**	**34.7**	**34.7**
		Inferred	64.5	64.5	34.2	34.2

Mining method: OP = Open Pit. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
The tonnage is quoted as dry metric tonnes and abbreviated as Mt for million tonnes.
The Mineral Resources are constrained by a resource pit shell, which defines the spatial limits of eventual economic extraction.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

The Phoenix Project is not reported in 2012; the previously declared Mineral Resource are being re-evaluated to consider different beneficiation options and will have to be re-submitted for project approval.

(1) **Kolomela – Ore Reserves:** Ore Reserves are reported above a cut-off of 42.0 %Fe including dilution. The effect of production is offset by the increase resulting from a life-of-mine plan update, which included a pit optimisation with updated economic assumptions.
(2) **Sishen – Ore Reserves:** Ore Reserves are reported above a cut-off of 40.0 %Fe including dilution. The decrease is primarily due to production and a lower conversion rate of Mineral Resources to Ore Reserves.
(3) **Thabazimbi – Ore Reserves:** Ore Reserves are reported above a cut-off of 54.6 %Fe including dilution. The decrease is primarily due to production and some Ore Reserves being re-allocated to Inferred Mineral Resources.
(4) **Kolomela – Mineral Resources:** Mineral Resources are reported above a cut-off of 50.0 %Fe. The increase is due to changes in the resource shell as a result of pit a optimisation conducted based on updated economic assumptions.
(5) **Sishen – Mineral Resources:** Mineral Resources are reported above a cut-off of 40.0 %Fe. The overall decrease is a result of a geological model update, revised estimation methods combined with new borehole information which resulted in a decrease of primarily BIF material.
Stockpile Resource estimates (Measured: 52.2 Mt at 58.1 %Fe; Indicated: 11.9 Mt at 57.7 %Fe; Inferred: 3.2 Mt at 56.7 %Fe) are excluded from the table.
(6) **Thabazimbi – Mineral Resources:** Mineral Resources are reported above a cut-off of 55.0 %Fe. The increase is due to changes in the resource shell as a result of updated economic assumptions.
(7) **Zandrivierspoort:** The Zandrivierspoort Project Mineral Resources are reported above a cut-off of 23.0 %Fe. A minor update to the resource classification was undertaken in 2012.

Audits related to the generation of the Ore Reserve and Mineral Resource estimates were carried out by independent consultants during 2012 at Kolomela Mine.

Assumption with respect to Mineral Tenure

Sishen: In December 2011 judgment was delivered by the High Court regarding the status of the mining rights at the Sishen mine. The High Court held that, upon the conversion of SIOC's old order Mining Right relating to the Sishen mine properties in 2008, SIOC became the exclusive holder of a converted mining right for iron ore and quartzite in respect of the Sishen mine properties. The High Court held further that as a consequence, any decision taken by the Department: Mineral Resources (DMR) after such conversion in 2008 to accept or grant any further rights to iron ore at the Sishen mine properties was void. The High Court reviewed and set aside the decision of the DMR to grant a prospecting right to ICT relating to iron ore as to a 21.4% share in respect of the Sishen mine properties. Both the DMR and Imperial Crown Trading lodged an appeal against the ruling by the High Court, which was heard by the Supreme Court of Appeal (SCA) on 19 February 2013. On 28 March 2013 the SCA dismissed the appeals of both the DMR and ICT. The SCA held that, as a matter of law and as at midnight on 30 April 2009, SIOC became the sole holder of the mining right to iron ore in respect of the Sishen mine.

IRON ORE

Ore Reserve and Mineral Resource estimates as at 31 December 2012

IRON ORE BRAZIL

The Ore Reserves and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

The Minas-Rio project is located in the state of Minas Gerais, Brazil and will include open pit mines and a beneficiation plant producing high-grade pellet feed which will be transported, through a slurry pipeline, over 500km to the Port of Açu in the state of Rio de Janeiro. The project will largely be based on the two main deposits of Serra do Sapo and Itapanhoacanga. Two ore types, Friable and Compact Itabirite, have been identified at Serra do Sapo and Itapanhoacanga. Only the friable material is being considered for Phase 1 of the project. The planned annual capacity of Phase 1 is 26.5 Mtpa of iron ore pellet feed (wet tonnes).

Iron Ore Brazil – Projects ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011	Saleable Product 2012 Mt	Saleable Product 2012 %Fe	Saleable Product 2011 Mt	Saleable Product 2011 %Fe
Serra do Sapo (OP)[1]	100	27		Mt	Mt	%Fe	%Fe	Mt	%Fe	Mt	%Fe
Friable Itabirite and Hematite			Proved	–	–	–	–	–	–	–	–
			Probable	1,452.8	–	38.8	–	685	67.5	–	–
			Total	**1,452.8**	**–**	**38.8**	**–**	**685**	**67.5**	**–**	**–**

Iron Ore Brazil – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011
Itapanhoacanga[1][2]	100		Mt	Mt	%Fe	%Fe
Friable Itabirite and Hematite		Measured	32.3	25.0	40.6	42.5
		Indicated	122.3	219.2	41.3	41.6
		Measured and Indicated	**154.5**	**244.2**	**41.1**	**41.7**
		Inferred	119.1	74.7	40.9	41.7
Compact Itabirite		Measured	23.2	10.9	33.6	33.2
		Indicated	73.6	95.8	34.5	33.8
		Measured and Indicated	**96.8**	**106.7**	**34.3**	**33.7**
		Inferred	57.2	43.9	34.5	33.2
Serra do Sapo (OP)[1][3]	100				%Fe	%Fe
Friable Itabirite and Hematite		Measured	148.7	561.3	31.6	35.3
		Indicated	236.7	1,278.5	33.7	38.5
		Measured and Indicated	**385.4**	**1,839.8**	**32.9**	**37.5**
		Inferred (in LOM Plan)	108.5	–	38.3	–
		Inferred (ex. LOM Plan)	58.7	165.1	32.9	36.3
		Total Inferred	**167.1**	**165.1**	**36.4**	**36.3**
Compact Itabirite		Measured	559.9	565.0	31.0	31.0
		Indicated	2,251.3	2,253.9	31.1	31.1
		Measured and Indicated	**2,811.2**	**2,818.9**	**31.1**	**31.1**
		Inferred	476.8	477.3	31.1	31.1
Serro[4]	100				%Fe	%Fe
Friable Itabirite and Hematite		Measured	–	–	–	–
		Indicated	9.5	9.5	63.6	63.6
		Measured and Indicated	**9.5**	**9.5**	**63.6**	**63.6**
		Inferred	74.2	74.2	35.3	35.3
Compact Itabirite		Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**
		Inferred	308.2	308.2	31.6	31.6

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Mining method: OP = Open Pit. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.

Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Minas-Rio Project:** The cut-off grade used is 25% Fe. Assays are on a dry basis. Tonnages are reported on a wet basis with an average moisture content of 4.2 wt% for Friable ore. Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, High Alumina Friable Itabirite, Soft Hematite and Canga.
The Minas-Rio Project comprises the following sub-areas: Itapanhoacanga and Serra do Sapo. Execution of this project remains subject to the normal regulatory processes of the Brazilian authorities.

(2) **Itapanhoacanga:** Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, Soft Hematite and Hard Hematite. The decrease is as a result of the exclusion of the Quartz-X mineral area (Licence No. 832.666\2001) which is partially off-set by an increase due to new information obtained during the year.

(3) **Serra do Sapo:** Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, High Alumina Friable Itabirite, Soft Hematite and Canga. The Mineral Resources decrease is primarily due to conversion of Mineral Resources to Ore Reserves.

(4) **Serro:** The cut-off grade used is 25% Fe. Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite and Hard Hematite (9.5 Mt @ 63.6% Fe). Tonnages are reported on a wet basis with an average moisture content of 4.7 wt%.

Audits related to the generation of the Ore Reserve and Mineral Resource estimates were carried out by independent consultants during 2012 at Serra do Sapo.

MANGANESE

Ore Reserve and Mineral Resource estimates as at 31 December 2012

SAMANCOR MANGANESE

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) and The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2007 Edition as amended July 2009) as applicable. The figures reported represent 100% of the Ore Reserves and Mineral Resources (source: BHP Billiton), the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

Samancor Manganese – Operations ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011	Yield 2012	Yield 2011
GEMCO (OP)[1]	40.0	14		Mt	Mt	%Mn	%Mn	%	%
			Proved	72.5	79.4	45.0	46.5	55.1	54.8
			Probable	24.9	25.9	45.0	45.6	55.1	54.2
			Total	**97.4**	**105.3**	**45.0**	**46.3**	**55.1**	**54.7**
Hotazel Manganese Mines	29.6					%Mn	%Mn		
Mamatwan (OP)[2]		20	Proved	41.4	43.9	37.2	37.3		
			Probable	31.4	30.5	37.1	37.1		
			Total	**72.8**	**74.4**	**37.1**	**37.2**		
Wessels (UG)[3]		45	Proved	3.9	4.1	44.8	44.0		
			Probable	64.9	67.7	42.9	43.0		
			Total	**68.8**	**71.8**	**43.0**	**43.1**		

Samancor Manganese – Operations MINERAL RESOURCES	Attributable %	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011	Yield 2012	Yield 2011
GEMCO (OP)[4]	40.0		Mt	Mt	%Mn	%Mn	%	%
		Measured	78.9	87.0	46.9	47.1	47.5	47.4
		Indicated	28.2	28.7	46.0	46.0	47.4	47.6
		Measured and Indicated	**107.1**	**115.8**	**46.7**	**46.8**	**47.5**	**47.4**
		Inferred	49.4	49.4	43.9	43.9	47.8	47.8
Hotazel Manganese Mines	29.6				%Mn	%Mn		
Mamatwan (OP)[5]		Measured	62.0	64.8	35.5	35.7		
		Indicated	54.7	54.7	34.5	34.5		
		Measured and Indicated	**116.7**	**119.5**	**35.0**	**35.2**		
		Inferred	4.3	4.2	34.5	34.4		
Wessels (UG)[6]		Measured	11.4	13.8	45.7	46.0		
		Indicated	126.4	129.5	43.6	44.2		
		Measured and Indicated	**137.8**	**143.3**	**43.8**	**44.4**		
		Inferred	–	–	–	–		

MINERAL RESOURCES INCLUDE ORE RESERVES

Samancor Gabon – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011	Yield 2012	Yield 2011
Franceville Project – Beniomi[7]	40.0		Mt	Mt	%Mn	%Mn	%	%
Plaquette Ore		Measured	11.0	11.0	36.1	36.1	72.0	72.0
		Indicated	6.6	6.6	36.1	36.1	74.4	74.4
		Measured and Indicated	**17.5**	**17.5**	**36.1**	**36.1**	**72.9**	**72.9**
		Inferred	2.9	2.9	36.1	36.1	71.8	71.8
Transition Ore		Measured	4.1	4.1	24.3	24.3	73.1	73.1
		Indicated	2.4	2.4	24.5	24.5	75.1	75.1
		Measured and Indicated	**6.5**	**6.5**	**24.4**	**24.4**	**73.8**	**73.8**
		Inferred	5.0	5.0	24.2	24.2	68.4	68.4
Franceville Project – Bordeaux[7]	40.0				%Mn	%Mn		
Plaquette Ore		Measured	4.6	4.6	36.4	36.4	72.0	72.0
		Indicated	0.8	0.8	36.1	36.1	67.8	67.8
		Measured and Indicated	**5.4**	**5.4**	**36.4**	**36.4**	**71.4**	**71.4**
		Inferred	0.8	0.8	36.8	36.8	69.5	69.5
Transition Ore		Measured	2.3	2.3	24.7	24.7	74.0	74.0
		Indicated	0.5	0.5	24.1	24.1	70.3	70.3
		Measured and Indicated	**2.8**	**2.8**	**24.6**	**24.6**	**73.3**	**73.3**
		Inferred	1.8	1.8	25.1	25.1	67.1	67.1

Mining method: OP = Open Pit, UG = Underground. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
Mamatwan tonnages stated as wet metric tonnes. Wessels and GEMCO tonnages stated as dry metric tonnes.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **GEMCO – Ore Reserves:** Manganese grades are given as per washed ore samples and should be read together with their respective yields. The change is due to depletion from mining.
(2) **Mamatwan – Ore Reserves:** The change is due to depletion from mining.
(3) **Wessels – Ore Reserves:** The decrease is mainly due to the re-delineation of the suboutcrop positions of the orebodies, based on new borehole information
(4) **GEMCO – Mineral Resources:** The change is due to depletion from mining.
(5) **Mamatwan – Mineral Resources:** A cut-off grade of 35% Mn is used to declare Mineral Resources within the M, C and N Zones at Mamatwan. Mineral Resources have also been declared from the X Zone, using a cut-off of 35% Mn, however, the Top Cut Resources comprising a total of 43.1 Mt are declared above a cut-off of 28% Mn. The change is due to depletion from mining and re-running the geological model.
(6) **Wessels – Mineral Resources:** The decrease is mainly due to the re-delineation of the suboutcrop positions of the orebodies, based on new borehole information.
(7) **Beniomi and Bordeaux:** Mn grades are for +0.15mm screen size fraction and should be read together with their respective tonnage yields. The Gabon Mining Concession and Mining Convention remain subject to ongoing negotiation. No Ore Reserves are yet reportable.