FACT BOOK 2013

# FOCUSED ON DELIVERY

AngloAmerican

Real Mining. Real People. Real Difference.

## FOCUSED ON DELIVERY

In a world where people want to build a better life for themselves and their families, but where resources are limited, Anglo American seeks to generate sustainable value from a country's mineral resources for the benefit of its people.

We will deliver an attractive and differentiated value proposition to our shareholders, business partners and other stakeholders by having the right assets and technical expertise, the right people working with our partners, and a commitment to responsible mining that will support us in delivering the products that make our world work.

We are focused on delivering our targeted returns to shareholders while creating value for all our partners and stakeholders.

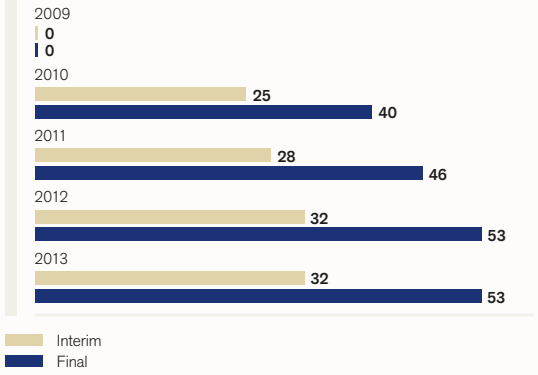
**Other sources of information**

You can find this report and additional information about Anglo American on our corporate website.

For more information, visit **www.angloamerican.com/reportingcentre**

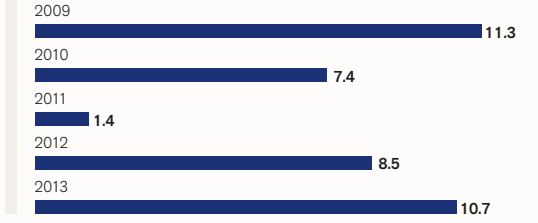
# FINANCIAL PERFORMANCE

### Dividends per share
Cents




### Capital expenditure
$ bn


### Net debt
$ bn




**UNDERLYING OPERATING PROFIT**
(2012: $6.3 bn)

**$6.6bn**

**UNDERLYING EARNINGS**
(2012: $2.9 bn)

**$2.7bn**

**UNDERLYING EARNINGS PER SHARE**
(2012: $2.28)

**$2.09**

**LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS**
(2012: $(1.5) bn)

**$(1.0)bn**

Underlying operating profit is presented before special items and remeasurements and includes the Group's attributable associates' and joint ventures' operating profit before special items and remeasurements, unless otherwise stated. See notes 3 and 5 to the financial statements for underlying operating profit. For definition of special items and remeasurements, see note 6 to the financial statements. See note 9 to the financial statements for the basis of calculation of underlying earnings.

'Tonnes' are metric tons, 'Mt' denotes million tonnes, 'kt' denotes thousand tonnes and 'koz' denotes thousand ounces;'$' and 'dollars' denote US dollars and 'cents' denotes US cents.

Net debt includes related hedges and net cash in disposal groups. See note 24 to the financial statements.

Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 to the financial statements for details.

Throughout the Strategic report, attributable ROCE, shown in terms of historical performance, reflects the realised prices and foreign exchange during the period, and in line with commitments made as part of *Driving Value*. For more detail on this calculation and its methodology, please refer to page 250 of the annual report.

**Cover Image**
An overview of Greenside colliery.

**Previous page**
At Polokwane, concentrate is smelted to produce furnace matte before being sent for further processing at the Waterval Smelter in Rustenburg.

# OUR BUSINESS AROUND THE WORLD

Anglo American's portfolio of mining businesses meets our customers' changing needs, and spans: **bulk commodities** – iron ore and manganese, metallurgical coal and thermal coal; **base metals and minerals** – copper, nickel, niobium and phosphates; and, **precious metals and minerals** – in which we are a global leader in both platinum and diamonds.

**Headquarters**

London,
United Kingdom

**Corporate and representative offices**

Beijing, China
Belo Horizonte, Brazil
Brisbane, Australia
Johannesburg, South Africa
Luxembourg
Maputo, Mozambique
New Delhi, India
Rio de Janeiro, Brazil
Santiago, Chile
São Paulo, Brazil
Singapore
Ulaanbaatar, Mongolia

**North America**

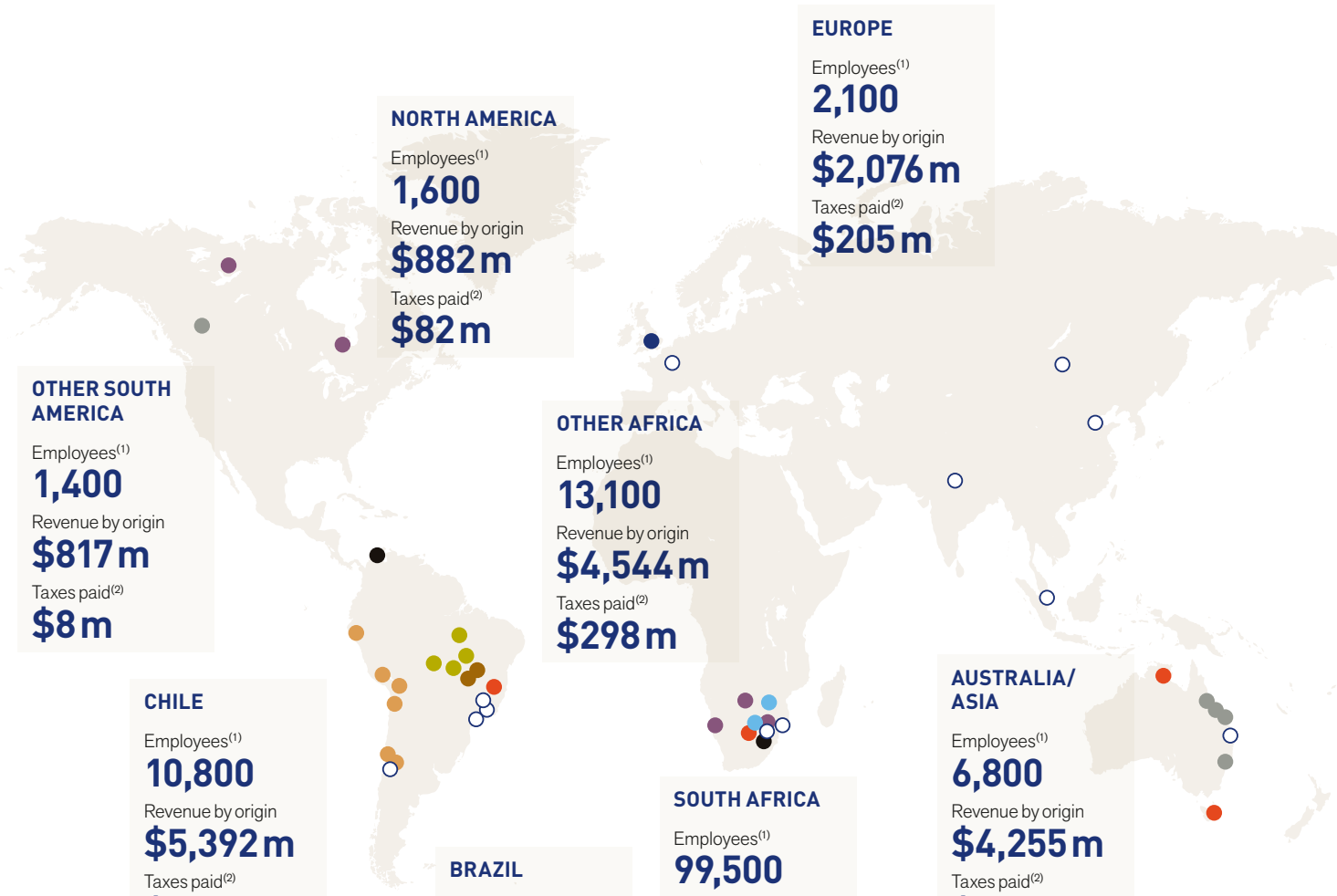
**South America**

**Africa**

**Australia and Asia**

**Business units**

- Iron Ore and Manganese
- Metallurgical Coal
- Thermal Coal
- Copper
- Nickel
- Niobium and Phosphates
- Platinum
- Diamonds



### EUROPE

Employees[1]
**2,100**
Revenue by origin
**$2,076 m**
Taxes paid[2]
**$205 m**

### NORTH AMERICA

Employees[1]
**1,600**
Revenue by origin
**$882 m**
Taxes paid[2]
**$82 m**

### OTHER SOUTH AMERICA

Employees[1]
**1,400**
Revenue by origin
**$817 m**
Taxes paid[2]
**$8 m**

### OTHER AFRICA

Employees[1]
**13,100**
Revenue by origin
**$4,544 m**
Taxes paid[2]
**$298 m**

### CHILE

Employees[1]
**10,800**
Revenue by origin
**$5,392 m**
Taxes paid[2]
**$1,056 m**

### AUSTRALIA/ ASIA

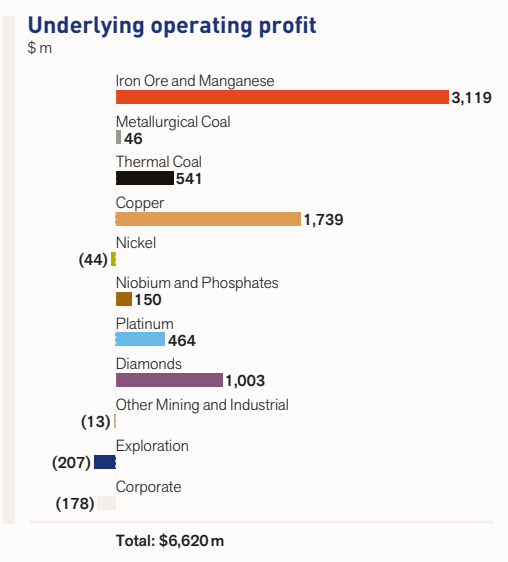
Employees[1]
**6,800**
Revenue by origin
**$4,255 m**
Taxes paid[2]
**$541 m**

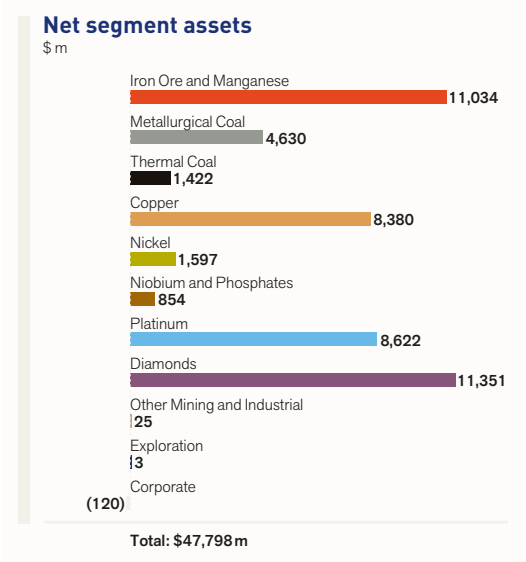
### SOUTH AFRICA

Employees[1]
**99,500**
Revenue by origin
**$14,132 m**
Taxes paid[2]
**$1,953 m**

### BRAZIL

Employees[1]
**23,600**
Revenue by origin
**$965 m**
Taxes paid[2]
**$384 m**




**Bulk**

## IRON ORE AND MANGANESE

**34,600 employees**[1]

- Anglo American has a unique iron ore profile, with extensive, high quality resource bases in South Africa and Brazil.
- Iron ore is a key component in steel, the most widely used of all metals.

## METALLURGICAL COAL

**6,300 employees**[1]

- Metallurgical Coal is Australia's No. 2 metallurgical coal producer and the world's third biggest exporter of metallurgical coal.
- It operates six mines in Australia and Peace River Coal in Canada.
- Metallurgical coal is the key raw material for around 70% of the world's steel industry.

## THERMAL COAL

**19,000 employees**[1]

- In South Africa, Thermal Coal wholly owns and operates seven mines, with a 73% interest in the Kriel and Zibulo collieries. In Colombia, Anglo American has a one-third shareholding in Cerrejón, the country's biggest thermal coal exporter.
- Around 40% of all electricity generated globally is powered by thermal coal.

**Base metals and minerals**

## COPPER

**12,100 employees**[1]

- Copper has interests in six operations in Chile, producing copper in concentrate, copper cathode and associated by-products such as molybdenum and silver.
- Copper is used mainly in wire and cable, brass, tubing and pipes, air conditioning and refrigeration.

## NICKEL

**2,500 employees**[1]

- Nickel has two operating assets, both in Brazil, which produce ferronickel: Barro Alto and Codemin.
- Around two-thirds of nickel is used in the production of stainless steel.

## NIOBIUM AND PHOSPHATES

**4,300 employees**[1]

- Our Brazilian-based Niobium unit owns two niobium mines, while the Phosphates business comprises a mine and two chemical-processing facilities.
- Niobium's principal application is as an alloying agent in high-strength steel alloys; phosphates are a principal ingredient of fertilisers.

**Precious metals and minerals**

## PLATINUM

**55,900 employees**[1]

- Platinum, principally based in South Africa, is the leading primary producer of PGMs, accounting for ~40% of the world's newly mined platinum.
- Platinum and other platinum group metals (PGMs) are primarily used in autocatalysts for both diesel and petrol vehicles, and in jewellery.

## DIAMONDS

**20,800 employees**[1]

- De Beers is the world's leading diamond company.
- Together with its joint venture partners, it produces about one-third of global rough diamonds by value from operations in Botswana, South Africa, Namibia and Canada.
- The largest diamond jewellery market is the US, followed by China, Japan and India.

**Other Mining and Industrial**

## OTHER MINING AND INDUSTRIAL

**1,700 employees**[1]

- Consists of our Tarmac Building Products and Middle East businesses, and our share in the Lafarge Tarmac joint venture.
- We disposed of our interest in the Amapá iron ore system in November 2013.

(1) Average number of employees and contractors excluding employees and contractors from non-managed operations.
(2) Taxes paid relates to payments to government, borne and collected by Anglo American managed entities, and are included in various places within the consolidated income statement.

# THE BUSINESS – AN OVERVIEW

as at 31 December 2013

## Iron Ore and Manganese

| | |
|---|---|
| Kumba Iron Ore (South Africa) | 69.7% |
| Sishen Iron Ore Company[1] | 73.9% |
| Minas-Rio (Brazil) | 100% |
| LLX Minas-Rio (Brazil)[2] | 50% |
| Samancor (South Africa and Australia) | 40% |

## Metallurgical Coal

Overall ownership: **100%**

### 100% owned

**Australia**
Callide

**Canada**
Peace River Coal

### Other interests

| **Australia** | |
|---|---|
| Capcoal | 70% |
| Dartbrook | 83.3% |
| Dawson | 51% |
| Drayton | 88.2% |
| Foxleigh | 70% |
| Moranbah North | 88% |
| Jellinbah | 23.3% |

| **Australia – other** | |
|---|---|
| Dalrymple Bay Coal Terminal Pty Ltd | 25.4% |
| Newcastle Coal Shippers Pty Ltd | 17.6% |
| MBD Energy Ltd | 19.2% |

## Thermal Coal

Overall ownership: **100%**

### 100% owned

**South Africa**
Goedehoop
Greenside
Isibonelo
Kleinkopje
Landau
New Denmark
New Vaal

### Other interests

| **South Africa** | |
|---|---|
| Mafube | 50% |
| Phola plant | 50% |
| Kriel[3] | 73% |
| Zibulo[3] | 73% |

| **South Africa – other** | |
|---|---|
| Richards Bay Coal Terminal | 24.2% |

| **Colombia** | |
|---|---|
| Carbones del Cerrejón | 33.3% |

## Copper

Overall ownership: **100%**

### 100% owned

**Chile**
Mantos Blancos[4]
Mantoverde[4]

**Peru**
Michiquillay

### Other interests

| **Chile** | |
|---|---|
| Chagres | 50.1% |
| El Soldado | 50.1% |
| Los Bronces | 50.1% |
| Collahuasi | 44% |

| **Peru** | |
|---|---|
| Quellaveco | 81.9% |

## Nickel

Overall ownership: **100%**

### 100% owned

**Brazil**
Codemin
Barro Alto

## Niobium and Phosphates

Overall ownership: **100%**

### 100% owned

**Niobium**
Anglo American Nióbio Brasil Limitada

**Phosphates**
Anglo American Fosfatos Brasil Limitada

(1) The 73.9% interest in Sishen Iron Ore Company (SIOC) is held indirectly through Kumba Iron Ore, in which the Group has a 69.7% interest. A further 3.1% interest in SIOC is held by the Kumba Envision Trust for the benefit of participants in Kumba's broad based employee share scheme for non-managerial 'Historically Disadvantaged South African' employees. The Trust meets the definition of a subsidiary under IFRS, and is therefore consolidated by Kumba Iron Ore. Consequently the effective interest in SIOC included in the Group's results is 53.7%.

(2) Owns the port of Açu currently under construction. Post-balance sheet event increased ownership to 50% from 49% in January 2014.

(3) Kriel and Zibulo form part of the Anglo American Inyosi Coal Black Economic Empowerment (BEE) company of which Anglo American owns 73%.

(4) Non-controlling interest of 0.018%.

## Platinum

Overall ownership: **78%**[1]

### 100% owned

**South Africa**[2]
- Bathopele Mine
- Khomanani Mine
- Thembelani Mine
- Khuseleka Mine
- Siphumelele Mine
- Tumela Mine
- Dishaba Mine
- Mogalakwena Mine
- Western Limb Tailings Retreatment
- Waterval Smelter (including converting process)
- Mortimer Smelter
- Polokwane Smelter
- Rustenburg Base Metals Refinery
- Precious Metals Refinery
- Twickenham Mine

**Zimbabwe**
- Unki Mine

### Other interests

| | |
|---|---|
| **South Africa** | |
| Union Section | 85% |
| Masa Chrome Company | 50.1% |
| **Joint operations or sharing agreements** | |
| Modikwa Platinum Joint Operation | 50% |
| Kroondal Pooling and Sharing Agreement | 50% |
| Marikana Pooling and Sharing Agreement | 50% |
| Mototolo Joint Operation | 50% |
| **Associates** | |
| Bokoni | 49% |
| Pandora | 42.5% |
| Bafokeng-Rasimone | 33% |
| Atlatsa Resources Corporation | 27% |
| Johnson Matthey Fuel Cells | 17.5% |
| **South Africa – other** | |
| Wesizwe Platinum Limited | 13% |
| Royal Bafokeng Platinum Limited | 12.6% |

## Diamonds

Overall ownership: **85%**

### 100% owned

**South Africa**
- De Beers Group Services (Exploration and Services)
- De Beers Marine

**Synthetic Diamond Supermaterials**
- Element Six Technologies

**Canada**
- De Beers Canada
  - Snap Lake
  - Victor

**Sales**
- Global Sightholder Sales
- Auction Sales

**Brands**
- Forevermark

### Other interests

**South Africa**
- De Beers Consolidated Mines 74%[3]
  - Venetia
  - Voorspoed
  - Namaqualand Mines[5]
  - Kimberley Mines

**Botswana**
- Debswana[6] 50%
  - Damtshaa
  - Jwaneng
  - Orapa
  - Letlhakane

**Namibia**
- Namdeb Holdings[4] 50%
  - Namdeb Diamond Corporation
    - Mining Area 1
    - Orange River
    - Elizabeth Bay
    - Alluvial Contractors
  - Debmarine Namibia
    - Atlantic 1

| | |
|---|---|
| **Sales** | |
| DTC Botswana | 50% |
| Namibia DTC | 50% |
| **Synthetic Diamond Supermaterials** | |
| Element Six Abrasives | 60% |
| **Brands** | |
| De Beers Diamond Jewellers | 50% |

## Other Mining and Industrial

### 100% owned

**Building materials**
- Tarmac Building Products

### Other interests

| | |
|---|---|
| **Aggregates and building materials** | |
| Lafarge Tarmac Holdings Limited[7] | 50% |
| Tarmac Middle East | 50% |

## Other[8]

### 100% owned

- Vergelegen (South Africa)

### Other interests

| | |
|---|---|
| Exxaro Resources (southern Africa and Australia) | 9.8% |

(1) The Group's effective interest in Anglo American Platinum is 79.9%, which includes shares issued as part of a community empowerment deal.

(2) During 2013 Khomanani mine and Khuseleka 2 shaft were optimised and consolidated into surrounding mines. Khuseleka 1 shaft remains operational and has been integrated into Thembelani mine.

(3) The 74% interest in De Beers Consolidated Mines (DBCM) is held indirectly through De Beers Société Anonyme (De Beers). The 74% interest represents De Beers' legal ownership share in DBCM. For accounting purposes De Beers consolidates 100% of DBCM as it is deemed to control the BEE entity which holds the remaining 26% after providing certain financial guarantees on its behalf during 2010. The Group's effective interest in DBCM is 85%.

(4) The 50% interest in Namdeb Holdings is held indirectly through De Beers. In November 2011 the Government of the Republic of Namibia and De Beers restructured their mining partnership, creating a 50:50 holding company, Namdeb Holdings (Pty) Limited, with full ownership of Namdeb Diamond Corporation (Pty) Limited and De Beers Marine Namibia (Pty) Limited (now trading as Debmarine Namibia). All mining licences were transferred to the newly formed company. The Group's effective interest in Namdeb Holdings is 42.5%.

(5) In May 2011 De Beers announced that it had entered into an agreement to sell Namaqualand Mines.

(6) The 50% interest in Debswana is held indirectly through De Beers. The Group's effective interest in Debswana is 16.3%.

(7) Lafarge Tarmac Holdings Limited was formed during 2013. See note 30 of the Consolidated financial statements.

(8) Included within the Corporate segment.

# HISTORY AND TIMELINE

## 1800

**1871**
Diamonds discovered at Kimberley, South Africa.

## 1910

**1917**
Anglo American Corporation of South Africa (AAC) was founded to mine gold deposits east of Johannesburg. The £1 million authorised capital was raised largely from British and American sources.

## 1920

**1923**
Platinum first discovered in South Africa in the Bushveld Complex.

**1926**
AAC becomes the largest shareholder in De Beers.

## 1930

**1934**
The Diamond Trading Company formed as a diamond selling company based in Kimberley and London.

## 1970

**1973**
Anglo American opens office in Brazil.

## 1990

**1999**
Anglo American plc is established by combining the business interests of Anglo and Minorco. This, together with a sweeping restructuring of the Group, creates one of the world's largest mining and natural resource companies.

## 2000

**2000**
Anglo American acquires Shell Coal in Australia and Venezuela and a one-sixth interest in Cerrejón Zona Norte in Colombia.

**2001**
Removal of cross-holding with De Beers. De Beers is privatised after 113 years as a listed company.

**2002**
Anglo American acquires the Disputada copper operations in Chile from Exxon Mobil in November 2002.

**2003**
Anglo American acquires a major stake in Kumba Resources.

**2006**
Restructuring of Kumba Resources to separately list Kumba Iron Ore, of which Anglo American held 64%, and Exxaro, which became South Africa's largest black economic empowered (BEE) natural resources company.

**2007**
Demerger of Mondi, Anglo American's paper and packaging business, to become a dual-listed company on the London and Johannesburg stock exchanges.

Purchase of a 49% stake in the Minas-Rio iron ore project in Brazil.

Acquisition of a 70% interest in the Foxleigh coal mine in Australia.

**2008**
Anglo American acquires control of the Minas-Rio iron ore project and Amapá iron ore system in Brazil.

**2009**
Sale of remaining 11.3% stake in AngloGold Ashanti.

## 2010

**2010**
Sale completed of Tarmac's aggregates businesses in France, Germany, Poland and the Czech Republic and its Polish, and French and Belgian concrete products businesses.

Announcement of sale of the Group's Zinc portfolio to Vedanta.

Sale of Moly-Cop and AltaSteel to OneSteel Limited.

**2011**
Anglo American acquires 100% ownership of Peace River Coal Limited Partnership ('PRC').

Anglo American completes its sale of a 24.5% interest in Anglo American Sur (AA Sur) to Mitsubishi Corporation.

**2012**
Anglo American completes the final stage of the Scaw Metals Group divestment with the sale of Scaw South Africa.

Anglo American completes its acquisition of a 40% shareholding in De Beers from CHL (representing the Oppenheimer family interests), thereby increasing Anglo American's shareholding in De Beers to 85%.

Anglo American and Corporación Nacional del Cobre de Chile (Codelco) form a new partnership in respect of certain of the AA Sur copper interests in Chile. Anglo American retains control of AA Sur, reducing its 75.5% shareholding to 50.1%. A Codelco and Mitsui joint venture acquires a 29.5% interest in AA Sur.

**2013**
Anglo American sold its 16.8% effective interest in Palabora Mining Company Limited.

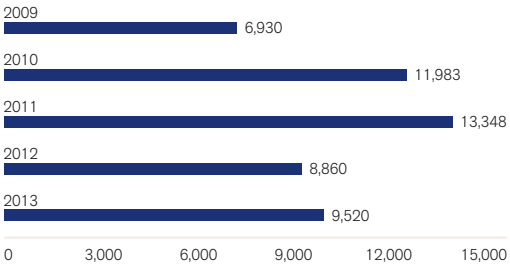
Anglo American and Lafarge complete their 50:50 joint venture which will combine their cement, aggregates, ready-mix concrete, asphalt and asphalt surfacing, maintenance services, and waste services businesses in the United Kingdom. The joint venture is known as Lafarge Tarmac.

Anglo American sells its Amapá iron ore operation in Brazil to Zamin Ferrous Ltd.

# FINANCIAL HIGHLIGHTS[1]

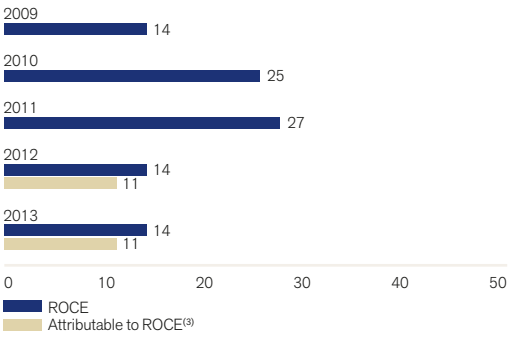
## Five year EBITDA history

$ m



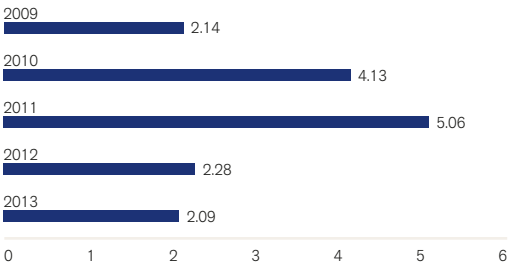

## Return on capital employed

%



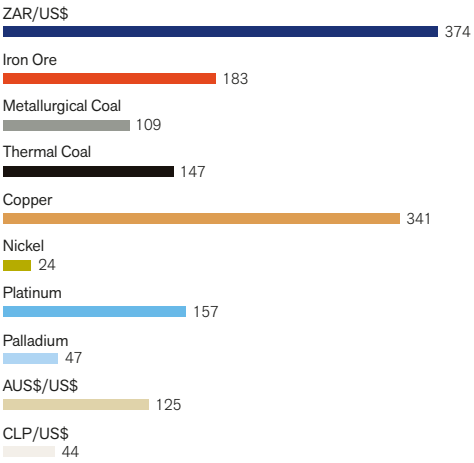

## Underlying EPS growth

$ m



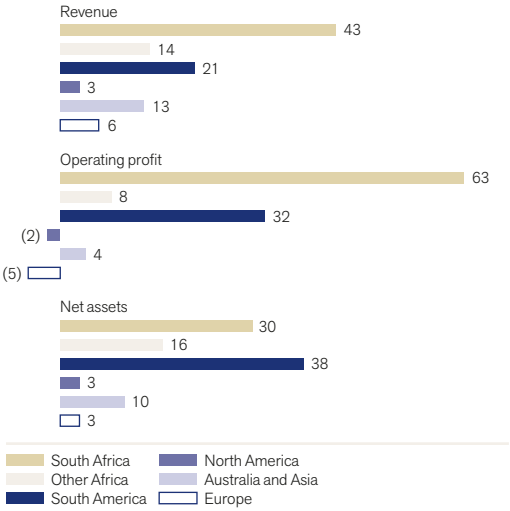

## Underlying earnings sensitivities 2013[2]

$ m




## Geographical split of revenue, operating profit and net assets 2013

%




(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements.

(2) Refers to 12 months to 31 December 2013. *Excludes* the effect of any hedging activities. Stated after tax at marginal rate. Sensitivities are the average of the positive and negative and reflect the impact of a 10% change in the average prices and exchange rates during 2013.

(3) Attributable ROCE defined as operating profit attributable to Anglo American plc shareholders divided by attributable capital employed.

# KEY FINANCIAL DATA

| US$ million (unless otherwise stated) | 2013 | 2012 restated[1] | 2011 | 2010 | 2009 | 2008 | 2007 | 2006[2] | 2005[2] | 2004[2] |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group revenue including associates and joint ventures** | **33,063** | 32,785 | 36,548 | 32,929 | 24,637 | 32,964 | 30,559 | 29,404 | 24,872 | 22,610 |
| Less: share of associates' and joint ventures' revenue | **(3,721)** | (4,105) | (5,968) | (4,969) | (3,779) | (6,653) | (5,089) | (4,413) | (4,740) | (5,429) |
| **Group revenue** | **29,342** | 28,680 | 30,580 | 27,960 | 20,858 | 26,311 | 25,470 | 24,991 | 20,132 | 17,181 |
| **Underlying operating profit including associates and joint ventures before special items and remeasurements** | **6,620** | 6,253 | 11,095 | 9,763 | 4,957 | 10,085 | 9,590 | 8,888 | 5,549 | 3,832 |
| Special items and remeasurements (excluding financing and tax special items and remeasurements) | **(4,310)** | (5,755) | (44) | 1,727 | (208) | (330) | (227) | 24 | 16 | 556 |
| Net finance costs (including financing special items and remeasurements), tax and non-controlling interests of associates and joint ventures | **(204)** | (281) | (452) | (423) | (313) | (783) | (434) | (398) | (315) | (391) |
| **Total profit from operations, associates and joint ventures** | **2,106** | 217 | 10,599 | 11,067 | 4,436 | 8,972 | 8,929 | 8,514 | 5,250 | 3,997 |
| Net finance (costs)/income (including financing special items and remeasurements) | **(406)** | (388) | 183 | (139) | (407) | (401) | (108) | (71) | (220) | (385) |
| **Profit/(loss) before tax** | **1,700** | (171) | 10,782 | 10,928 | 4,029 | 8,571 | 8,821 | 8,443 | 5,030 | 3,612 |
| Income tax expense (including special items and remeasurements) | **(1,274)** | (393) | (2,860) | (2,809) | (1,117) | (2,451) | (2,693) | (2,518) | (1,208) | (765) |
| **Profit/(loss) for the financial year – continuing operations** | **426** | (564) | 7,922 | 8,119 | 2,912 | 6,120 | 6,128 | 5,925 | 3,822 | 2,847 |
| Profit for the financial year – discontinued operations | **–** | – | – | – | – | – | 2,044 | 997 | 111 | 1,094 |
| **Profit/(loss) for the financial year – total Group** | **426** | (564) | 7,922 | 8,119 | 2,912 | 6,120 | 8,172 | 6,922 | 3,933 | 3,941 |
| Non-controlling interests | **(1,387)** | (906) | (1,753) | (1,575) | (487) | (905) | (868) | (736) | (412) | (440) |
| **(Loss)/profit attributable to equity shareholders of the Company** | **(961)** | (1,470) | 6,169 | 6,544 | 2,425 | 5,215 | 7,304 | 6,186 | 3,521 | 3,501 |
| **Underlying earnings[3] – continuing operations** | **2,673** | 2,860 | 6,120 | 4,976 | 2,569 | 5,237 | 5,477 | 5,019 | 3,335 | 2,178 |
| Underlying earnings[3] – discontinued operations | **–** | – | – | – | – | – | 284 | 452 | 401 | 506 |
| **Underlying earnings[3] – total Group** | **2,673** | 2,860 | 6,120 | 4,976 | 2,569 | 5,237 | 5,761 | 5,471 | 3,736 | 2,684 |
| **(Loss)/earnings per share (US$) – continuing operations** | **(0.75)** | (1.17) | 5.10 | 5.43 | 2.02 | 4.34 | 4.04 | 3.51 | 2.35 | 1.84 |
| Earnings per share (US$) – discontinued operations | **–** | – | – | – | – | – | 1.54 | 0.70 | 0.08 | 0.60 |
| **(Loss)/earnings per share (US$) – total Group** | **(0.75)** | (1.17) | 5.10 | 5.43 | 2.02 | 4.34 | 5.58 | 4.21 | 2.43 | 2.44 |
| **Underlying earnings per share (US$) – continuing operations** | **2.09** | 2.28 | 5.06 | 4.13 | 2.14 | 4.36 | 4.18 | 3.42 | 2.30 | 1.52 |
| Underlying earnings per share (US$) – discontinued operations | **–** | – | – | – | – | – | 0.22 | 0.31 | 0.28 | 0.35 |
| **Underlying earnings per share (US$) – total Group** | **2.09** | 2.28 | 5.06 | 4.13 | 2.14 | 4.36 | 4.40 | 3.73 | 2.58 | 1.87 |
| **Ordinary dividend per share (US cents)** | **85.0** | 85.0 | 74.0 | 65.0 | – | 44.0 | 124.0 | 108.0 | 90.0 | 70.0 |
| **Special dividend per share (US cents)** | **–** | – | – | – | – | – | – | 67.0 | 33.0 | – |
| Weighted average basic number of shares outstanding (million) | **1,281** | 1,254 | 1,210 | 1,206 | 1,202 | 1,202 | 1,309 | 1,468 | 1,447 | 1,434 |
| **Underlying EBITDA[4] – continuing operations** | **9,520** | 8,860 | 13,348 | 11,983 | 6,930 | 11,847 | 11,171 | 10,431 | 7,172 | 5,359 |
| Underlying EBITDA[4] – discontinued operations | **–** | – | – | – | – | – | 961 | 1,766 | 1,787 | 1,672 |
| **Underlying EBITDA[4] – total Group** | **9,520** | 8,860 | 13,348 | 11,983 | 6,930 | 11,847 | 12,132 | 12,197 | 8,959 | 7,031 |
| Underlying EBITDA interest cover[5] – total Group | **51.5** | 52.1 | n/a | 42.0 | 27.4 | 28.3 | 42.0 | 45.5 | 20.0 | 18.5 |
| Operating margin (before special items and remeasurements) – total Group | **20.0%** | 19.1% | 30.4% | 29.6% | 20.1% | 30.6% | 28.4% | 25.4% | 18.5% | 14.7% |
| Ordinary dividend cover (based on underlying earnings per share) – total Group | **2.5** | 2.7 | 6.8 | 6.4 | – | 9.9 | 3.5 | 3.5 | 2.9 | 2.7 |
| **Balance sheet** | | | | | | | | | | |
| Intangible assets and property, plant and equipment | **45,588** | 49,300 | 42,871 | 42,126 | 37,974 | 32,551 | 25,090 | 25,632 | 33,368 | 35,816 |
| Other non-current assets and investments[6] | **9,418** | 8,689 | 10,269 | 9,852 | 7,303 | 7,607 | 9,271 | 8,258 | 5,585 | 5,547 |
| Working capital | **3,771** | 3,751 | 2,093 | 2,385 | 2,168 | 861 | 1,966 | 3,096 | 3,538 | 3,543 |
| Other net current liabilities[6] | **(1,559)** | (986) | (1,683) | (785) | (272) | (840) | (911) | (1,430) | (1,429) | (611) |
| Other non-current liabilities and obligations[6] | **(9,710)** | (10,692) | (9,220) | (8,757) | (8,487) | (7,567) | (6,387) | (5,826) | (8,491) | (8,339) |
| Cash and cash equivalents and borrowings[7] | **(10,144)** | (8,555) | (1,141) | (7,038) | (11,046) | (11,051) | (5,170) | (3,244) | (4,993) | (8,243) |
| Net assets classified as held for sale | **–** | 2,231 | – | 188 | 429 | 195 | 471 | 641 | – | – |
| **Net assets** | **37,364** | 43,738 | 43,189 | 37,971 | 28,069 | 21,756 | 24,330 | 27,127 | 27,578 | 27,713 |
| Non-controlling interests | **(5,693)** | (6,127) | (4,097) | (3,732) | (1,948) | (1,535) | (1,869) | (2,856) | (3,957) | (4,588) |
| **Equity attributable to equity shareholders of the Company** | **31,671** | 37,611 | 39,092 | 34,239 | 26,121 | 20,221 | 22,461 | 24,271 | 23,621 | 23,125 |
| **Total capital[8]** | **48,016** | 52,248 | 44,563 | 45,355 | 39,349 | 33,096 | 29,181 | 30,258 | 32,558 | 35,806 |
| **Cash flows from operations – continuing operations** | **7,729** | 7,370 | 11,498 | 9,924 | 4,904 | 9,579 | 9,375 | 9,012 | 5,963 | 3,857 |
| Cash flows from operations – discontinued operations | **–** | – | – | – | – | – | 470 | 1,045 | 1,302 | 1,434 |
| **Cash flows from operations – total Group** | **7,729** | 7,370 | 11,498 | 9,924 | 4,904 | 9,579 | 9,845 | 10,057 | 7,265 | 5,291 |
| **Dividends received from associates, joint ventures and financial asset investments – continuing operations** | **264** | 348 | 403 | 285 | 639 | 659 | 311 | 251 | 468 | 380 |
| Dividends received from associates, joint ventures and financial asset investments – discontinued operations | **–** | – | – | – | – | – | 52 | 37 | 2 | 16 |
| **Dividends received from associates, joint ventures and financial asset investments – total Group** | **264** | 348 | 403 | 285 | 639 | 659 | 363 | 288 | 470 | 396 |
| **EBITDA/average total capital[8] – total Group** | **19.0%** | 18.3% | 29.7% | 28.3% | 19.1% | 38.0% | 40.8% | 38.8% | 26.2% | 21.3% |
| **Net debt to total capital (gearing)[9]** | **22.2%** | 16.3% | 3.1% | 16.3% | 28.7% | 34.3% | 16.6% | 10.3% | 15.3% | 22.6% |

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 of the Consolidated financial statements for details.

(2) Comparatives for 2006, 2005 and 2004 were adjusted in the 2007 Annual Report to reclassify amounts relating to discontinued operations where applicable.

(3) Underlying earnings is profit attributable to equity shareholders of the Company before special items and remeasurements, and is therefore presented after net finance costs, income tax and non-controlling interests.

(4) Underlying EBITDA is operating profit before special items and remeasurements, depreciation and amortisation in subsidiaries and joint operations and includes attributable share of EBITDA of associates and joint ventures.

(5) Underlying EBITDA interest cover is underlying EBITDA divided by net finance costs, excluding other net financial income, exchange gains and losses on monetary assets and liabilities, unwinding of discount relating to provisions and other liabilities, financing special items and remeasurements, and including attributable share of associates' and joint ventures' net interest expense, which in 2011 resulted in a net finance income and therefore the ratio is not applicable.

(6) Comparatives for 2008, 2007, 2006 and 2005 were adjusted in the 2009 Annual Report in accordance with IAS 1 *Presentation of Financial Statements – Improvements* to reclassify non-hedge derivatives whose expected settlement date was more than one year from the period end from current to non-current.

(7) This differs from the Group's measure of 'Net debt' as it excludes the net cash/(debt) of disposal groups (2013: nil; 2012: $213 million; 2011: nil; 2010: $59 million; 2009: $48 million; 2008: $8 million; 2007: $(69) million; 2006: $(80) million; 2005: nil; 2004: nil) and excludes related hedges (2013: net liabilities of $508 million; 2012: net liabilities of $168 million; 2011: net liabilities of $233 million; 2010: net liabilities of $405 million; 2009: net liabilities of $285 million; 2008: net liabilities of $297 million; 2007: net assets of $388 million; 2006: net assets of $193 million; 2005: nil; 2004: nil). See note 24 of the Consolidated financial statements for further details.

(8) Total capital is net assets excluding net debt.

(9) Net debt to total capital is calculated as net debt (including related hedges and net debt in disposal groups) divided by total capital. Comparatives are presented on a consistent basis.

# ORE RESERVES AND MINERAL RESOURCES

The Ore Reserve and Mineral Resource estimates presented in this Annual Report are prepared in accordance with the Anglo American plc (AA plc) Reporting of Exploration Results, Mineral Resources and Ore Reserves standard. This standard requires that the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition (the JORC Code) be used as a minimum standard. Some Anglo American plc subsidiaries have a primary listing in South Africa where public reporting is carried out in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code). The SAMREC Code is similar to the JORC Code and the Ore Reserve and Mineral Resource terminology appearing in this section follows the definitions in both the JORC (2012) and SAMREC (2007 Edition as amended July 2009) Codes.

The information on Ore Reserves and Mineral Resources was prepared by or under the supervision of Competent Persons as defined in the JORC or SAMREC Codes. All Competent Persons have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking. All the Competent Persons consent to the inclusion in this report of the information in the form and context in which it appears. The names of the Competent Persons are lodged with the Anglo American plc Company Secretary and are available on request.

Anglo American Group companies are subject to a comprehensive programme of reviews aimed at providing assurance in respect of Ore Reserve and Mineral Resource estimates. The reviews are conducted by suitably qualified Competent Persons from within the Anglo American Group, or by independent consultants. The frequency and depth of the reviews is a function of the perceived risks and/or uncertainties associated with a particular Ore Reserve and Mineral Resource, the overall value thereof and time that has lapsed since an independent third party review has been conducted. Those operations/projects subject to independent third party reviews during the year are indicated in footnotes to the tables.

The JORC and SAMREC Codes require the use of reasonable economic assumptions. These include long-range commodity price forecasts which are prepared by in-house specialists largely using estimates of future supply and demand and long term economic outlooks. Ore Reserves are dynamic and are more likely to be affected by fluctuations in the prices of commodities, uncertainties in production costs, processing costs and other mining, legal, environmental, social and governmental factors which may impact the financial condition and prospects of the Group. Mineral Resource estimates also change and tend to be influenced mostly by new information pertaining to the understanding of the deposit and secondly by the conversion to Ore Reserves.

The appropriate Mineral Resource classification is determined by the appointed Competent (or Qualified) Persons. The choice of appropriate category of Mineral Resource depends upon the quantity, distribution and quality of geoscientific information available and the level of confidence in these data.

To accommodate the various factors that are important in the development of a classified Mineral Resource estimate, a scorecard approach can be used. Mineral Resource classification defines the confidence associated with different parts of the Mineral Resource. The confidence that is assigned refers collectively to the reliability of the Grade and Tonnage estimates. This reliability includes consideration for the fidelity of the base data, the geological continuity predicated by the level of understanding of the geology, the likely precision of the estimated grades and understanding of grade variability, as well as various other factors that may influence the confidence that can be placed on the Mineral Resource. Most business units have developed commodity-specific scorecard-based approaches to the classification of their Mineral Resources.

The estimates of Ore Reserves and Mineral Resources are stated as at 31 December 2013. Unless otherwise stated, Mineral Resources are additional to (exclusive of) those resources converted to Ore Reserves and are reported on a dry tonnes basis. The figures in the tables have been rounded and, if used to derive totals and averages, minor differences with stated results could occur. Ore Reserves in the context of this Annual Report have the same meaning as 'Mineral Reserves' as defined by the SAMREC Code and the CIM (Canadian Institute of Mining and Metallurgy) Definition Standards on Mineral Resources and Mineral Reserves.

This section of the Annual Report presenting the Ore Reserve and Mineral Resource estimates, should be considered the only valid source of Ore Reserve and Mineral Resource information for the Anglo American group exclusive of Kumba Iron Ore and Anglo American Platinum which publish their own independent annual reports.

It is accepted that mine design and planning may include some Inferred Mineral Resources. Inferred Mineral Resources in the Life of Mine Plan (LOM Plan) are described as 'Inferred (in LOM Plan)' separately from the remaining Inferred Mineral Resources described as 'Inferred (ex. LOM Plan)', as required. These resources are declared without application of any modifying factors.

The direct legal ownership that Anglo American holds in each operation and project is presented as the Attributable Percentage beside the name of each entity. Operations and projects which fall below the internal threshold for reporting (25% attributable interest) are excluded from the Ore Reserves and Mineral Resources estimates. Operations and projects which were disposed of or for which mining concessions expired during 2013 and hence not reported are: Amapá and Pebble.

In South Africa, the Minerals and Petroleum Resources Development Act, Number 28 of 2002 (MPRDA) was implemented on 1 May 2004, and effectively transferred custodianship of the previously privately held mineral rights to the State.

# **ORE RESERVES AND MINERAL RESOURCES** continued

A Prospecting Right is a new order right issued in terms of the MPRDA that is valid for up to five years, with the possibility of a further extension of three years, that can be obtained either by the conversion of existing Old Order Prospecting Rights or through new applications. An Exploration Right is identical to a Prospecting Right, but is commodity specific in respect of petroleum and gas and is valid for up to three years which can be renewed for a maximum of three periods not exceeding two years each.

A Mining Right is a new order right issued in terms of the MPRDA valid for up to 30 years obtained either by the conversion of an existing Old Order Mining Right, or as a new order right pursuant to the exercise of the exclusive right of the holder of a new order Prospecting Right, or pursuant to an application for a new Mining Right. A Production Right is identical to a Mining Right, but is commodity specific in respect of petroleum and gas.

In preparing the Ore Reserve and Mineral Resource statement for South African assets, Anglo American plc has adopted the following reporting principles in respect of Prospecting Rights and Mining Rights:

Where applications for new order Mining Rights and Prospecting Rights have been submitted and these are still being processed by the relevant regulatory authorities, the relevant Ore Reserves and Mineral Resources have been included in the statement.

Where applications for new order Prospecting Rights have been initially refused by the regulatory authorities, but are the subject of ongoing legal process and discussions with the relevant authorities and where Anglo American plc has reasonable expectations that the Prospecting Rights will be granted in due course, the relevant Mineral Resources have been included in the statement (any associated comments appear in the footnotes).

# ESTIMATED ORE RESERVES[1] (PROVED + PROBABLE)

as at 31 December 2013

Detailed Proved and Probable figures appear in Ore Reserves and Mineral Resources supplement

| KUMBA IRON ORE (See page 29 for details) | | Attributable % | Mine Life | Mining Method | Total Saleable Tonnes | Grade |
|---|---|---|---|---|---|---|
| Kolomela | Hematite | 51.5 | 20 | OP | 200 Mt | 64.4 %Fe |
| Sishen | Hematite | 40.5 | 19 | OP | 622 Mt | 65.3 %Fe |
| Thabazimbi | Hematite | 51.5 | 9 | OP | 9 Mt | 63.0 %Fe |

| IRON ORE BRAZIL (See page 31 for details) | | Attributable % | Mine Life | Mining Method | Total Saleable Tonnes[2] | Grade |
|---|---|---|---|---|---|---|
| Serra do Sapo | Friable Itabirite and Hematite | 100 | 28 | OP | 686 Mt | 67.5 %Fe |

| SAMANCOR MANGANESE (See page 32 for details) | Attributable % | Mine Life | Mining Method | Total ROM Tonnes | Grade |
|---|---|---|---|---|---|
| GEMCO[3] | 40.0 | 12 | OP | 96.5 Mt | 44.5 %Mn |
| Mamatwan[4] | 29.6 | 20 | OP | 68.8 Mt | 37.0 %Mn |
| Wessels | 29.6 | 46 | UG | 68.1 Mt | 42.4 %Mn |

| METALLURGICAL COAL (See page 42 for details) | | Attributable % | Mine Life | Mining Method | Total Saleable Tonnes[5] | Saleable Quality |
|---|---|---|---|---|---|---|
| Callide | Thermal – Domestic | 100 | 23 | OC | 232.6 Mt | 4,350 kcal/kg |
| Capcoal (OC) | Metallurgical – Coking | 77.5 | 23 | OC | 40.8 Mt | 6.0 CSN |
| | Metallurgical – Other | | | | 53.6 Mt | 6,850 kcal/kg |
| | Thermal – Export | | | | 7.1 Mt | 6,220 kcal/kg |
| Capcoal (UG) | Metallurgical – Coking | 70.0 | 11 | UG | 38.2 Mt | 9.0 CSN |
| Dawson | Metallurgical – Coking | 51.0 | 26 | OC | 90.9 Mt | 7.0 CSN |
| | Thermal – Export | | | | 216.1 Mt | 5,130 kcal/kg |
| Drayton | Thermal – Export | 88.2 | 2 | OC | 5.1 Mt | 6,580 kcal/kg |
| Foxleigh | Metallurgical – Other | 70.0 | 6 | OC | 18.0 Mt | 7,050 kcal/kg |
| Moranbah North | Metallurgical – Coking | 88.0 | 19 | UG | 103.6 Mt | 8.0 CSN |
| Trend | Metallurgical – Coking | 100 | 7 | OC | 10.0 Mt | 7.0 CSN |

| THERMAL COAL (See page 55 for details) | | Attributable % | Mine Life | Mining Method | Total Saleable Tonnes[5] | Saleable Quality |
|---|---|---|---|---|---|---|
| Cerrejón | Thermal – Export | 33.3 | 18 | OC | 720.4 Mt | 6,150 kcal/kg |
| Goedehoop | Thermal – Export | 100 | 7 | UG & OC | 33.6 Mt | 6,060 kcal/kg |
| Greenside | Thermal – Export | 100 | 14 | UG | 42.5 Mt | 5,930 kcal/kg |
| Isibonelo | Synfuel | 100 | 14 | OC | 65.2 Mt | 4,690 kcal/kg |
| Kleinkopje | Thermal – Export | 100 | 12 | OC | 15.4 Mt | 6,190 kcal/kg |
| | Thermal – Domestic | | | | 11.9 Mt | 4,580 kcal/kg |
| Kriel | Thermal – Domestic | 73.0 | 12 | UG & OC | 46.1 Mt | 4,730 kcal/kg |
| Landau | Thermal – Export | 100 | 6 | OC | 16.5 Mt | 6,240 kcal/kg |
| | Thermal – Domestic | | | | 6.1 Mt | 4,450 kcal/kg |
| Mafube | Thermal – Export | 50.0 | 18 | OC | 53.7 Mt | 6,060 kcal/kg |
| | Thermal – Domestic | | | | 23.7 Mt | 5,070 kcal/kg |
| New Denmark | Thermal – Domestic | 100 | 25 | UG | 108.6 Mt | 5,120 kcal/kg |
| New Vaal | Thermal – Domestic | 100 | 17 | OC | 286.6 Mt | 3,510 kcal/kg |
| Zibulo | Thermal – Export | 73.0 | 19 | UG & OC | 65.1 Mt | 6,110 kcal/kg |
| | Thermal – Domestic | | | | 19.3 Mt | 4,840 kcal/kg |

| COPPER (See page 68 for details) | | Attributable % | Mine* Life | Mining Method | Total Contained Copper | Tonnes | Grade |
|---|---|---|---|---|---|---|---|
| Collahuasi | Heap Leach | 44.0 | 63 | OP | 40 kt | 7.0 Mt | 0.57 %TCu |
| | Flotation – direct feed | | | | 20,845 kt | 2,105.4 Mt | 0.99 %TCu |
| | Flotation – stockpile | | | | 5,576 kt | 1,166.0 Mt | 0.48 %TCu |
| El Soldado | Flotation | 50.1 | 11 | OP | 773 kt | 87.2 Mt | 0.89 %TCu |
| | Heap Leach | | | | 8 kt | 2.3 Mt | 0.33 %TCu |
| Los Bronces | Flotation | 50.1 | 31 | OP | 8,815 kt | 1,445.4 Mt | 0.61 %TCu |
| | Dump Leach | | | | 1,865 kt | 597.6 Mt | 0.31 %TCu |
| Mantos Blancos | Flotation | 100 | 10 | OP | 376 kt | 48.5 Mt | 0.78 %ICu |
| | Vat & Heap Leach | | | | 71 kt | 15.7 Mt | 0.45 %ASCu |
| | Dump Leach | | | | 83 kt | 36.2 Mt | 0.23 %ASCu |
| Mantoverde | Heap Leach | 100 | 6 | OP | 254 kt | 48.1 Mt | 0.53 %ASCu |
| | Dump Leach | | | | 75 kt | 33.4 Mt | 0.22 %ASCu |

* Mine Life figures reflect the extraction period for scheduled Ore Reserves only as opposed to the Life of Mine figures published in the 2013 Annual Report which include Inferred Resources within the Mine Plan.

# ESTIMATED ORE RESERVES[1] (PROVED + PROBABLE)

as at 31 December 2013

Detailed Proved and Probable figures appear in Ore Reserves and Mineral Resources supplement

| **NICKEL** (See page 81 for details) | | Attributable % | Mine Life | Mining Method | Total Contained Nickel | Tonnes | Grade |
|---|---|---|---|---|---|---|---|
| **Barro Alto** | Saprolite | 100 | 17 | OP | 700 kt | 45.3 Mt | 1.55 %Ni |
| **Niquelândia** | Saprolite | 100 | 23 | OP | 73 kt | 5.6 Mt | 1.30 %Ni |

| **NIOBIUM** (See page 91 for details) | | Attributable % | Mine Life | Mining Method | Total Contained Product | Tonnes | Grade |
|---|---|---|---|---|---|---|---|
| **Boa Vista** | Oxide | 100 | 1 | OP | 14 kt | 1.3 Mt | 1.15 %$Nb_2O_5$ |
| **Mina II** | Oxide | 100 | 1 | OP | 4 kt | 0.4 Mt | 1.16 %$Nb_2O_5$ |
| **Tailings** | Phosphate Tailings | 100 | 18 | | 100 kt | 14.5 Mt | 0.69 %$Nb_2O_5$ |

| **PHOSPHATES** (See page 93 for details) | | Attributable % | Mine Life | Mining Method | Total ROM Tonnes | | Grade |
|---|---|---|---|---|---|---|---|
| **Chapadão** | Oxide | 100 | 20 | OP | 118.1 Mt | | 12.8 %$P_2O_5$ |

| **PLATINUM**[6] (See page 106 for details) | Attributable % | Mine Life | Mining Method | Total Contained PGE | Tonnes | Grade (4E) |
|---|---|---|---|---|---|---|
| **Main Sulphide Zone** | 78.0 | n/a | UG | 6.0 Moz (4E) | 50.7 Mt | 3.69 g/t |
| **Merensky Reef** | | | UG | 11.0 Moz (4E) | 72.3 Mt | 4.72 g/t |
| **Platreef** | | | OP | 141.6 Moz (4E) | 1,635.9 Mt | 2.69 g/t |
| **UG2 Reef** | | | UG | 54.3 Moz (4E) | 407.2 Mt | 4.15 g/t |

| **DIAMONDS**[7] (See page 120 for details) | | Attributable % | LOM[8] | Mining Method | Saleable Carats |
|---|---|---|---|---|---|
| **DBCi – Snap Lake** | Kimberlite | 85.0 | 15 | UG | 6.7 M¢ |
| **DBCi – Victor** | Kimberlite | 85.0 | 5 | OP | 1.7 M¢ |
| **DBCM – Venetia (OP)** | Kimberlite | 62.9 | 31 | OP | 30.1 M¢ |
| **DBCM – Venetia (UG)** | Kimberlite | | | UG | 67.7 M¢ |
| **Debswana – Damtshaa** | Kimberlite | 42.5 | 19 | OP | 4.1 M¢ |
| **Debswana – Jwaneng** | Kimberlite | 42.5 | 18 | OP | 77.3 M¢ |
| **Debswana – Letlhakane** | Kimberlite | 42.5 | 4 | OP | 0.6 M¢ |
| | TMR | 42.5 | 27 | – | 8.9 M¢ |
| **Debswana – Orapa** | Kimberlite | 42.5 | 16 | OP | 89.6 M¢ |
| **Namdeb – Elizabeth Bay** | Aeolian and Marine | 42.5 | 5 | OC | 140 k¢ |
| **Namdeb – Mining Area 1** | Beaches | 42.5 | 10 | OC | 16 k¢ |
| **Namdeb – Orange River** | Fluvial Placers | 42.5 | 10 | OC | 349 k¢ |
| **Namdeb – Atlantic 1** | Marine Placers | 42.5 | 15 | MM | 5,504 k¢ |

Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
LOM = Life of Mine (years) is based on scheduled Probable Reserves including Indicated and some Inferred Resources considered for life of mine planning.
Mining method: OP = Open Pit, UG = Underground, OC = Open Cast/Cut, MM = Marine Mining.

(1) Estimated Total Ore Reserves are the sum of Proved and Probable Ore Reserves (on an exclusive basis, i.e. Mineral Resources are reported as additional to Ore Reserves unless otherwise stated). Please refer to the detailed Business Units/Commodities Ore Reserve estimates tables for the individual Proved and Probable estimates. The Ore Reserve estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012) as a minimum standard. Ore Reserve estimates for operations in South Africa 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, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

(2) Saleable Product tonnes are on a wet basis (average moisture content is 8.0 wt% of the wet mass) with quality stated on a dry basis.

(3) GEMCO Manganese grades are given as per washed ore samples and should be read together with their respective yields.

(4) Mamatwan tonnages stated as wet metric tonnes.

(5) Total Saleable Tonnes represents the product tonnes produced quoted as metric tonnes on a Product moisture basis. The coal quality for Coal Reserves is quoted as either kilo-calories per kilogram (kcal/kg) or Crucible Swell Number (CSN). Kilo-calories per kilogram represent Calorific Value (CV) on a Gross As Received (GAR) basis. Coal quality parameters for the Coal Reserves for Coking, Other Metallurgical and Export Thermal collieries meet the contractual specifications for coking coal, PCI, metallurgical coal, steam coal and domestic coal. Coal quality parameters for the Coal Reserves for Domestic Power and Domestic Synfuels collieries meet the specifications of the individual supply contracts. CV is rounded to the nearest 10 kcal/kg and CSN to the nearest 0.5 index.
Metallurgical – Coking: High-, medium- or low-volatile semi-soft, soft or hard coking coal primarily for blending and use in the steel industry.
Metallurgical – Other: Semi-soft, soft, hard, semi-hard or anthracite coal, other than Coking Coal, such as pulverized coal injection (PCI) or other general metallurgical coal for the export or domestic market with a wider range of properties than Coking Coal.
Thermal – Export: Low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).
Thermal – Domestic: Low- to high-volatile thermal coal primarily for domestic consumption for power generation.
Synfuel: Coal specifically for the domestic production of synthetic fuel and chemicals.

(6) Details of the individual operations appear in the Anglo American Platinum Annual Report.
The figures reported represent 100% of the Ore Reserves attributable to Anglo American Platinum unless otherwise noted.
4E is the sum of Platinum, Palladium, Rhodium and Gold in grammes per tonne (g/t).

(7) DBCi = De Beers Canada, DBCM = De Beers Consolidated Mines, Debswana = Debswana Diamond Company, Namdeb = Namdeb Holdings
k¢ = thousand carats. M¢ = million carats.
Reported Diamond Reserves are based on a Bottom Cut Off (BCO) which refers to the bottom screen size aperture and varies between 1.00mm and 3.00mm (nominal square mesh).

(8) LOM is quoted as Diamonds are reported on an inclusive basis.

# ESTIMATED MINERAL RESOURCES[1] (MEASURED + INDICATED)

as at 31 December 2013

Detailed Proved and Probable figures appear in Ore Reserves and Mineral Resources supplement

| **KUMBA IRON ORE** (See page 29 for details) | | Attributable % | Mining Method | In-situ Tonnes | Grade |
|---|---|---|---|---|---|
| **Kolomela** | Hematite | 51.5 | OP | 64.0 Mt | 63.9 %Fe |
| **Sishen** | Hematite | 40.5 | OP | 438.9 Mt | 60.8 %Fe |
| | Stockpile | | | 30.1 Mt | 51.4 %Fe |
| **Thabazimbi** | Hematite | 51.5 | OP | 10.1 Mt | 62.8 %Fe |

| **IRON ORE BRAZIL** (See page 31 for details) | | Attributable % | Mining Method | In-situ Tonnes[2] | Grade |
|---|---|---|---|---|---|
| **Itapanhoacanga** | Friable Itabirite and Hematite | 100 | – | 148.6 Mt | 41.1 %Fe |
| | Compact Itabirite | | – | 96.6 Mt | 34.3 %Fe |
| **Serra do Sapo** | Friable Itabirite and Hematite | 100 | OP | 417.1 Mt | 32.6 %Fe |
| | Compact Itabirite | | – | 2,830.5 Mt | 31.0 %Fe |
| **Serro** | Friable Itabirite and Hematite | 100 | – | 92.0 Mt | 41.2 %Fe |
| | Compact Itabirite | | – | 281.7 Mt | 32.1 %Fe |

| **SAMANCOR MANGANESE** (See page 32 for details) | Attributable % | Mining Method | In-situ Tonnes | Grade |
|---|---|---|---|---|
| **GEMCO**[3] | 40.0 | OP | 135.2 Mt | 45.6 %Mn |
| **Mamatwan**[4] | 29.6 | OP | 113.1 Mt | 35.0 %Mn |
| **Wessels** | 29.6 | UG | 141.5 Mt | 42.4 %Mn |

| **METALLURGICAL COAL** (See page 43 for details) | Attributable % | Mining Method | In-situ Tonnes[5] | Coal Quality |
|---|---|---|---|---|
| **Callide** | 100 | OC | 525.7 Mt | 4,870 kcal/kg |
| **Capcoal (OC)** | 77.5 | OC | 72.0 Mt | 6,900 kcal/kg |
| **Capcoal (UG)** | 70.0 | UG | 75.0 Mt | 6,760 kcal/kg |
| **Dawson** | 51.0 | OC | 311.1 Mt | 6,660 kcal/kg |
| **Drayton** | 88.2 | OC | 3.8 Mt | 6,960 kcal/kg |
| **Foxleigh** | 70.0 | OC | 6.7 Mt | 7,220 kcal/kg |
| **Moranbah North** | 88.0 | UG | 62.8 Mt | 6,650 kcal/kg |
| **Trend** | 100 | OC | 27.7 Mt | 7,000 kcal/kg |

| **THERMAL COAL** (See page 56 for details) | Attributable % | Mining Method | In-situ Tonnes[6] | Coal Quality |
|---|---|---|---|---|
| **Cerrejón** | 33.3 | OC | 1,074.2 Mt | 6,400 kcal/kg |
| **Goedehoop** | 100 | UG&OC | 234.6 Mt | 5,210 kcal/kg |
| **Greenside** | 100 | UG | 20.1 Mt | 5,630 kcal/kg |
| **Isibonelo** | 100 | OC | 16.3 Mt | 5,390 kcal/kg |
| **Kleinkopje** | 100 | OC | 28.0 Mt | 5,020 kcal/kg |
| **Kriel** | 73.0 | UG&OC | 83.5 Mt | 4,870 kcal/kg |
| **Landau** | 100 | OC | 84.5 Mt | 5,240 kcal/kg |
| **Mafube** | 50.0 | OC | 58.2 Mt | 5,230 kcal/kg |
| **New Denmark** | 100 | UG | 68.7 Mt | 5,800 kcal/kg |
| **Zibulo** | 73.0 | UG&OC | 375.0 Mt | 4,890 kcal/kg |

| **COPPER** (See page 70 for details) | | Attributable % | Mining Method | Contained Copper | Tonnes | Grade |
|---|---|---|---|---|---|---|
| **Collahuasi** | Heap Leach | 44.0 | OP | 281 kt | 43.0 Mt | 0.65 %TCu |
| | Flotation – direct feed | | | 11,229 kt | 1,171.6 Mt | 0.96 %TCu |
| | Flotation – stockpile | | | 1,410 kt | 306.4 Mt | 0.46 %TCu |
| **El Soldado** | Flotation | 50.1 | OP | 689 kt | 97.8 Mt | 0.70 %TCu |
| **Los Bronces** | Flotation | 50.1 | OP | 4,860 kt | 1,211.1 Mt | 0.40 %TCu |
| **Mantos Blancos** | Flotation | 100 | OP | 569 kt | 86.8 Mt | 0.66 %ICu |
| | Vat & Heap Leach | | | 76 kt | 18.2 Mt | 0.42 %ASCu |
| | Dump Leach | | | 21 kt | 12.2 Mt | 0.17 %ASCu |
| **Mantoverde** | Heap Leach | 100 | OP | 159 kt | 40.5 Mt | 0.39 %ASCu |

| **NICKEL** (See page 81 for details) | | Attributable % | Mining Method | Contained Nickel | Tonnes | Grade |
|---|---|---|---|---|---|---|
| **Barro Alto** | Direct Feed | 100 | OP | 215 kt | 16.3 Mt | 1.32 %Ni |
| | Stockpile | | | 95 kt | 7.9 Mt | 1.19 %Ni |
| **Niquelândia** | | 100 | OP | 59 kt | 4.9 Mt | 1.21 %Ni |

# ESTIMATED MINERAL RESOURCES[1] (MEASURED + INDICATED)

as at 31 December 2013

Detailed Proved and Probable figures appear in Ore Reserves and Mineral Resources supplement

| **NIOBIUM** (See page 91 for details) | | Attributable % | Mining Method | Contained Product | Tonnes | Grade |
|---|---|---|---|---|---|---|
| **Boa Vista** | Oxide | 100 | OP | 8 kt | 0.6 Mt | 1.30 %$Nb_2O_5$ |

| **PHOSPHATES** (See page 93 for details) | | Attributable % | Mining Method | Tonnes | | Grade |
|---|---|---|---|---|---|---|
| **Chapadão** | Oxide | 100 | OP | 0.1 Mt | | 13.2 %$P_2O_5$ |

| **PLATINUM**[6] (See page 106 for details) | Attributable % | Mining Method | Contained PGE | Tonnes | Grade (4E) |
|---|---|---|---|---|---|
| **Main Sulphide Zone** | 78.0 | UG | 18.9 Moz (4E) | 138.1 Mt | 4.26 g/t |
| **Merensky Reef** | | UG | 98.8 Moz (4E) | 564.9 Mt | 5.44 g/t |
| **Platreef** | | OP | 64.7 Moz (4E) | 896.0 Mt | 2.24 g/t |
| **UG2 Reef** | | UG | 222.7 Moz (4E) | 1,338.0 Mt | 5.18 g/t |

| **DIAMONDS**[7] (See page 120 for details) | | Attributable % | Mining Method | Carats | Tonnes/Area | Grade |
|---|---|---|---|---|---|---|
| **DBCi – Snap Lake** | Kimberlite | 85.0 | UG | 16.1 M¢ | 9.0 Mt | 178.9 cpht |
| **DBCi – Victor** | Kimberlite | 85.0 | OP | 1.8 M¢ | 9.7 Mt | 18.7 cpht |
| **DBCM – Namaqualand** | Beach and Fluvial | 62.9 | OC | 2.1 M¢ | 19.3 Mt | 10.9 cpht |
| **DBCM – Venetia (OP)** | Kimberlite | 62.9 | OP | 33.4 M¢ | 32.3 Mt | 103.4 cpht |
| **DBCM – Venetia (UG)** | Kimberlite | 62.9 | UG | 94.8 M¢ | 108.0 Mt | 87.8 cpht |
| **Debswana – Damtshaa** | Kimberlite | 42.5 | OP | 6.3 M¢ | 29.3 Mt | 21.5 cpht |
| **Debswana – Jwaneng** | Kimberlite | 42.5 | OP | 73.8 M¢ | 61.8 Mt | 119.5 cpht |
| **Debswana – Letlhakane** | Kimberlite | 42.5 | OP | 4.3 M¢ | 15.3 Mt | 28.4 cpht |
| | TMR | 42.5 | – | 8.6 M¢ | 34.9 Mt | 24.8 cpht |
| **Debswana – Orapa** | Kimberlite | 42.5 | OP | 110.3 M¢ | 155.5 Mt | 70.9 cpht |
| **Namdeb – Douglas Bay** | Aeolian/Deflation | 42.5 | OC | 160 k¢ | 2,269 kt | 7.05 cpht |
| **Namdeb – Elizabeth Bay** | Aeolian/Marine/Deflation | 42.5 | OC | 279 k¢ | 2,491 kt | 11.20 cpht |
| **Namdeb – Mining Area 1** | Beaches | 42.5 | OC | 172 k¢ | 21,270 kt | 0.81 cpht |
| **Namdeb – Orange River** | Fluvial Placers | 42.5 | OC | 503 k¢ | 93,347 kt | 0.54 cpht |
| **Namdeb – Atlantic 1** | Marine | 42.5 | MM | 11,349 k¢ | 126,801 k $m^2$ | 0.09 $cpm^2$ |
| **Namdeb – Midwater** | Aeolian/Fluvial/Marine | 42.5 | MM | 492 k¢ | 2,533 k $m^2$ | 0.19 $cpm^2$ |

Mining method: OP = Open Pit, UG = Underground, OC = Open Cast/Cut, MM = Marine Mining.

(1) Estimated Measured plus Indicated Resources are the sum of the Measured and Indicated Mineral Resources (on an exclusive basis, i.e. Mineral Resources are reported as additional to Ore Reserves unless otherwise stated). Please refer to the detailed Business Units/Commodities Mineral Resource estimates tables for the individual Measured, Indicated and Inferred estimates. The Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012) as a minimum standard. The Mineral Resource estimates for operations in South Africa 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 Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

(2) Tonnes and grades are on a dry basis.

(3) GEMCO Manganese grades are given as per washed ore samples and should be read together with their respective yields.

(4) Mamatwan tonnages stated as wet metric tonnes.

(5) Coal Resources are quoted on a Mineable Tonnes In-Situ (MTIS) basis in million tonnes, which are in addition to those resources that have been modified to produce the reported Coal Reserves. Coal Resources are on an in-situ moisture basis. The coal quality for Coal Resources is quoted on an in-situ heat content as kilo-calories per kilogram (kcal/kg), representing Calorific Value (CV) on a Gross As Received (GAR) basis. CV is rounded to the nearest 10 kcal/kg.

(6) Details of the individual operations appear in the Anglo American Platinum Annual Report. Merensky Reef and UG2 Reef Mineral Resources are estimated over a practical minimum mining width suitable for the deposit known as the 'Resource Cut'. The 'Resource Cut' width takes cognisance of the mining method and geotechnical aspects in the hanging wall or footwall of the reef. The figures reported represent 100% of the Ore Reserves attributable to Anglo American Platinum unless otherwise noted.
4E is the sum of Platinum, Palladium, Rhodium and Gold in grammes per tonne (g/t).

(7) DBCi = De Beers Canada, DBCM = De Beers Consolidated Mines, Debswana = Debswana Diamond Company, Namdeb = Namdeb Holdings
k¢ = thousand carats. M¢ = million carats. k $m^2$ = thousand square metres. Grade is quoted as carats per hundred metric tonnes (cpht) or as carats per square meter ($cpm^2$). Reported Diamond Resources are based on a Bottom Cut Off (BCO) which refers to the bottom screen size aperture and varies between 1.00mm and 3.00mm (nominal square mesh). Diamond Resources are quoted as inclusive of those used to calculate Diamond Reserves and must not be added to the Diamond Reserves.

# DEFINITIONS

## ORE RESERVES

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

## MINERAL RESOURCES

A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

## COMMON TERMINOLOGY

**Deposit**
A deposit is a concentration (or occurrence) of material of possible economic interest, in or on the earth's crust, that may include mineralized material that cannot be estimated with sufficient confidence to be classified in the Inferred category. Portions of a deposit that do not have reasonable and realistic prospects for eventual economic extraction are not included in a Mineral Resource.

**Grade**
The relative quantity, percentage or quality, of a metal or mineral/diamond content estimated to be contained within a deposit.

**Cut-off (grade)**
A grade (see grade units) above which the Mineral Resource or Ore Reserve is reported as being potentially economic.

**Run of Mine (ROM)**
The mined material delivered from the mine to the processing plant is called run-of-mine, or ROM. This is the raw unprocessed mineralised material and includes mineralised rock and varying amounts of internal and external contamination (either unmineralised rock or mineralised material below the cut-off grade). Contamination is usually introduced by the mining process to ensure all the mineralised material is mined or to provide a minimum mining height. ROM material can have highly variable moisture content and maximum particle size.

**Inferred (in LOM Plan)/Inferred (ex. LOM Plan)**
Inferred (in LOM Plan): Inferred Resources within the scheduled Life of Mine Plan (LOM Plan).
Inferred (ex. LOM Plan): The portion of Inferred Resources with reasonable prospects for eventual economic extraction not considered in the Life of Mine Plan (LOM Plan).

**Mine Life**
The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
This is the current view of the period of production based on current Ore Reserve tonnes and average annual planned production rate.

**Life of Mine Plan**
A design and costing study of an existing operation in which appropriate assessments have been made of realistically assumed geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational and all other modifying factors, which are considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified.

# GLOSSARY

### MASS UNITS

**carat:** carat is a unit of mass equal to 0.2g
**kt:** kilotonne; metric system unit of mass equal to 1,000 metric tonnes
**Moz:** million troy ounces (a kilogram is equal to 32.1507 ounces; a troy ounce is equal to 31.1035 grams)
**Mt:** million tonnes, metric system unit of mass equal to 1,000 kilotonnes
**MTIS:** Mineable Tonnage In-Situ; quoted in million tonnes
**mtpa:** million tonnes per annum
**Tonnes:** metric system unit of mass equal to 1,000 kilograms

### GRADE UNITS (expressed on a moisture-free basis)

**ASCu:** Acid soluble copper (%)
**Au:** Gold (g/t)
**cpht:** carats per hundred metric tonnes
**cpm$^2$:** carats per square metre
**CSN:** Crucible Swell Number (CSN is rounded to the nearest 0.5 index)
**CuEq:** Copper equivalent based on long term metal prices taking into consideration the recovery of Copper, Gold and Molybdenum (%)
**CV:** Calorific Value (CV is rounded to the nearest 10 kcal/kg)
**ICu:** Insoluble copper, total copper less acid soluble copper (%)
**kcal/kg:** kilocalories per kilogram
**g/t:** grams per tonne
**k¢:** Thousand carats
**M¢:** Million carats
**TCu:** Total Copper (%)
**4E PGE:** The sum of Platinum, Palladium, Rhodium and Gold grades in grammes per tonne (g/t)
**3E PGE:** The sum of Platinum, Palladium and Gold grades in grammes per tonne (g/t)
**% Cu:** weight percent Copper
**% Fe:** weight percent Iron
**% Mn:** weight percent Manganese
**% Mo:** weight percent Molybdenum
**% Ni:** weight percent Nickel
**% $Nb_2O_5$:** weight percent Niobium pentoxide
**% $P_2O_5$:** weight percent Phosphorus pentoxide

### MINING METHODS

**MM:** Marine Mining – Mining diamonds deposited on the continental shelf using mining vessels equipped with specialised underwater mining tools such as suction drills and crawlers.
**OC:** Open Cast / Cut – A surface mining method performed on orebodies with shallow-dipping tabular geometries.
Beach Accretion is a form of Open Cast mining and is a process through which an existing beach is built seaward to extend into areas previously submerged by sea water. The accretion is accomplished by sand buildup derived from current mining activities.
**OP:** Open Pit – A surface mining method in which both ore and waste are removed during the excavation of a pit. The pit geometry is related to the orebody shape, but tends to have a conical form, closing with depth.
**UG:** Underground – A class of subsurface mining methods, where the ore is accessed either through a vertical shaft or decline. Ore and waste are moved within subsurface excavations, which may be located on several different elevations. The nature of the underground excavations is dependent on the geometry and size of the mineralisation.

### PROCESSING METHODS

**Dump Leach:** A process similar to Heap Leaching, but usually applied to lower grade material. Rather than constructing a heap of material with a controlled grain size, the material grain sizes are as mined, similar to the situation found within a waste rock dump. This material is then irrigated with a leach solution that dissolves the valuable minerals, allowing recovery from the drained leach solution.
**Flotation:** A process for concentrating minerals based on their surface properties. Finely ground mineral is slurried with water and specific reagents that increase the water repellent nature of the valuable mineral and agitated with air. The water repellent mineral grains cling to froth bubbles that concentrate the mineral at the top of the flotation cell, from where it is mechanically removed.
**Heap Leach:** A process in which mineral-bearing rock is crushed and built into a designed heap. The heap is irrigated with a leach solution that dissolves the desirable mineral and carries it into a drain system from which solution is pumped and the mineral/elements of interest are recovered.
**Vat Leach:** A process whereby crushed rock containing valuable minerals is placed within vats. The vats are filled with a leach solution and the valuable mineral(s) dissolve. The leach solution is pumped to a recovery circuit and the vats are drained and emptied of the spent ore and recharged.

# GLOSSARY

## RESOURCE TYPES

**Aeolian:** Diamond deposits created and enriched during transport of sediment through wind action (aeolian processes) resulting in the formation of wind blown dunes, ripples and sand sheets within which localised enrichment of diamonds may occur.

**Banded Iron Formation:** A chemical sedimentary rock consisting of silica and iron oxide. The rock texture is characteristically laminated or banded.

**Beaches:** Diamond deposits enriched through marine processes and preserved along the marine shoreline within a series of fossil terraces.

**Canga:** An iron rich rock formed where material weathered from an original iron ore deposit has been cemented by iron minerals.

**Carbonatite Complex:** A group of overlapping igneous intrusions of alkaline rocks including magmatic carbonate (sövite) rock. These complexes are frequently host to phosphate, niobium and rare-earth element deposits.

**Colluvium:** Loose, unconsolidated material that accumulates above the weathering iron ore bodies.

**Deflation:** Diamond deposits enriched through wind driven removal of light particles resulting in concentration of diamonds.

**Ferruginous Laterite:** An especially iron-rich laterite.

**Fluvial Placer:** Diamond deposits formed and preserved within fossil sand and gravel terraces located adjacent to contemporary fluvial (river) systems.

**Fresh Rock:** Mineable material that has not been significantly modified by surface weathering processes.

**Hematite:** An iron oxide mineral with the chemical formula $Fe_2O_3$.

**Itabirite (Friable/Compact):** Itabirite is a banded quartz hematite schist, very similar to banded iron formation in appearance and composition. Friable Itabirite is extensively weathered leading to disaggregation of the individual mineral grains comprising the rock. Compact Itabirite, previously known as Hard Itabirite, is the unweathered equivalent.

**Kimberlite:** A potassic ultrabasic volcanic rock, emplaced as either pipes, dykes or sills, which sometimes contain diamonds.

**Laterite:** A claylike soil horizon rich in iron and aluminium oxides that formed by weathering of igneous rocks under tropical conditions.

**Magnetite:** An iron oxide mineral with the chemical formula $Fe_3O_4$.

**Main Sulphide Zone (MSZ):** The Main Sulphide Zone is the principal host of Platinum Group Metals within the Great Dyke of Zimbabwe. The Main Sulphide Zone is a tabular zone of sulphide-bearing rock within the uppermost P1 Pyroxenite.

**Marine:** Submerged diamond deposits enriched through fluvial (river), beach and marine reworking processes.

**Merensky Reef (MR):** One of the three major Platinum Group Metals bearing units within the Bushveld Complex. The Merensky Reef is located within the Upper Critical Zone of the Bushveld Complex and ranges in width from 0.8m to 4m. The Merensky Reef occurs at the interface between the Merensky Pyroxenite and the underlying anorthosite to norite. The Merensky Reef is characterised by the occurrence of one or more narrow chromitite stringers and frequently includes a coarse-grained pegmatoidal pyroxenite.

**Oxide:** Oxide ores are those found within close proximity to surface and whose mineralogy is dominated by oxidised species, including oxides and sulphates. Frequently, silicate minerals have broken down partially or completely to clay-rich species.

**Platreef (PR):** The Platreef is only present within the Northern Limb of the Bushveld Complex, in the vicinity of Polokwane, South Africa. The Platreef is a heterogenous unit dominated by felspathic pyroxenite, but including serpentinised pyroxenites and xenoliths of footwall rock. The Platreef dips steeply to the west and ranges in thickness between 60m and 200m. Platinum Group Metal mineralisation occurs disseminated within the Platreef and in frequent association with base-metal sulphides.

**Pocket Beach:** Diamond deposits formed due to interactions of ocean (longshore) currents with specific shoreline topographic features that facilitate the concentration of diamonds.

**Porphyry (Copper):** Large copper deposits hosted by intermediate felsic rocks. These deposits form close to large-scale subduction zones.

**Saprolite:** Clay-rich rock formed by decomposition of pre-existing rocks within a surface weathering environment.

**Stockpile:** Stockpiles resources comprise material that is mined together with the principal ore, but for economic or technical reasons is not processed. This material is stockpiled in preparation for processing when economic or technical conditions are more favourable.

**Sulphide:** Sulphide ores contain sulphide minerals that have not been subjected to surface oxidation.

**Tailings:** Material left over after the process of separating the valuable fraction of the mineralised material from the uneconomic fraction (gangue) of the run-of-mine. In some cases tailings can be re-treated to extract by-products.

**UG2 Reef (UG2):** The UG2 Reef is located between 20m and 400m below the Merensky Reef and is the second chromitite unit within the Upper Group. The UG2 is typically a massive chromitite unit ranging in thickness from 0.6m to 1.2m. The hanging wall of the UG2 is a felspathic pyroxenite unit that may include several narrow chromitite stringers. The footwall of the UG2 is a coarse-grained pegmatoidal pyroxenite.

## COAL PRODUCTS

**Metallurgical – Coking:** High-, medium- or low-volatile semi-soft, soft or hard coking coal primarily for blending and use in the steel industry; quality measured as Crucible Swell Number (CSN).

**Metallurgical – Other:** Semi-soft, soft, hard, semi-hard or anthracite coal, other than Coking Coal, such as pulverized coal injection (PCI) or other general metallurgical coal for the export or domestic market with a wider range of properties than Coking Coal; quality measured by calorific value (CV).

**Thermal – Export:** Low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).

**Thermal – Domestic:** Low- to high-volatile thermal coal primarily for domestic consumption for power generation; quality measured by calorific value (CV).

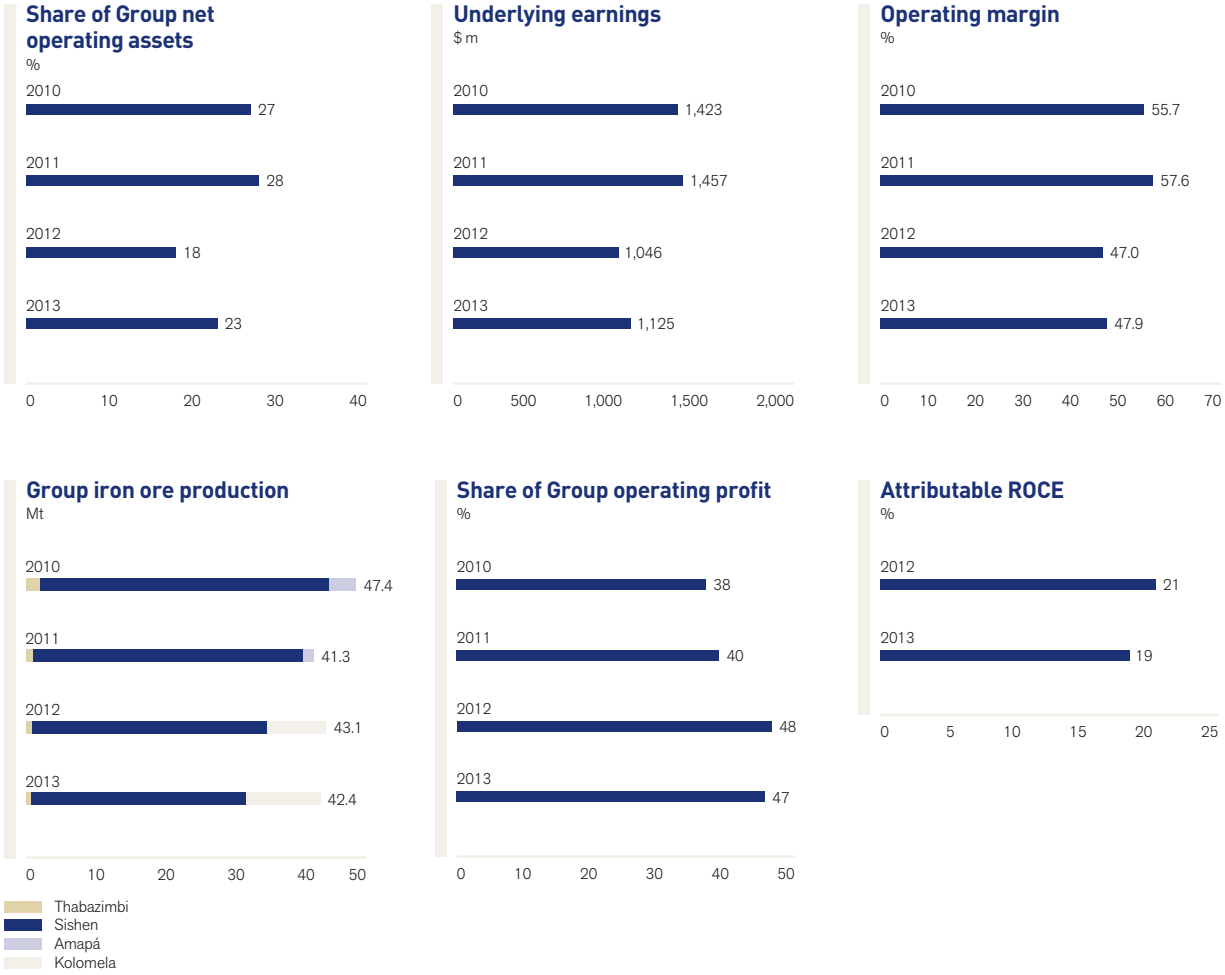
**Synfuel:** Coal specifically for the domestic production of synthetic fuel and chemicals; quality measured by calorific value (CV).

# 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 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 3% over the next three years.

## FINANCIAL HIGHLIGHTS[1]




[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 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Total turnover** | **6,517** | **6,403** | **7,643** | **6,612** |
| Of which: | | | | |
| Kumba Iron Ore | **5,643** | 5,572 | 6,717 | 5,310 |
| Iron Ore Brazil | **–** | – | – | 319 |
| Samancor | **874** | 831 | 926 | 983 |
| Projects and corporate | | – | – | – |
| **EBITDA** | **3,390** | **3,262** | **4,586** | **3,856** |
| Of which: | | | | |
| Kumba Iron Ore | **3,266** | 3,239 | 4,640 | 3,514 |
| Iron Ore Brazil | **(27)** | (1) | (137) | (73) |
| Samancor | **258** | 153 | 198 | 415 |
| Projects and corporate | **(107)** | (129) | (115) | – |
| **Depreciation and amortisation** | **271** | **251** | **186** | **175** |
| **Operating profit before special items and remeasurements** | **3,119** | **3,011** | **4,400** | **3,681** |
| Of which: | | | | |
| Kumba Iron Ore | **3,047** | 3,042 | 4,491 | 3,396 |
| Iron Ore Brazil | **(31)** | (5) | (141) | (97) |
| Samancor | **210** | 103 | 165 | 382 |
| Projects and corporate | **(107)** | (129) | (115) | – |
| Operating special items and remeasurements | **(435)** | (5,139) | (79) | 356 |
| **Operating profit after special items and remeasurements** | **2,684** | **(2,128)** | **4,321** | **4,037** |
| **Net interest, tax and non-controlling interests** | **(1,994)** | **(1,965)** | **(2,943)** | **(2,258)** |
| **Underlying earnings** | **1,125** | **1,046** | **1,457** | **1,423** |
| Of which: | | | | |
| Kumba Iron Ore | **1,171** | 1,107 | 1,534 | 1,210 |
| Iron Ore Brazil | **(51)** | (43) | (130) | (77) |
| Samancor | **92** | 83 | 144 | 290 |
| Projects and corporate | **(87)** | (101) | (91) | – |
| **Net operating assets** | **11,034** | **9,138** | **12,427** | **11,701** |
| **Capital expenditure** | **2,517** | **2,139** | **1,659** | **1,195** |

(1) In 2012 Amapá was 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**
(2012: $3,011 m)

**$3,119 m**

**SHARE OF GROUP UNDERLYING OPERATING PROFIT**
(2012: 48%)

**47%**

**UNDERLYING EBITDA**
(2012: $3,262 m)

**$3,390 m**

## Key financial and non-financial performance indicators

| $ million (unless otherwise stated) | 2013 | 2012[1] |
|---|---|---|
| Underlying operating profit | **3,119** | 3,011 |
| Kumba Iron Ore | **3,047** | 3,042 |
| Iron Ore Brazil | **(31)** | (5) |
| Samancor | **210** | 103 |
| Projects and Corporate | **(107)** | (129) |
| Underlying EBITDA | **3,390** | 3,262 |
| Capital expenditure | **2,517** | 2,139 |
| Share of Group underlying operating profit | **47%** | 48% |
| Attributable return on capital employed | **19%** | 21% |

| Non-financial indicators[2] | 2013 | 2012 |
|---|---|---|
| Number of fatal injuries | | |
| Kumba Iron Ore | **0** | 2 |
| Iron Ore Brazil | **0** | 0 |
| Lost-time injury frequency rate | | |
| Kumba Iron Ore | **0.18** | 0.10 |
| Iron Ore Brazil | **0.005** | 0.01 |
| Total energy consumed in 1,000 GJ | | |
| Kumba Iron Ore | **9,340** | 7,607 |
| Iron Ore Brazil | **1,062** | 713 |
| Total greenhouse gas emissions in 1,000 tonnes $CO_2e$ | | |
| Kumba Iron Ore | **1,084** | 945 |
| Iron Ore Brazil | **78** | 52 |
| Total water used consumed in 1,000 $m^3$ | | |
| Kumba Iron Ore | **10,648** | 10,038 |
| Iron Ore Brazil | **1,461** | 895 |

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 of the financial statements for details.
(2) Certain non-financial indicators relating to 2012 have been revised due to change requests made by the operations subsequent to the publication of the 2012 annual report.

# **BUSINESS OVERVIEW** continued

Our Iron Ore portfolio is based in South Africa and Brazil.

In South Africa, we have a 69.7% shareholding in Kumba Iron Ore Limited (Kumba), a leading supplier of seaborne iron ore.

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 63:37. In 2013 Kumba held a 73.9% interest in and manages Sishen Iron Ore Company (Pty) Ltd (SIOC) which, in turn, has three mining operations – Sishen mine in the Northern Cape Province, which produced 30.9 million tonnes (Mt) of iron ore in 2013; Kolomela mine, situated close to Sishen mine, which produced 10.8 Mt; and Thabazimbi mine in Limpopo province, with an output of 0.6 Mt.

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

Kumba is well positioned to supply the growing Asia-Pacific and European steel markets. In 2013, the company exported 89% of its total iron ore sales volumes of 43.7 Mt, with 68% of these exports destined for China and the remainder for Europe, Japan and South Korea.

In Brazil, we are developing the Minas-Rio project (composed of Iron Ore Brazil's 100% share in Anglo American Minerío de Ferro Brasil, and its 49% holding in LLX Minas-Rio, which owns the iron ore facility currently under construction at the port of Açu. On 8 January 2014, an additional 1% of LLX Minas-Rio was acquired, in line with contract rights resulting from the partner's change of control). The project is located in the states of Minas Gerais and Rio de Janeiro and will include an open pit mine and beneficiation plant in Minas Gerais, producing high grade pellet feed. The ore will be transported through a 525 kilometre slurry pipeline to the port of Açu in Rio de Janeiro state. The current mine plan is to produce 26.5 Mtpa (wet basis) of saleable product for 28 years, at an average quality of 67.5% Fe.

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.

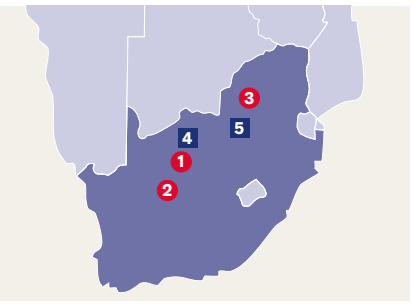
# OUR IRON ORE AND MANGANESE OPERATIONS

**Key**
- Open cut
- Port
- Other

## South Africa

Kumba operates three mines – Sishen and Kolomela in the Northern Cape, and Thabazimbi mine in Limpopo.

Samancor Manganese is the world's largest producer of seaborne manganese ore and is among the top global producers of manganese alloy.




| | | |
|---|---|---|
| 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 | 50% | 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 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

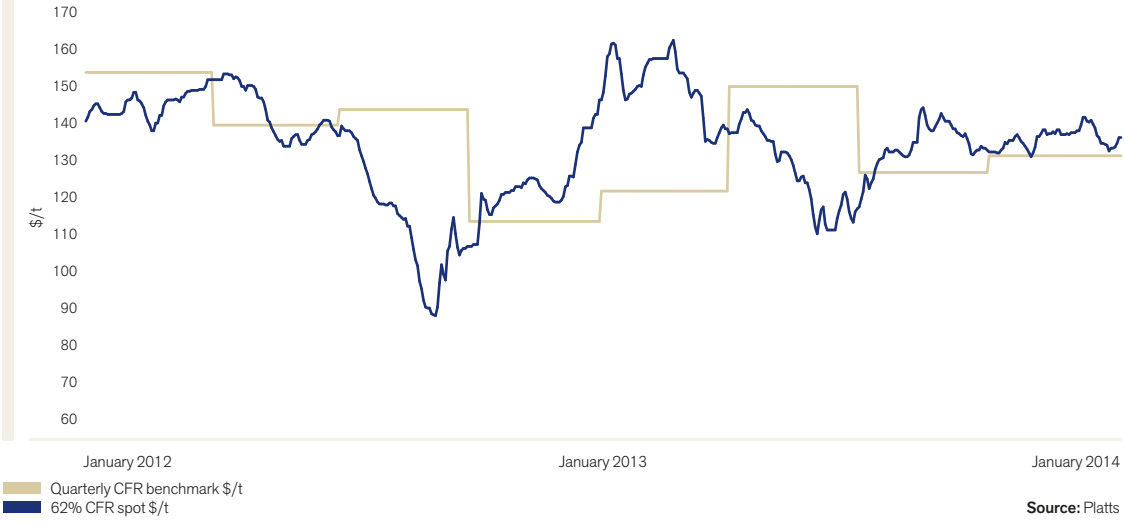
The global steel and iron ore markets have generally been stable in 2013, and better than anticipated. An increase in global steel production of 3% to 1,582 Mt (2012: 1,529 Mt), supported demand for iron ore. Sustained government infrastructure expenditure in East Asia, as well as steel mill restocking prior to the winter season, assisted this rise. China, the main producer of steel worldwide, increased its production by an unexpectedly strong 7% to 779 Mt (2012: 731 Mt). Growth in Japan and South Korea was also above expectations, and Europe stabilised during the year, which supported global demand.

Seaborne iron ore supplies increased by 10% to 1,324 Mt (2012: 1,208 Mt), as the increase from Australia more than compensated for lower supplies from India and flat exports from Brazil.

Iron ore prices were strong and averaged 4% higher at $135/tonne (Platts 62% Fe CFR China) (2012: $130/tonne). Index prices reached a high of $160/tonne in February 2013, but fell to a low of $110/tonne in May 2013, before stabilising at around $135/tonne towards the end of the year. Kumba's pricing mechanism continued to evolve, with prices in China now mostly based on index values around the discharge date. In other markets, Kumba largely continues to use a quarterly pricing mechanism.

# MARKET INFORMATION

## Platts 62% Fe CFR China




**Source:** Platts

## 2013 Iron ore demand

Global 1,149 Mt (100% Fe)

| | | % |
|---|---|---|
| China | 644 | 56 |
| Japan and Rest of Asia | 138 | 12 |
| Europe | 92 | 8 |
| CIS | 83 | 7 |
| India | 69 | 6 |
| North America | 50 | 5 |
| South America | 38 | 3 |
| Rest of World | 35 | 3 |
| **Total** | **1,149** | **100** |

**Source:** Anglo American Commodity Research

## 2013 Iron ore production

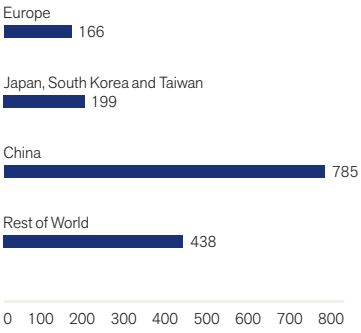
Global 1,149 Mt (100% Fe)

| | | % |
|---|---|---|
| Australia | 357 | 31 |
| South America | 278 | 24 |
| China | 153 | 13 |
| CIS | 114 | 10 |
| India | 77 | 7 |
| North America | 63 | 6 |
| Rest of World | 59 | 5 |
| Europe | 48 | 4 |
| **Total** | **1,149** | **100** |

**Source:** Anglo American Commodity Research

## 2013 Global crude steel production

Mt




**Source:** World Steel Association

# STRATEGY

Anglo American's strategy is 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 the efficiency of its processes and business improvement programmes. The company captures value across the value chain through its commercial and logistics strategies and by executing its growth projects efficiently, while continuing to deliver on its organisational responsibilities, capabilities and societal obligations.

The company plans to grow its business organically in the short to medium term within the present logistical constraints and, in the longer term, evaluating the possibility of establishing a second footprint in West and Central Africa.

Minas-Rio will capture a significant part of the pellet feed market, with its premium product featuring high iron content and low contaminants. It will produce 26.5 million tonnes per annum (Mtpa), and is scheduled to begin its ramp up at the end of 2014.

Attributable capital expenditure for the Minas-Rio project is $8.8 billion, with cash unit costs in a competitive position in the lower half of the global seaborne iron ore cost curve.

## Projects

### Kumba Iron Ore

Kumba aims to capitalise on its current mining right holdings and existing infrastructure to develop and sustain a project pipeline that enables a return to optimal levels of production, maintenance of these levels and growth in accordance with the needs of the market.

Kumba is focused on restoring Sishen mine to its full capacity but is also looking to facilitate the expansion of Sishen mine to the west. A comprehensive feasibility study has been completed for the relocation of the Dingleton community and the company has engaged in an extensive consultation process with interested and affected parties, the community and the relevant government departments. The plan to resettle the community in the town of Kathu in the Northern Cape Province is expected to cost an estimated $457 million (nominal) over a four to six year period.

At Kolomela, technical studies have confirmed the mine's capacity at 10 Mtpa, 1 Mtpa above its original design capacity. Kumba is currently studying opportunities for further incremental expansion of Kolomela's production.

Significant progress has been made in the progression of the Sishen Western Expansion Project (SWEP). Project development remains within budget, and construction activities have been completed. A major milestone in the development of the project was the relocation of the Transnet railway line from its previous position to the west of the current Sishen pit, to the far western extent of the SIOC property. The relocation of the railway line was completed in May 2013.

As a consequence of Transnet having previously held the surface rights over the SWEP rail properties, the rail properties were excluded from the Sishen Mining Right area. SIOC applied to the DMR to obtain the necessary rights in relation to the rail properties, which were granted by the DMR on 11 February 2014. The granting of the mining right gives SIOC access to approximately 33% of the Sishen reserve included in SIOC's Life of Mine plan which is located on either side of the affected area. This portion of the reserve, which had been classified as probable, can now be reclassified as proven. SIOC will accordingly proceed with the implementation of its mining plan and will start waste stripping in the affected area from the second half of 2014.

# **STRATEGY** continued

**Iron Ore Brazil**
Construction of the 26.5 Mtpa Minas-Rio iron ore project continues in line with the revised plan announced in 2012. By the end of 2013, the project was 84% complete overall and is on schedule to deliver first ore on ship at the end of 2014.

The main schedule risks identified at the end of 2012 have been resolved and over the past year significant construction and operational progress has been made.

Highlights during 2013 include:

- the mine's cave suppression permit was granted in March and mine access approved in May, allowing stripping of surface overburden to be completed;
- land release for the 230 kV transmission line was obtained, and the transmission line has been completed, ahead of schedule;
- closure of the tailings dam was achieved in April, as planned, and the dam is near completion;
- the pipeline and land-access permits were obtained on schedule and 481 kilometres of pipe (representing 91% of the total 525 kilometre length) had been installed by the end of 2013;
- no outstanding permits or licences now impede the construction process, while good progress is being made in converting the installation permits to operating licences;
- the beneficiation plant is 83% complete. Civil engineering work has finished on the first ball mill and primary crusher, while the long-distance conveyor belt is almost assembled;
- assembly of the shiploader at Açu is 96% complete and caissons are being placed in position for the 2,624 metre-long breakwater.

Potential risks for 2014 are being addressed and mainly relate to manpower availability to complete construction activities at the beneficiation plant and the completion of the breakwater.

Capital expenditure remains in line with the previously announced cost of $8.8 billion, including a centrally held contingency of $600 million. To date, $5.6 billion has been spent on the project and it is envisaged that $3.2 billion (inclusive of the $600 million contingency) will need to be spent in order to deliver the project.

**Samancor**
The $279 million GEEP2 project (Anglo American's 40% share: $112 million) was delivered, on schedule and budget, in the third quarter of 2013. The project 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 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 $91 million (100% basis) high carbon ferromanganese furnace at the Metalloys smelter in South Africa was delivered, on schedule and budget, in the first quarter of 2013. The project will add an additional 130,000 tonnes of capacity per year.

# PROJECT PIPELINE – KEY PROJECTS

**Key**
- Open cut
- Port

## Minas-Rio phase 1 (approved)

**Overall capex: $8.8bn[1]**

**Country**
Brazil

**Ownership**
100%

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

**Full project capex**
$8.8bn[1]

**First production**
End of 2014

The Minas-Rio project is located in the states of Minas Gerais and Rio de Janeiro and will include an open pit mine and beneficiation plant in Minas Gerais, producing high grade pellet feed. The ore will be transported through a 525-km slurry pipeline to the port of Açu in Rio de Janeiro state. The current mine plan is to produce 26.5 Mtpa (wet basis) of saleable product for 28 years, at an average quality of 67.5% Fe.

Construction of the project continues in line with the revised plan announced in 2012. By the end of 2013, the project was 84% complete overall and is on schedule to deliver first ore on ship at the end of 2014.

## Kolomela Expansion Project (unapproved)

**Overall capex: TBD**

**Country**
South Africa

**Ownership[2]**
52%

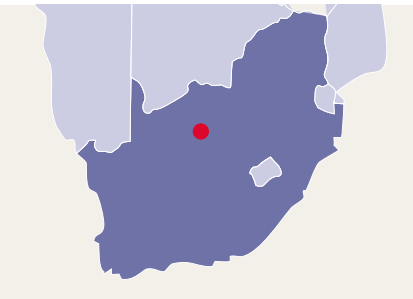
**Incremental production**
~5 Mtpa iron ore

**Full project capex**
TBD

**First production**
TBD

A brownfield expansion of the current Kolomela mine to support a sustainable production throughput to the maximum potential of the current LOM direct shipping ore resources. This project will be executed in two phases, with phase 1 currently in pre-feasibility, and feasibility study phase planned to commence in 2015.

The total potential production for the two phases of the project is ~5Mtpa.



## Project Infinity (unapproved)

**Overall capex: TBD**

**Country**
South Africa

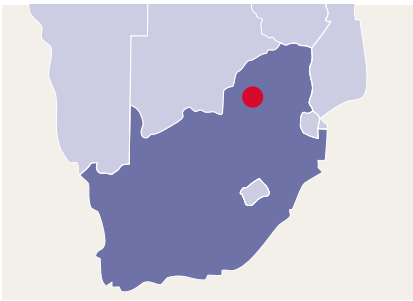
**Ownership[2]**
52%

**Incremental production**
~1Mtpa iron ore

**Full project capex**
TBD

**First production**
TBD

Project Infinity is the integration of Project Phoenix into Thabazimbi mine. Retro-fitment and additions to the Thabazimbi process plant are expected to increase Thabazimbi's production to 2Mtpa. This project is currently in feasibility phase.



[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.
[2] Kumba Iron Ore owns 74% of Sishen, Kolomela and Thabazimbi. Anglo American plc through its 70% ownership in Kumba effectively owns 52% of Sishen Iron Ore Company.

# PRODUCTION DATA

| | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Kumba Iron Ore – tonnes** | | | | |
| Lump | **25,496,000** | 26,580,500 | 25,445,100 | 25,922,300 |
| Fines | **16,877,100** | 16,484,600 | 15,822,500 | 17,462,600 |
| **Total iron ore production for Kumba Iron Ore** | **42,373,100** | **43,065,100** | **41,267,600** | **43,384,900** |
| | | | | |
| **Samancor[1] – tonnes** | | | | |
| Manganese ore | **3,301,700** | 3,347,800 | 2,786,600 | 2,952,800 |
| Manganese alloy[2] | **251,100** | 198,400 | 300,500 | 312,000 |

(1) Saleable production.
(2) Production includes Medium Carbon Ferro Manganese.

# IRON ORE

estimates as at 31 December 2013

## 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%. Detailed information appears in the Kumba Iron Ore Limited Annual Report. Rounding of figures may cause computational discrepancies.

| Kumba Iron Ore – Operations ORE RESERVES | Attributable % | Mine Life | Classification | ROM Tonnes 2013 | ROM Tonnes 2012 | Grade 2013 | Grade 2012 | Saleable Product 2013 Mt | Saleable Product 2013 %Fe | Saleable Product 2012 Mt | Saleable Product 2012 %Fe |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Kolomela (OP)**[1] | 51.5 | 20 | | Mt | Mt | %Fe | %Fe | Mt | %Fe | Mt | %Fe |
| Hematite | | | Proved | 101.3 | 107.6 | 64.4 | 64.8 | 101 | 64.4 | 107 | 64.8 |
| | | | Probable | 98.7 | 102.0 | 64.5 | 64.0 | 99 | 64.5 | 102 | 64.0 |
| | | | **Total** | **200.0** | **209.5** | **64.4** | **64.4** | **200** | **64.4** | **209** | **64.4** |
| **Sishen (OP)**[2] | 40.5 | 19 | | | | %Fe | %Fe | | | | |
| Hematite | | | Proved | 428.9 | 642.9 | 59.2 | 59.4 | 311 | 65.4 | 485 | 65.3 |
| | | | Probable | 435.1 | 276.0 | 59.1 | 58.8 | 311 | 65.1 | 201 | 65.0 |
| | | | **Total** | **864.1** | **918.9** | **59.1** | **59.2** | **622** | **65.3** | **686** | **65.2** |
| **Thabazimbi (OP)**[3] | 51.5 | 9 | | | | %Fe | %Fe | | | | |
| Hematite | | | Proved | 0.5 | 0.4 | 62.2 | 61.1 | 0 | 64.4 | 0 | 62.9 |
| | | | Probable | 10.8 | 9.0 | 60.4 | 60.6 | 8 | 62.9 | 7 | 62.9 |
| | | | **Total** | **11.3** | **9.5** | **60.5** | **60.6** | **9** | **63.0** | **7** | **62.9** |

| Kumba Iron Ore – Operations MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 |
|---|---|---|---|---|---|---|
| **Kolomela (OP)**[4] | 51.5 | | Mt | Mt | %Fe | %Fe |
| Hematite | | Measured | 21.9 | 43.3 | 64.9 | 64.9 |
| | | Indicated | 42.0 | 17.0 | 63.4 | 65.2 |
| | | **Measured and Indicated** | **64.0** | **60.3** | **63.9** | **65.0** |
| | | Inferred (in LOM Plan) | 50.1 | 50.5 | 64.2 | 64.2 |
| | | Inferred (ex. LOM Plan) | 45.0 | 55.7 | 63.3 | 62.8 |
| | | **Total Inferred** | **95.2** | **106.2** | **63.8** | **63.5** |
| **Sishen (OP)**[5] | 40.5 | | | | %Fe | %Fe |
| Hematite | | Measured | 295.2 | 315.1 | 62.1 | 61.0 |
| | | Indicated | 143.7 | 137.3 | 58.1 | 58.4 |
| | | **Measured and Indicated** | **438.9** | **452.4** | **60.8** | **60.2** |
| | | Inferred (in LOM Plan) | 21.6 | 24.7 | 53.1 | 56.0 |
| | | Inferred (ex. LOM Plan) | 51.8 | 67.7 | 55.7 | 55.0 |
| | | **Total Inferred** | **73.5** | **92.5** | **54.9** | **55.3** |
| Stockpile | | Measured | 7.3 | 52.2 | 53.1 | 58.1 |
| | | Indicated | 22.8 | 11.9 | 50.8 | 57.7 |
| | | **Measured and Indicated** | **30.1** | **64.2** | **51.4** | **58.0** |
| | | Inferred | – | 3.2 | – | 56.7 |
| **Thabazimbi (OP)**[6] | 51.5 | | | | %Fe | %Fe |
| Hematite | | Measured | 0.3 | 0.2 | 64.0 | 62.5 |
| | | Indicated | 9.8 | 10.4 | 62.8 | 62.5 |
| | | **Measured and Indicated** | **10.1** | **10.7** | **62.8** | **62.5** |
| | | Inferred (in LOM Plan) | 1.6 | 2.8 | 59.7 | 60.7 |
| | | Inferred (ex. LOM Plan) | 4.6 | 8.2 | 62.9 | 62.8 |
| | | **Total Inferred** | **6.2** | **11.1** | **62.1** | **62.3** |

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

| Kumba Iron Ore – Projects MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Grade 2013 | Grade 2012 |
|---|---|---|---|---|---|---|---|---|
| **Zandrivierspoort**[7] | 25.8 | | Mt | Mt | %Fe | %Fe | $\%Fe_3O_4$ | $\%Fe_3O_4$ |
| Magnetite and Hematite | | Measured | 107.0 | 132.9 | 34.7 | 35.0 | 41.5 | 31.9 |
| | | Indicated | 206.4 | 177.9 | 34.4 | 34.5 | 42.5 | 27.5 |
| | | **Measured and Indicated** | **313.4** | **310.8** | **34.5** | **34.7** | **42.2** | **29.4** |
| | | Inferred | 162.7 | 64.5 | 34.5 | 34.2 | 38.1 | 23.6 |

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.
Stockpile material is required to be blended to achieve suitable product specifications.

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.

Audits related to the generation of the Ore Reserve and Mineral Resource estimates were carried out by independent consultants during 2013 at Sishen and Zandrivierspoort.

# IRON ORE

estimates as at 31 December 2013

(1) **Kolomela – Ore Reserves:** Ore Reserves are reported above a cut-off of 42.0 %Fe inclusive of dilution. The decrease is primarily due to production. The Mine Life decreases due to a higher planned annual production rate.

(2) **Sishen – Ore Reserves:** Ore Reserves are reported above a cut-off of 40.0 %Fe inclusive of dilution. The decrease is primarily due to production as well as a decrease in the JIG reserve (ferruginised Shale material occurring in the hanging wall of the main Hematite ore zone) due to revised resource estimation methods. The decrease in JIG reserves is offset by geological model updates following additional infill drilling. Re-classification of Proved to Probable Ore Reserves took place pending grant of the Mining Right (applied for in 2013) beneath the Railway Properties potentially impacting Ore Reserves underneath and West of the Railway Properties.

(3) **Thabazimbi – Ore Reserves:** Ore Reserves are reported above a cut-off of 54.3 %Fe inclusive of dilution. The increase is due to the conversion of additional Measured and Indicated Mineral Resources to Ore Reserves as a result of additional drilling information which offsets production. The Mine Life increases due to a lower planned annual production rate as well as the increase in Ore Reserves.

(4) **Kolomela – Mineral Resources:** Mineral Resources are reported above a cut-off of 50.0 %Fe. The decrease is due to additional drilling which was used to refine the geological model of the Ploegfontein orebody. The re-classification of Measured to Indicated Resources is the result of a refined classification methodology which places more weight on sample representivity.

(5) **Sishen – Mineral Resources:** Mineral Resources are reported above a cut-off of 40.0 %Fe. The decrease is mainly due to a revision of the Shale and Flagstone Mineral Resource estimation and classification.
Stockpile material is considered as eventually economically extractable as local grade variations not identified by the grade estimation may result in this material becoming part of the run-of-mine blend to be converted into Saleable Product. The Stockpile Resource estimates decrease due to a portion of this material now included in the Life of Mine Plan.

(6) **Thabazimbi – Mineral Resources:** Mineral Resources are reported above a cut-off of 55.0 %Fe. The decrease can primarily be attributed to the revision of estimation methods applied at Donkerpoort Nek, where excessive extrapolation beyond borehole data has been addressed.

(7) **Zandrivierspoort:** The Zandrivierspoort Project Mineral Resources are reported above a cut-off of 21.7 %Fe. The increase is due to updated long-term forward looking price assumptions which aligns the Zandrivierspoort Project with the Kumba mining operations.

**Assumption with respect to Mineral Tenure**

**Sishen:** On 21 December 2011, the South African High Court ruled that Sishen Iron Ore Company (SIOC), the operating company of Kumba Iron Ore, was the exclusive holder of mineral rights for iron ore and quartzite on the mining rights area where the Sishen Mine is situated. The High Court accordingly set aside the grant of the prospecting right granted by the Department of Mineral Rights (DMR) to Imperial Crown Trading 289 (Pty) Ltd (ICT). Both the DMR and ICT lodged an appeal to the Supreme Court of Appeal (SCA) against the ruling by the High Court, which appeal was heard by the SCA on 19 February 2013.

On 28 March 2013 the SCA dismissed the appeals as lodged by 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, after AMSA failed to convert its undivided share of the old order mining right. On 23 April 2013, both ICT and the DMR had lodged applications for leave to appeal against the SCA judgment to the Constitutional Court (CC). The CC hearing was held on 3 September 2013.

On 12 December 2013, the CC granted the DMR's appeal in part against the SCA judgment. In a detailed judgment, the CC clarified that SIOC, when it lodged its application for conversion of its old order right, converted only the right it held at that time (being a 78.6% undivided share in the Sishen mining right). The CC further held that AMSA retained the right to lodge its old order right (21.4% undivided share) for conversion before midnight on 30 April 2009, but failed to do so. As a consequence of such failure by AMSA, the 21.4% undivided right remained available for allocation by the DMR.

The Constitutional Court ruled further that, based on the provisions of the Mineral and Petroleum Resources Development Act (the MPRDA), SIOC is the only party competent to apply for and be granted the residual (21.4%) mining right. SIOC therefore has a legitimate expectation for the grant of the 21.4% mining right, based on the finding by the Constitutional Court that SIOC is the only entity capable of applying for, and being granted, the residual right, however, at the time of reporting the right has not yet been granted and therefore the reduction in SIOC's attributable shareholding from 100% to 78.6% thus reducing the AA plc attributable interest to 40.5%.

# IRON ORE

estimates as at 31 December 2013

## 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, 2012) 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 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 at Serra do Sapo is being considered for Phase 1 of the Minas-Rio project. The planned annual capacity of Phase 1 is 26.5 Mtpa of iron ore pellet feed (wet tonnes). Execution of this project remains subject to the normal regulatory processes of the Brazilian authorities.

| Iron Ore Brazil – Projects ORE RESERVES | Attributable % | Mine Life | Classification | ROM Tonnes 2013 | ROM Tonnes 2012 | Grade 2013 | Grade 2012 | Saleable Product 2013 | | Saleable Product 2012 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Serra do Sapo (OP)**[1][2] | 100 | 28 | | Mt | Mt | %Fe | %Fe | Mt | %Fe | Mt | %Fe |
| Friable Itabirite and Hematite | | | Proved | – | – | – | – | – | – | – | – |
| | | | Probable | 1,385.3 | 1,452.8 | 38.8 | 38.8 | 686 | 67.5 | 685 | 67.5 |
| | | | **Total** | **1,385.3** | **1,452.8** | **38.8** | **38.8** | **686** | **67.5** | **685** | **67.5** |

| Iron Ore Brazil – Projects MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 |
|---|---|---|---|---|---|---|
| **Itapanhoacanga**[1][3] | 100 | | Mt | Mt | %Fe | %Fe |
| Friable Itabirite and Hematite | | Measured | 31.0 | 32.3 | 40.6 | 40.6 |
| | | Indicated | 117.5 | 122.3 | 41.3 | 41.3 |
| | | **Measured and Indicated** | **148.6** | **154.5** | **41.1** | **41.1** |
| | | Inferred | 114.5 | 119.1 | 40.4 | 40.9 |
| Compact Itabirite | | Measured | 23.2 | 23.2 | 33.6 | 33.6 |
| | | Indicated | 73.4 | 73.6 | 34.5 | 34.5 |
| | | **Measured and Indicated** | **96.6** | **96.8** | **34.3** | **34.3** |
| | | Inferred | 57.0 | 57.2 | 34.5 | 34.5 |
| **Serra do Sapo (OP)**[1][4] | 100 | | | | %Fe | %Fe |
| Friable Itabirite and Hematite | | Measured | 187.7 | 148.7 | 31.8 | 31.6 |
| | | Indicated | 229.4 | 236.7 | 33.3 | 33.7 |
| | | **Measured and Indicated** | **417.1** | **385.4** | **32.6** | **32.9** |
| | | Inferred (in LOM Plan) | 50.4 | 108.5 | 38.4 | 38.3 |
| | | Inferred (ex. LOM Plan) | 21.8 | 58.7 | 32.3 | 32.9 |
| | | **Total Inferred** | **72.1** | **167.1** | **36.5** | **36.4** |
| Compact Itabirite | | Measured | 737.7 | 559.9 | 30.5 | 31.0 |
| | | Indicated | 2,092.9 | 2,251.3 | 31.2 | 31.1 |
| | | **Measured and Indicated** | **2,830.5** | **2,811.2** | **31.0** | **31.1** |
| | | Inferred | 201.1 | 476.8 | 31.2 | 31.1 |
| **Serro**[5] | 100 | | | | %Fe | %Fe |
| Friable Itabirite and Hematite | | Measured | 4.7 | – | 44.7 | – |
| | | Indicated | 87.3 | 9.5 | 41.0 | 63.6 |
| | | **Measured and Indicated** | **92.0** | **9.5** | **41.2** | **63.6** |
| | | Inferred | 32.8 | 74.2 | 41.0 | 35.3 |
| Compact Itabirite | | Measured | 7.3 | – | 33.0 | – |
| | | Indicated | 274.4 | – | 32.1 | – |
| | | **Measured and Indicated** | **281.7** | **–** | **32.1** | **–** |
| | | Inferred | 111.1 | 308.2 | 34.6 | 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 Minas-Rio Project comprises the following sub-areas: Itapanhoacanga and Serra do Sapo. The cut-off grade is 25.0 %Fe.
At Itapanhoacanga, Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, Soft Hematite and Hard Hematite.
At Serra do Sapo Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, High Alumina Friable Itabirite, Soft Hematite and Canga.
Metallurgical test work indicates that the Compact Itabirite at Serra do Sapo is softer than Compact Itabirite mined in the Carajás and Iron Quadrangle areas.
From 2014 onwards at Serra do Sapo, Compact Itabirite will be referred to as Itabirite and Semi-Compact Itabirite as Semi-Friable Itabirite.

(2) **Serra do Sapo – Ore Reserves:** ROM Tonnes and grades are on a dry basis. In 2012 tonnages were reported on a wet basis with an average moisture content of 4.2 wt% for Friable ore. Saleable Product tonnes are on a wet basis (average moisture content is 8.0 wt% of the wet mass) with quality stated on a dry basis. The decrease is primarily due to a change in reporting basis from wet to dry tonnage, with updated pit slope angles and increased costs also contributing to the decrease. This is partially offset by an update of the block model as a result of additional drilling and new pit optimisation undertaken.
The Ore Reserves include 2.5Mt (at 48.8 %Fe) of material stockpiled during pre-stripping operations.

(3) **Itapanhoacanga – Mineral Resources:** In-situ tonnes and grade are on a dry basis. In 2012 in-situ tonnes were reported with a moisture content 3.9 wt% for the friable material and 0.2 wt% for the compact material. The decrease in Mineral Resources is as a result of a change in reporting basis from wet to dry tonnage.

(4) **Serra do Sapo – Mineral Resources:** In-situ tonnes and grade are on a dry basis. In 2012 in-situ tonnes were reported with a moisture content 4.2 wt% for the friable material and 0.1 wt% for the compact material. The decrease in Friable and Compact Itabirite Mineral Resources is primarily due to updated reasonable prospects for eventual economic extraction assumptions for the resource shell, the application of updated geotechnical parameters and a change in reporting basis from wet to dry tonnage also contributing to the decrease. Additional infill drilling partially offset the decrease.

(5) **Serro:** In-situ tonnes and grade are on a dry basis. In 2012 the in-situ tonnes were reported with an average moisture content of 4.7 wt%.
Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite and Hard Hematite (15.4 Mt at 64.6 %Fe). The cut-off grade is 25.0 %Fe.
The increase in Mineral Resources is due to an update of the block model as a result of additional drilling which is partially offset by a change in reporting basis from wet to dry tonnage.

# MANGANESE

estimates as at 31 December 2013

## 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, 2012) 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 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Yield 2013 | Yield 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **GEMCO (OP)**[1] | 40.0 | 12 | | Mt | Mt | %Mn | %Mn | % | % |
| | | | Proved | 68.9 | 72.5 | 44.4 | 45.0 | 59.1 | 55.1 |
| | | | Probable | 27.6 | 24.9 | 44.7 | 45.0 | 58.7 | 55.1 |
| | | | **Total** | **96.5** | **97.4** | **44.5** | **45.0** | **59.0** | **55.1** |
| **Hotazel Manganese Mines** | 29.6 | | | | | %Mn | %Mn | | |
| Mamatwan (OP)[2] | | 20 | Proved | 38.3 | 41.4 | 37.1 | 37.2 | | |
| | | | Probable | 30.5 | 31.4 | 36.9 | 37.1 | | |
| | | | **Total** | **68.8** | **72.8** | **37.0** | **37.1** | | |
| Wessels (UG)[3] | | 46 | Proved | 4.2 | 3.9 | 44.5 | 44.8 | | |
| | | | Probable | 63.9 | 64.9 | 42.3 | 42.9 | | |
| | | | **Total** | **68.1** | **68.8** | **42.4** | **43.0** | | |

| Samancor Manganese – Operations MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Yield 2013 | Yield 2012 |
|---|---|---|---|---|---|---|---|---|
| **GEMCO (OP)**[4] | 40.0 | | Mt | Mt | %Mn | %Mn | % | % |
| | | Measured | 79.8 | 78.9 | 46.3 | 46.9 | 48.2 | 47.5 |
| | | Indicated | 55.4 | 28.2 | 44.5 | 46.0 | 46.8 | 47.4 |
| | | **Measured and Indicated** | **135.2** | **107.1** | **45.6** | **46.7** | **47.6** | **47.5** |
| | | Inferred | 35.4 | 49.4 | 43.2 | 43.9 | 48.6 | 47.8 |
| **Hotazel Manganese Mines** | 29.6 | | | | %Mn | %Mn | | |
| Mamatwan (OP)[5] | | Measured | 58.6 | 62.0 | 35.5 | 35.5 | | |
| | | Indicated | 54.5 | 54.7 | 34.5 | 34.5 | | |
| | | **Measured and Indicated** | **113.1** | **116.7** | **35.0** | **35.0** | | |
| | | Inferred | 4.3 | 4.3 | 34.5 | 34.5 | | |
| Wessels (UG)[6] | | Measured | 16.4 | 11.4 | 44.2 | 45.7 | | |
| | | Indicated | 125.1 | 126.4 | 42.1 | 43.6 | | |
| | | **Measured and Indicated** | **141.5** | **137.8** | **42.4** | **43.8** | | |
| | | Inferred | – | – | – | – | | |

MINERAL RESOURCES INCLUDE ORE RESERVES.

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.

During 2013 Samancor withdrew from the Franceville project in Gabon following the completion of the feasibility study and is therefore not reported.
Divestment of Beniomi and Bordeaux was completed in April 2013.

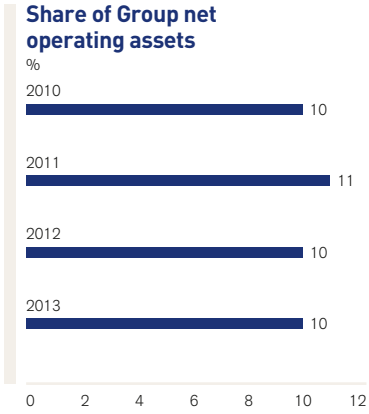
(1) **GEMCO – Ore Reserves:** Manganese grades are given as per washed ore samples and should be read together with their respective yields. Production depletion is partially offset by increased density values based on reconciliations supported by grade control diamond drilling results.
(2) **Mamatwan – Ore Reserves:** The change is due to depletion from mining and re-running of the model using the FY13 LOA optimised Mine Plan.
(3) **Wessels – Ore Reserves:** The change is due to depletion from mining which is offset by the use of the new 2012 geological block model being used for the 2013 declaration.
(4) **GEMCO – Mineral Resources:** The adjustment of density values on the basis of grade control diamond drilling and additional drillhole information incorporated into the resource model in both the mining and exploration areas resulted in increased tonnages and resource confidence. The areas of key change are the exploration leases which are now predominantly Indicated Resource (previously Inferred).
The Premium Sands (PC-02) Project Mineral Resource estimates above a zero cut-off grade (Indicated: 12.8 Mt at 20.8 %Mn, Inferred: 2.3 Mt at 20.0 %Mn) are excluded from the table.
(5) **Mamatwan – Mineral Resources:** A cut-off grade of 35.0 %Mn is used to declare Mineral Resources within the M, C and N Zones as well as within the X Zone. The Top Cut Resources are declared above a cut-off of 28.0 %Mn. The change, after depletion from mining, is due to re-running the 2010 geological model using Micromine software.
(6) **Wessels – Mineral Resources:** A cut-off grade of 45.0 %Mn is used to declare Mineral Resources within the Lower Body-HG ore type and 37.5 %Mn in the Lower Body-LG and Upper Body ore types. The increase, after depletion from mining, is mainly due to the new 2012 geological block model being used for the 2013 declaration.

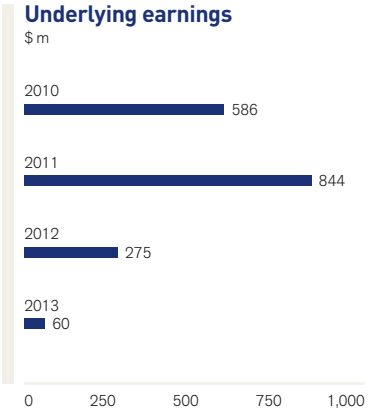
# METALLURGICAL COAL

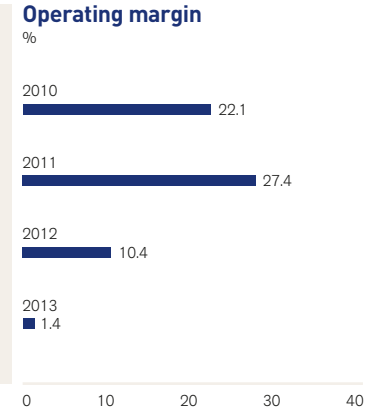
Anglo American is Australia's second largest metallurgical coal producer and third largest global exporter of metallurgical coal.

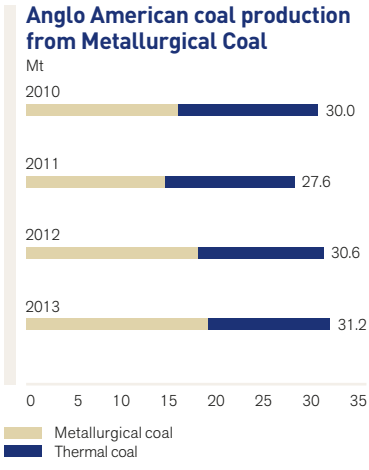
Metallurgical coal, composed of coking coal and PCI coal, is an essential raw material in blast-furnace steel production, which represents approximately 70% of global crude steel output.

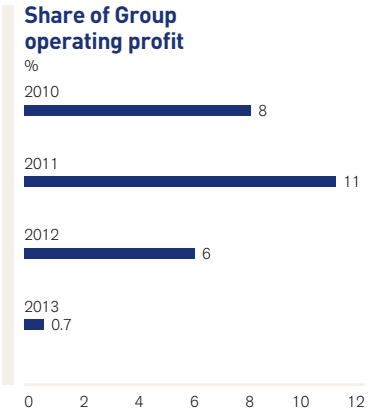
## FINANCIAL HIGHLIGHTS

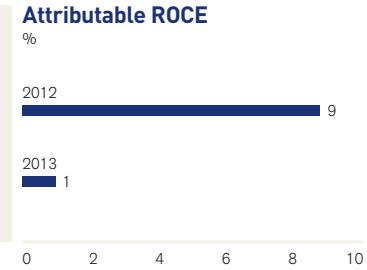


# FINANCIAL DATA

| $ million | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Turnover** | | | | |
| Subsidiaries/Joint Ventures | **3,077** | 3,574 | 3,975 | 3,264 |
| Associates | **319** | 315 | 372 | 258 |
| **Total turnover** | **3,396** | **3,889** | **4,347** | **3,522** |
| Of which: | | | | |
| Australia | **3,138** | 3,657 | 4,068 | 3,377 |
| Canada | **258** | 232 | 279 | 145 |
| Projects and corporate | **–** | – | – | – |
| **EBITDA** | **612** | **877** | **1,577** | **1,134** |
| Of which: | | | | |
| Australia | **665** | 940 | 1,553 | 1,147 |
| Canada | **7** | 13 | 85 | 18 |
| Projects and corporate | **(60)** | (76) | (61) | (31) |
| **Depreciation and amortisation** | **566** | **472** | **388** | **354** |
| **Operating profit before special items and remeasurements** | **46** | **405** | **1,189** | **780** |
| Of which: | | | | |
| Australia | **176** | 519 | 1,188 | 814 |
| Canada | **(70)** | (38) | 62 | (3) |
| Projects and corporate | **(60)** | (76) | (61) | (31) |
| Operating special items and remeasurements | **(771)** | (365) | – | 23 |
| **Operating profit after special items and remeasurements** | **(725)** | **40** | **1,189** | **803** |
| **Net interest, tax and non-controlling interests** | **14** | (130) | (345) | (194) |
| **Underlying earnings** | **60** | **275** | **844** | **586** |
| Of which: | | | | |
| Australia | **132** | 365 | 850 | 616 |
| Canada | **(21)** | (27) | 46 | 1 |
| Projects and corporate | **(51)** | (63) | (52) | (31) |
| **Net operating assets** | **4,630** | **5,219** | **4,692** | **4,332** |
| **Capital expenditure** | **1,050** | **1,028** | **695** | **235** |

# BUSINESS OVERVIEW

**UNDERLYING OPERATING PROFIT**
(2012: $405 m)

**$46 m**

**SHARE OF GROUP UNDERLYING OPERATING PROFIT**
(2012: 6%)

**0.7%**

**UNDERLYING EBITDA**
(2012: $877 m)

**$612 m**

## Key financial and non-financial performance indicators

| $ million (unless otherwise stated) | 2013[1] | 2012[2] |
|---|---|---|
| Underlying operating profit | **46** | 405 |
| Underlying EBITDA | **612** | 877 |
| Capital expenditure | **1,050** | 1,028 |
| Share of Group underlying operating profit | **0.7%** | 6% |
| Attributable return on capital employed | **1%** | 9% |

| Non-financial indicators | 2013 | 2012 |
|---|---|---|
| Number of fatal injuries | **0** | 0 |
| Lost-time injury frequency rate | **1.00** | 1.75 |
| Total energy consumed in 1,000 GJ | **14,706** | 14,787 |
| Total greenhouse gas emissions in 1,000 tonnes $CO_2e$ | **3,770** | 3,919 |
| Total water consumed in 1,000 $m^3$ | **14,306** | 15,552 |

(1) Throughout the Metallurgical Coal commentary, all volumes are expressed on an attributable basis.
(2) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 of the financial statements for details.

Anglo American is Australia's second largest metallurgical coal producer and is the third largest global exporter of metallurgical coal.

Our coal operations in Australia are based on the east coast, from where the business serves a range of customers throughout Asia and the Indian sub-continent, Europe and South America. Metallurgical Coal operates six mines in Australia, one wholly owned and five in which the company has a majority interest. Five of the mines are located in Queensland's Bowen Basin: Moranbah North (metallurgical coal), Capcoal (metallurgical and thermal coal), Foxleigh (metallurgical coal), Dawson (metallurgical and thermal coal) and Callide (thermal coal). Drayton mine (thermal coal) is in the Hunter Valley, New South Wales. All of the mines are in well-established locations and have direct access to rail and port facilities at Dalrymple Bay and Gladstone in Queensland, and at Newcastle in New South Wales.

Moranbah North (88%) is an underground longwall mining operation with a mining lease covering 100 $km^2$. Coal is mined from the Goonyella Middle Seam, approximately 200 metres below the surface. In 2013, with two planned longwall moves, the mine produced 4.9 million tonnes (Mt) of hard coking coal (HCC).

Capcoal (70%) operates an underground and an open cut mine, with a second underground mine put into care and maintenance in July 2013. Capcoal produced 6.1 Mt of hard coking, pulverised coal injection (PCI) and thermal coals for the year.

Dawson (51%) is an open cut operation, which produced 4.0 Mt of coking and thermal coals in 2013.

Foxleigh (70%) is an open cut operation, with 2013 output of 2.0 Mt of high quality PCI coal.

Metallurgical Coal owns an effective 23% interest in the Jellinbah and Lake Vermont mines in Queensland, with combined (attributable) production of 2.5 Mt of coking, PCI and thermal coals in 2013.

In Canada, Peace River Coal (100%) open cut metallurgical coal mine in British Columbia mainly serves customers in Europe, Japan and South America. In 2013, Peace River Coal produced 1.7 Mt of metallurgical coal, an increase of 22% over the prior year.

# OUR METALLURGICAL COAL OPERATIONS

**Key**
- Open cut
- Underground
- Open cut and underground

## Australia

Our metallurgical coal business is Australia's second largest metallurgical coal producer and third largest global exporter of metallurgical coal. It operates six mines, one wholly owned and five in which it has a controlling interest.

Five of the mines are located in Queensland's Bowen Basin: Moranbah North (metallurgical coal), Capcoal (metallurgical and thermal coal), Foxleigh (metallurgical coal), Dawson (metallurgical and thermal coal) and Callide (thermal coal). Drayton mine (thermal coal) is in the Hunter Valley, New South Wales. All of the mines are in well established locations and have direct access to rail and port facilities at Dalrymple Bay and Gladstone in Queensland, and at Newcastle in New South Wales.


**Thermal**
- 1 100% Callide
- 2 88% Drayton

**Metallurgical**
- 3 51% Dawson Complex
- 4 70% Foxleigh
- 5 70% German Creek*
- 6 23% Jellinbah
- 7 88% Moranbah North

* The German Creek operation includes both Capcoal open cut and underground operations.

## Canada

In Canada, Peace River Coal, a 100% owned operation, consists of hard coking coal Trend mine and the Roman Mountain (100%) and Belcourt Saxon (50%) projects.

**Metallurgical**
- 100% Peace River Coal

# INDUSTRY OVERVIEW

Metallurgical coal, composed of coking coal and PCI coal, is an essential raw material in blast-furnace steel production, which represents approximately 70% of global crude steel output.

Global metallurgical coal supply amounts to approximately 1.1 billion tonnes per year. China is the biggest consumer of metallurgical coal, with total consumption of approximately 754 Mt in 2013. Owing to its large domestic metallurgical coal production, China only needs to import about 10%, or 74 Mt, of its total metallurgical coal requirement. This, however, represents a significant proportion (26%) of the total global seaborne metallurgical coal market.

In 2013, the international seaborne metallurgical coal market totalled around 285 Mt, the major consuming regions being China, Japan, Europe, India, South Korea, Brazil and Taiwan. On average, Australia supplies roughly 60% of the seaborne metallurgical coal market.

Metallurgical coal contracts are predominantly priced on a quarterly basis relative to the market benchmark price, with a growing proportion being priced on a monthly or index basis.

## Markets

| Anglo American weighted average achieved sales prices ($/tonne) | 2013 | 2012 |
|---|---|---|
| Export metallurgical coal (FOB) | **140** | 178 |
| Export thermal coal (FOB Australia) | **84** | 96 |
| Domestic thermal coal | **39** | 37 |

| Attributable sales volumes ('000 tonnes) | 2013 | 2012 |
|---|---|---|
| Export metallurgical coal | **19,045** | 17,413 |
| Export thermal coal | **6,372** | 6,043 |
| Domestic thermal coal | **6,125** | 6,921 |

Australian metallurgical coal production continued at record levels in the second half of 2013, with seaborne exports reaching an all-time high of 16.3 Mt in October 2013 (194 Mt annualised), and totalling 169.7 Mt for the year (2012: 144.5 Mt). This increased production, combined with sustained high export levels from the US and Canada, created an oversupply of seaborne metallurgical coal for the year.

Quarterly benchmark prices for seaborne metallurgical coal dropped sharply in the latter half of the year, reaching a four-year low of $145/tonne in the third quarter. The average 2013 HCC quarterly price fell by 24% to $159/tonne from the 2012 average of $210/tonne.

Around 75% of Anglo American's metallurgical coal sales were placed against term contracts with quarterly negotiated price settlements, while the balance of sales comprised short term priced transactions. HCC accounted for 70% of Metallurgical Coal's export metallurgical coal sales in 2013, an increase of 3%, as a result of the focus on high margin production.

# MARKET INFORMATION

## 2013 Metallurgical coal demand

Global 1,116 Mt

| | | % |
|---|---|---|
| China | 754 | 68 |
| Europe | 75 | 7 |
| CIS | 70 | 6 |
| Japan | 66 | 6 |
| India | 44 | 4 |
| Other Asia | 41 | 4 |
| North America | 29 | 2 |
| South America | 23 | 2 |
| Rest of World | 14 | 1 |
| **Total** | **1,116** | **100** |

**Source:** CRU, Metallurgical Coal Market Outlook, published in February 2014

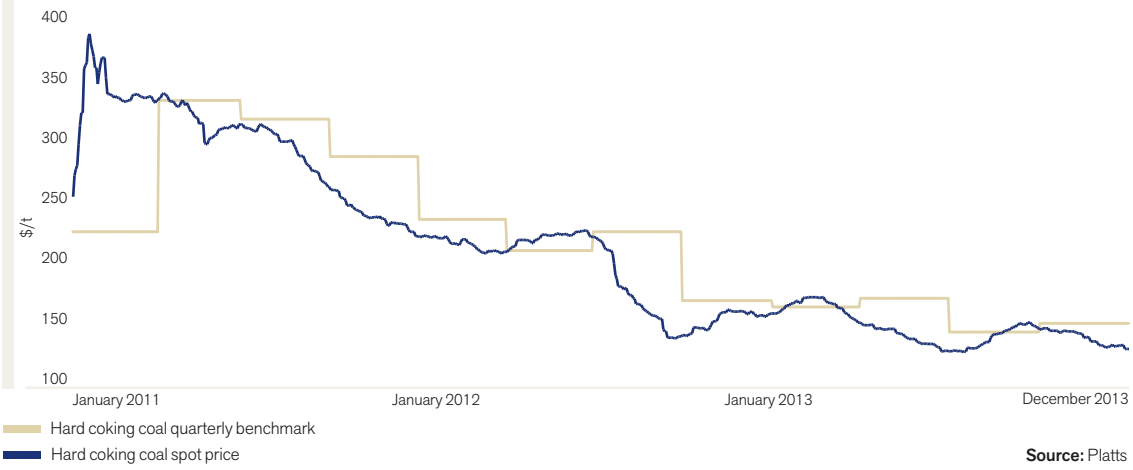
## 2013 Metallurgical coal production

Global 1,116 Mt

| | | % |
|---|---|---|
| China | 675 | 60 |
| Oceania | 174 | 16 |
| North America | 118 | 11 |
| CIS | 85 | 8 |
| Rest of World | 64 | 5 |
| **Total** | **1,116** | **100** |

**Source:** CRU, Metallurgical Coal Market Outlook, published in February 2014

## Platts hard coking coal market price analysis




**Source:** Platts

# STRATEGY

Emerging markets, particularly in the Asia-Pacific region, are expected to remain the driving force behind metallurgical coal demand owing to their continuing need for steel for infrastructure, housing and consumer goods. Metallurgical Coal's strategy is to increase the value of the business by optimising existing operations and investing in growth projects in the supply regions best placed to produce the high margin export metallurgical coals sought by its customers. In order to implement this strategy:

- A structured programme of business improvement has been designed to deliver industry-best operational performance over the existing asset base, targeting longwall performance at the underground operations and key equipment at the open cut mines;
- Metallurgical Coal continues to progress its attractive organic growth pipeline in Australia and Canada, which has the potential to increase HCC production in line with growing market demand.

**Operating safely, sustainably and responsibly**

Water management and mine rehabilitation remain important areas of environmental focus for Metallurgical Coal. Climate variability in the regions in which Metallurgical Coal operates requires water management strategies that are equally effective in periods of flood and drought. Metallurgical Coal's rehabilitation strategy requires disciplined management of disturbed land and the development of mine closure plans.

**Projects**

The wholly owned Grosvenor project remains on target for first longwall production in 2016. All key permits and licences are in place. Critical engineering and procurement activities have been completed and the majority of the project budget has been contracted and committed. Surface construction is well advanced; earthworks and concrete are essentially complete; structural, mechanical and piping works are advancing well; and electrical works have commenced. The drift portal works are complete and underground development has commenced with the commissioning of a tunnel boring machine.

As announced in July 2013, the capital costs to develop the Grosvenor project increased by $250 million to $1.95 billion owing to scope changes resulting from an investigation into the drift failure at Moranbah North in 2011 that led to a complete redesign of the Grosvenor drift and its construction method. Costs have also been impacted by adverse exchange rate movements during the construction phase.

# PROJECT PIPELINE – KEY PROJECTS

## Grosvenor (approved)

**Overall capex: $2bn**

**Country**
Australia

**Ownership**
100%

**Incremental production**
5.0 Mtpa metallurgical coal

**Full project capex**
$2bn

**First production**
2016

The greenfield Grosvenor metallurgical coal project is situated immediately to the south of our highly productive Moranbah North metallurgical coal mine in the Bowen Basin of Queensland, Australia. The mine is expected to produce 5 Mtpa of high quality metallurgical coal from its underground longwall operation over a projected mine life of 31 years and to benefit from operating costs in the lower half of the cost curve.

At the end 2013 the project was 42% complete and remains on target for first longwall production in 2016.

## Aquila (unapproved)

**Overall capex: TBD**

**Country**
Australia

**Ownership**
70%

**Incremental production**
2.5 Mtpa metallurgical coal

**Full project capex**
TBD

**First production**
TBD

Aquila is a brownfield development within the Capcoal mine leases located in the Bowen Basin of Queensland, Australia. The Project is designed to deliver a single longwall operation, with a 14 year life, producing 2.5 Mtpa of premium low volatile hard coking coal.

## Drayton South (unapproved)

**Overall capex: TBD**

**Country**
Australia

**Ownership**
88.2%

**Incremental production**
TBD

**Full project capex**
TBD

**First production**
TBD

Drayton South will replace mining capacity at Drayton mine, leveraging existing site infrastructure and the coal handling processing plant.

## Moranbah South (unapproved)

**Overall capex: TBD**

**Country**
Australia

**Ownership**
50%

**Incremental production**
12.0 Mtpa metallurgical coal

**Full project capex**
TBD

**First production**
TBD

Moranbah South is a potential new mine located in the north Bowen Basin of Queensland and, once commissioned, is expected to produce 12 Mtpa of metallurgical coal from two longwalls.

# PRODUCTION DATA

| Production (tonnes) | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Metallurgical Coal segment** | | | | |
| **Australia** | | | | |
| Export Metallurgical | **16,971,800** | 16,287,400 | 13,253,400 | 14,701,800 |
| Thermal | **12,503,400** | 12,970,500 | 13,426,500 | 14,460,500 |
| **Canada** | | | | |
| Export Metallurgical | **1,683,800** | 1,376,900 | 936,300 | 868,000 |
| **Total Metallurgical Coal segment** | **31,159,000** | **30,634,800** | **27,616,200** | **30,030,300** |
| **Australia** | | | | |
| Callide | **6,317,800** | 7,464,000 | 8,038,700 | 8,515,600 |
| Capcoal | **6,061,400** | 6,022,400 | 5,047,900 | 5,460,300 |
| Dawson | **3,985,700** | 4,593,500 | 3,904,600 | 3,584,400 |
| Drayton | **3,710,700** | 3,663,300 | 3,991,900 | 4,206,000 |
| Foxleigh | **1,966,600** | 1,896,000 | 1,417,100 | 1,665,700 |
| Jellinbah | **2,516,500** | 2,073,200 | 1,829,600 | 1,792,500 |
| Moranbah North | **4,916,500** | 3,545,500 | 2,450,100 | 3,937,800 |
| **Canada** | | | | |
| Peace River Coal | **1,683,800** | 1,376,900 | 936,300 | 868,000 |
| **Total** | **31,159,000** | **30,634,800** | **27,616,200** | **30,030,300** |

# COAL

estimates as at 31 December 2013

## METALLURGICAL COAL

The Coal Reserve and Coal Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012) as a minimum standard. The figures reported represent 100% of the Coal Reserves and Coal Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies. Anglo American Metallurgical Coal comprises export metallurgical and thermal coal operations located in Australia and Canada.

| Metallurgical Coal – Australia Operations<br>COAL RESERVES[1] | Attributable % | Mine Life | Classification | ROM Tonnes[2] 2013 | ROM Tonnes[2] 2012 | Yield[3] 2013 | Yield[3] 2012 | Saleable Tonnes[2] 2013 | Saleable Tonnes[2] 2012 | Saleable Quality[4] 2013 | Saleable Quality[4] 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Callide (OC)** | 100 | 23 | | Mt | Mt | ROM % | ROM % | Mt | Mt | kcal/kg | kcal/kg |
| Thermal – Domestic | | | Proved | 185.5 | 192.2 | 97.9 | 97.9 | 181.6 | 188.2 | 4,380 | 4,380 |
| | | | Probable | 52.0 | 52.0 | 98.0 | 98.0 | 51.0 | 51.0 | 4,250 | 4,250 |
| | | | **Total** | **237.5** | **244.2** | **97.9** | **97.9** | **232.6** | **239.2** | **4,350** | **4,350** |
| **Capcoal (OC)** | 77.5 | 23 | | | | | | | | CSN | CSN |
| Metallurgical – Coking | | | Proved | 73.4 | 69.9 | 27.5 | 19.8 | 21.0 | 14.4 | 6.0 | 7.0 |
| | | | Probable | 69.5 | 72.5 | 27.4 | 16.4 | 19.8 | 12.3 | 5.5 | 6.5 |
| | | | **Total** | **142.9** | **142.4** | **27.5** | **18.0** | **40.8** | **26.7** | **6.0** | **7.0** |
| | | | | | | | | | | kcal/kg | kcal/kg |
| Metallurgical – Other | | | Proved | | | 36.2 | 46.3 | 27.6 | 33.6 | 6,850 | 6,970 |
| | | | Probable | | | 36.0 | 46.5 | 26.0 | 35.0 | 6,850 | 6,990 |
| | | | **Total** | | | **36.1** | **46.4** | **53.6** | **68.7** | **6,850** | **6,980** |
| | | | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | | | 5.0 | 2.7 | 3.8 | 2.0 | 6,160 | 7,070 |
| | | | Probable | | | 4.5 | 2.3 | 3.2 | 1.7 | 6,290 | 7,030 |
| | | | **Total** | | | **4.8** | **2.5** | **7.1** | **3.7** | **6,220** | **7,050** |
| **Capcoal (UG)** | 70.0 | 11 | | | | | | | | CSN | CSN |
| Metallurgical – Coking | | | Proved | 43.4 | 36.0 | 72.5 | 75.1 | 32.9 | 28.5 | 9.0 | 9.0 |
| | | | Probable | 6.8 | 14.7 | 75.0 | 72.0 | 5.3 | 11.2 | 8.5 | 9.0 |
| | | | **Total** | **50.2** | **50.7** | **72.8** | **74.2** | **38.2** | **39.7** | **9.0** | **9.0** |
| **Dawson (OC)** | 51.0 | 26 | | | | | | | | CSN | CSN |
| Metallurgical – Coking | | | Proved | 171.9 | 180.7 | 24.0 | 24.0 | 42.4 | 44.7 | 7.0 | 7.5 |
| | | | Probable | 225.9 | 227.2 | 20.9 | 21.0 | 48.5 | 49.1 | 7.0 | 7.5 |
| | | | **Total** | **397.8** | **407.9** | **22.2** | **22.4** | **90.9** | **93.8** | **7.0** | **7.5** |
| | | | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | | | 51.7 | 51.6 | 91.3 | 95.8 | 5,170 | 5,440 |
| | | | Probable | | | 53.7 | 53.6 | 124.8 | 125.3 | 5,100 | 5,340 |
| | | | **Total** | | | **52.8** | **52.7** | **216.1** | **221.1** | **5,130** | **5,380** |
| **Drayton (OC)** | 88.2 | 2 | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | 4.6 | 7.9 | 74.3 | 76.0 | 3.4 | 6.0 | 6,600 | 6,650 |
| | | | Probable | 2.2 | 4.2 | 73.8 | 76.0 | 1.7 | 3.2 | 6,540 | 6,600 |
| | | | **Total** | **6.8** | **12.0** | **74.1** | **76.0** | **5.1** | **9.2** | **6,580** | **6,630** |
| **Foxleigh (OC)** | 70.0 | 6 | | | | | | | | kcal/kg | kcal/kg |
| Metallurgical – Other | | | Proved | 0.7 | 1.9 | 79.9 | 83.0 | 0.6 | 1.7 | 7,190 | 6,870 |
| | | | Probable | 23.4 | 12.6 | 70.6 | 77.7 | 17.4 | 10.4 | 7,050 | 6,800 |
| | | | **Total** | **24.1** | **14.5** | **70.9** | **78.4** | **18.0** | **12.1** | **7,050** | **6,810** |
| **Moranbah North (UG)** | 88.0 | 19 | | | | | | | | CSN | CSN |
| Metallurgical – Coking | | | Proved | 114.8 | 109.5 | 73.5 | 76.6 | 89.1 | 88.5 | 8.0 | 8.0 |
| | | | Probable | 20.4 | 11.3 | 67.3 | 72.7 | 14.5 | 8.7 | 8.0 | 8.0 |
| | | | **Total** | **135.2** | **120.8** | **72.6** | **76.2** | **103.6** | **97.2** | **8.0** | **8.0** |
| **Australia Metallurgical – Coking** | 71.6 | | | Mt | Mt | Plant % | Plant % | Mt | Mt | CSN | CSN |
| | | | Proved | 594.3 | 598.0 | 56.8 | 58.4 | 185.4 | 176.0 | 7.5 | 8.0 |
| | | | Probable | 400.3 | 394.4 | 33.3 | 32.9 | 88.2 | 81.3 | 7.0 | 7.5 |
| | | | **Total** | **994.6** | **992.5** | **49.2** | **50.3** | **273.5** | **257.3** | **7.5** | **8.0** |
| **Australia Metallurgical – Other** | 75.6 | | | | | | | | | kcal/kg | kcal/kg |
| | | | Proved | | | 37.1 | 48.1 | 28.2 | 35.3 | 6,860 | 6,970 |
| | | | Probable | | | 49.9 | 53.7 | 43.4 | 45.5 | 6,930 | 6,940 |
| | | | **Total** | | | **44.9** | **51.2** | **71.6** | **80.8** | **6,900** | **6,950** |
| **Australia Thermal – Export** | 52.7 | | | | | | | | | kcal/kg | kcal/kg |
| | | | Proved | | | 50.7 | 52.0 | 98.6 | 103.8 | 5,260 | 5,540 |
| | | | Probable | | | 52.7 | 53.5 | 129.7 | 130.2 | 5,150 | 5,390 |
| | | | **Total** | | | **51.8** | **52.9** | **228.3** | **233.9** | **5,200** | **5,460** |
| **Australia Thermal – Domestic** | 100 | | | | | | | | | kcal/kg | kcal/kg |
| | | | Proved | | | 97.9 | 97.9 | 181.6 | 188.2 | 4,380 | 4,380 |
| | | | Probable | | | 98.0 | 98.0 | 51.0 | 51.0 | 4,250 | 4,250 |
| | | | **Total** | | | **97.9** | **97.9** | **232.6** | **239.2** | **4,350** | **4,350** |

| Metallurgical Coal – Canada Operations<br>COAL RESERVES[1] | Attributable % | Mine Life | Classification | ROM Tonnes[2] 2013 | ROM Tonnes[2] 2012 | Yield[3] 2013 | Yield[3] 2012 | Saleable Tonnes[2] 2013 | Saleable Tonnes[2] 2012 | Saleable Quality[4] 2013 | Saleable Quality[4] 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Trend (OC)** | 100 | 7 | | Mt | Mt | ROM % | ROM % | Mt | Mt | CSN | CSN |
| Metallurgical – Coking | | | Proved | 10.5 | 17.9 | 75.1 | 66.3 | 8.1 | 12.4 | 7.0 | 7.0 |
| | | | Probable | 2.3 | 2.3 | 76.8 | 61.7 | 1.9 | 1.5 | 7.0 | 7.0 |
| | | | **Total** | **12.8** | **20.2** | **75.4** | **65.8** | **10.0** | **14.0** | **7.0** | **7.0** |
| | | | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | | | – | 0.7 | – | 0.1 | – | 5,070 |
| | | | Probable | | | – | 0.8 | – | 0.0 | – | 5,070 |
| | | | **Total** | | | **–** | **0.7** | **–** | **0.2** | **–** | **5,070** |

Mining method: OC = Open Cast/Cut, UG = Underground. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
For the multi-product operations, the ROM tonnes apply to each product.
The Saleable tonnes cannot be calculated directly from the ROM reserve tonnes using the air dried yields as presented since the difference in moisture content is not taken into account.
Attributable percentages for country totals are weighted by Saleable tonnes and should not be directly applied to the ROM tonnes.
Footnotes appear at the end of the section.

**Metallurgical – Coking** refers to a high-, medium- or low-volatile semi-soft, soft or hard coking coal primarily for blending and use in the steel industry; quality measured as Crucible Swell Number (CSN).
**Metallurgical – Other** refers to semi-soft, soft, hard, semi-hard or anthracite coal, other than Coking Coal, such as pulverized coal injection (PCI) or other general metallurgical coal for the export or domestic market with a wider range of properties than Coking Coal; quality measured by calorific value (CV).
**Thermal – Export** refers to low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).
**Thermal – Domestic** refers to low- to high-volatile thermal coal primarily for domestic consumption for power generation; quality measured by calorific value (CV).

# COAL

estimates as at 31 December 2013

| Metallurgical Coal – Operations<br>TOTAL COAL RESERVES[1] | Attributable % | Classification | ROM Tonnes[2] 2013 Mt | ROM Tonnes[2] 2012 Mt | Yield[3] 2013 Plant % | Yield[3] 2012 Plant % | Saleable Tonnes[2] 2013 Mt | Saleable Tonnes[2] 2012 Mt | Saleable Quality[4] 2013 CSN | Saleable Quality[4] 2012 CSN |
|---|---|---|---|---|---|---|---|---|---|---|
| **Metallurgical – Coking** | 72.6 | | | | | | | | kcal/kg | kcal/kg |
| | | Proved | 604.8 | 615.9 | 57.6 | 58.9 | 193.5 | 188.5 | 7.5 | 8.0 |
| | | Probable | 402.6 | 396.8 | 34.2 | 33.4 | 90.0 | 82.8 | 7.0 | 7.5 |
| | | **Total** | **1,007.4** | **1,012.7** | **50.1** | **51.1** | **283.5** | **271.3** | **7.5** | **8.0** |
| **Metallurgical – Other** | 75.6 | | | | | | | | kcal/kg | kcal/kg |
| | | Proved | | | 37.1 | 48.1 | 28.2 | 35.3 | 6,860 | 6,970 |
| | | Probable | | | 49.9 | 53.7 | 43.4 | 45.5 | 6,930 | 6,940 |
| | | **Total** | | | **44.9** | **51.2** | **71.6** | **80.8** | **6,900** | **6,950** |
| **Thermal – Export** | 52.7 | | | | | | | | kcal/kg | kcal/kg |
| | | Proved | | | 50.7 | 52.0 | 98.6 | 103.9 | 5,260 | 5,540 |
| | | Probable | | | 52.7 | 53.5 | 129.7 | 130.2 | 5,150 | 5,390 |
| | | **Total** | | | **51.8** | **52.8** | **228.3** | **234.1** | **5,200** | **5,460** |
| **Thermal – Domestic** | 100 | | | | | | | | kcal/kg | kcal/kg |
| | | Proved | | | 97.9 | 97.9 | 181.6 | 188.2 | 4,380 | 4,380 |
| | | Probable | | | 98.0 | 98.0 | 51.0 | 51.0 | 4,250 | 4,250 |
| | | **Total** | | | **97.9** | **97.9** | **232.6** | **239.2** | **4,350** | **4,350** |

| Metallurgical Coal – Australia Operations<br>COAL RESOURCES[5] | Attributable % | Classification | Tonnes 2013 MTIS[5] | Tonnes 2012 MTIS[5] | Coal Quality 2013 kcal/kg[6] | Coal Quality 2012 kcal/kg[6] |
|---|---|---|---|---|---|---|
| **Callide (OC)** | 100 | | | | | |
| | | Measured | 260.7 | 260.7 | 4,940 | 4,940 |
| | | Indicated | 265.1 | 265.1 | 4,810 | 4,810 |
| | | **Measured and Indicated** | **525.7** | **525.7** | **4,870** | **4,870** |
| | | Inferred (in LOM Plan)[7] | 15.3 | 15.3 | 4,240 | 4,240 |
| | | Inferred (ex. LOM Plan)[8] | 64.0 | 64.0 | 4,540 | 4,540 |
| | | **Total Inferred** | **79.3** | **79.3** | **4,480** | **4,480** |
| **Capcoal (OC)** | 77.5 | Measured | 29.4 | 13.8 | 6,890 | 7,080 |
| | | Indicated | 42.6 | 27.9 | 6,900 | 7,080 |
| | | **Measured and Indicated** | **72.0** | **41.7** | **6,900** | **7,080** |
| | | Inferred (in LOM Plan)[7] | 53.5 | 36.6 | 6,630 | 6,710 |
| | | Inferred (ex. LOM Plan)[8] | 91.7 | 60.7 | 6,930 | 7,120 |
| | | **Total Inferred** | **145.2** | **97.4** | **6,820** | **6,970** |
| **Capcoal (UG)** | 70.0 | Measured | 51.5 | 76.3 | 6,820 | 6,730 |
| | | Indicated | 23.5 | 68.0 | 6,640 | 6,620 |
| | | **Measured and Indicated** | **75.0** | **144.3** | **6,760** | **6,680** |
| | | Inferred (in LOM Plan)[7] | – | 0.3 | – | 6,630 |
| | | Inferred (ex. LOM Plan)[8] | 10.1 | 13.6 | 6,340 | 6,340 |
| | | **Total Inferred** | **10.1** | **13.9** | **6,340** | **6,350** |
| **Dawson (OC)** | 51.0 | Measured | 134.2 | 134.2 | 6,630 | 6,630 |
| | | Indicated | 177.0 | 177.0 | 6,680 | 6,680 |
| | | **Measured and Indicated** | **311.1** | **311.1** | **6,660** | **6,660** |
| | | Inferred (in LOM Plan)[7] | 97.1 | 97.1 | 6,750 | 6,750 |
| | | Inferred (ex. LOM Plan)[8] | 228.5 | 228.5 | 6,770 | 6,770 |
| | | **Total Inferred** | **325.5** | **325.5** | **6,760** | **6,760** |
| **Drayton (OC)** | 88.2 | Measured | 1.5 | 3.7 | 6,950 | 6,490 |
| | | Indicated | 2.4 | 8.0 | 6,970 | 6,580 |
| | | **Measured and Indicated** | **3.8** | **11.8** | **6,960** | **6,550** |
| | | Inferred (in LOM Plan)[7] | 0.0 | 0.0 | 5,600 | 5,820 |
| | | Inferred (ex. LOM Plan)[8] | 0.0 | 0.8 | 7,160 | 7,110 |
| | | **Total Inferred** | **0.0** | **0.8** | **6,050** | **7,090** |
| **Foxleigh (OC)** | 70.0 | Measured | 1.2 | 17.3 | 7,330 | 7,130 |
| | | Indicated | 5.6 | 16.1 | 7,200 | 7,090 |
| | | **Measured and Indicated** | **6.7** | **33.3** | **7,220** | **7,110** |
| | | Inferred (in LOM Plan)[7] | 19.2 | 7.0 | 7,100 | 6,830 |
| | | Inferred (ex. LOM Plan)[8] | 15.9 | 32.1 | 7,180 | 7,100 |
| | | **Total Inferred** | **35.1** | **39.1** | **7,140** | **7,050** |
| **Moranbah North (UG)** | 88.0 | Measured | 45.9 | 55.7 | 6,660 | 6,670 |
| | | Indicated | 16.9 | 21.3 | 6,630 | 6,570 |
| | | **Measured and Indicated** | **62.8** | **76.9** | **6,650** | **6,640** |
| | | Inferred (in LOM Plan)[7] | 0.3 | 0.1 | 6,620 | 6,980 |
| | | Inferred (ex. LOM Plan)[8] | 1.5 | 1.8 | 6,650 | 6,760 |
| | | **Total Inferred** | **1.8** | **1.9** | **6,650** | **6,770** |
| **Australia – Mine Leases** | 75.4 | Measured | 524.2 | 561.6 | 5,830 | 5,890 |
| | | Indicated | 532.9 | 583.3 | 5,770 | 5,850 |
| | | **Measured and Indicated** | **1,057.1** | **1,144.9** | **5,800** | **5,870** |
| | | Inferred (in LOM Plan)[7] | 185.4 | 156.4 | 6,540 | 6,500 |
| | | Inferred (ex. LOM Plan)[8] | 411.6 | 401.5 | 6,460 | 6,480 |
| | | **Total Inferred** | **597.0** | **557.9** | **6,490** | **6,490** |

| Metallurgical Coal – Canada Operations<br>COAL RESOURCES[5] | Attributable % | Classification | Tonnes 2013 MTIS[5] | Tonnes 2012 MTIS[5] | Coal Quality 2013 kcal/kg[6] | Coal Quality 2012 kcal/kg[6] |
|---|---|---|---|---|---|---|
| **Trend (OC)** | 100 | | | | | |
| | | Measured | 21.0 | 15.9 | 7,030 | 6,500 |
| | | Indicated | 6.7 | 5.3 | 6,910 | 6,500 |
| | | **Measured and Indicated** | **27.7** | **21.2** | **7,000** | **6,500** |
| | | Inferred (in LOM Plan)[7] | 0.0 | 1.4 | 7,320 | 6,500 |
| | | Inferred (ex. LOM Plan)[8] | 2.7 | 0.4 | 6,390 | 6,500 |
| | | **Total Inferred** | **2.7** | **1.7** | **6,390** | **6,500** |

COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

# COAL

estimates as at 31 December 2013

## Metallurgical Coal – Operations

| COAL RESOURCES[5] | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Coal Quality 2013 | Coal Quality 2012 |
|---|---|---|---|---|---|---|
| | | | MTIS[5] | MTIS[5] | kcal/kg[6] | kcal/kg[6] |
| **TOTAL** | 75.8 | Measured | 545.2 | 577.5 | 5,870 | 5,910 |
| | | Indicated | 539.6 | 588.6 | 5,780 | 5,850 |
| | | **Measured and Indicated** | **1,084.8** | **1,166.1** | **5,830** | **5,880** |
| | | Inferred (in LOM Plan)[7] | 185.4 | 157.8 | 6,540 | 6,500 |
| | | Inferred (ex. LOM Plan)[8] | 414.3 | 401.8 | 6,460 | 6,480 |
| | | **Total Inferred** | **599.7** | **559.6** | **6,490** | **6,490** |

COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

## Metallurgical Coal – Australia Projects

| COAL RESERVES[1] | Attributable % | Mine Life | Classification | ROM Tonnes[2] 2013 | ROM Tonnes[2] 2012 | Yield[3] 2013 | Yield[3] 2012 | Saleable Tonnes[2] 2013 | Saleable Tonnes[2] 2012 | Saleable Quality[4] 2013 | Saleable Quality[4] 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Capcoal (UG) – Aquila** | 70.0 | 13 | | Mt | Mt | ROM % | ROM % | Mt | Mt | CSN | CSN |
| Metallurgical – Coking | | | Proved | 26.3 | – | 69.2 | – | 19.2 | – | 9.0 | – |
| | | | Probable | 19.2 | – | 66.4 | – | 13.5 | – | 9.0 | – |
| | | | **Total** | **45.5** | **–** | **68.0** | **–** | **32.7** | **–** | **9.0** | **–** |
| **Grosvenor** | 100 | 31 | | | | | | | | CSN | CSN |
| Metallurgical – Coking | | | Proved | 115.0 | 76.1 | 65.5 | 66.2 | 79.6 | 53.2 | 8.5 | 8.5 |
| | | | Probable | 78.7 | 62.6 | 61.9 | 65.2 | 51.4 | 43.1 | 8.0 | 8.0 |
| | | | **Total** | **193.7** | **138.7** | **64.0** | **65.7** | **130.9** | **96.3** | **8.5** | **8.5** |
| **Australia – Projects** | 94.0 | | | Mt | Mt | Plant % | Plant % | Mt | Mt | CSN | CSN |
| Metallurgical – Coking | | | Proved | 141.3 | 76.1 | 66.2 | 66.2 | 98.8 | 53.2 | 8.5 | 8.5 |
| | | | Probable | 97.9 | 62.6 | 62.8 | 65.2 | 64.9 | 43.1 | 8.0 | 8.0 |
| | | | **Total** | **239.2** | **138.7** | **64.8** | **65.7** | **163.6** | **96.3** | **8.5** | **8.5** |

## Metallurgical Coal – Canada Projects

| COAL RESERVES[1] | Attributable % | Mine Life | Classification | ROM Tonnes[2] 2013 | ROM Tonnes[2] 2012 | Yield[3] 2013 | Yield[3] 2012 | Saleable Tonnes[2] 2013 | Saleable Tonnes[2] 2012 | Saleable Quality[4] 2013 | Saleable Quality[4] 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Roman Mountain** | 100 | 14 | | Mt | Mt | ROM % | ROM % | Mt | Mt | CSN | CSN |
| Metallurgical – Coking | | | Proved | 32.6 | – | 71.2 | – | 24.3 | – | 7.0 | – |
| | | | Probable | 2.9 | – | 73.3 | – | 2.3 | – | 7.0 | – |
| | | | **Total** | **35.5** | **–** | **71.4** | **–** | **26.6** | **–** | **7.0** | **–** |

## Metallurgical Coal – Australia Projects

| COAL RESOURCES[5] | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Coal Quality 2013 | Coal Quality 2012 |
|---|---|---|---|---|---|---|
| | | | MTIS[5] | MTIS[5] | kcal/kg[6] | kcal/kg[6] |
| **Capcoal (UG) – Aquila** | 70.0 | Measured | 13.5 | – | 6,750 | – |
| | | Indicated | 19.3 | – | 6,390 | – |
| | | **Measured and Indicated** | **32.8** | **–** | **6,540** | **–** |
| | | Inferred (in LOM Plan)[7] | 0.0 | – | 6,570 | – |
| | | Inferred (ex. LOM Plan)[8] | 6.7 | – | 6,190 | – |
| | | **Total Inferred** | **6.8** | **–** | **6,190** | **–** |
| **Dartbrook** | 83.3 | Measured | 386.1 | 386.1 | 5,720 | 5,720 |
| | | Indicated | 24.8 | 24.8 | 5,460 | 5,460 |
| | | **Measured and Indicated** | **410.9** | **410.9** | **5,700** | **5,700** |
| | | Inferred | 1.3 | 1.3 | 5,080 | 5,080 |
| **Drayton South** | 88.2 | Measured | 492.1 | 492.1 | 6,240 | 6,240 |
| | | Indicated | 189.0 | 189.0 | 6,260 | 6,260 |
| | | **Measured and Indicated** | **681.1** | **681.1** | **6,250** | **6,250** |
| | | Inferred | 90.7 | 90.7 | 5,950 | 5,950 |
| **Grosvenor** | 100 | Measured | 110.8 | 145.1 | 6,510 | 6,420 |
| | | Indicated | 62.0 | 72.5 | 6,600 | 6,550 |
| | | **Measured and Indicated** | **172.9** | **217.6** | **6,540** | **6,460** |
| | | Inferred (in LOM Plan)[7] | 10.4 | 9.5 | 6,330 | 6,330 |
| | | Inferred (ex. LOM Plan)[8] | 18.9 | 21.2 | 6,740 | 6,770 |
| | | **Total Inferred** | **29.3** | **30.7** | **6,600** | **6,630** |
| **Moranbah South** | 50.0 | Measured | 487.1 | 349.6 | 6,300 | 6,180 |
| | | Indicated | 208.1 | 302.3 | 6,470 | 6,410 |
| | | **Measured and Indicated** | **695.2** | **651.8** | **6,350** | **6,290** |
| | | Inferred | 30.3 | 50.8 | 6,800 | 6,540 |
| **Teviot Brook** | 100 | Measured | 3.2 | – | 6,760 | – |
| | | Indicated | 138.4 | – | 6,610 | – |
| | | **Measured and Indicated** | **141.6** | **–** | **6,610** | **–** |
| | | Inferred | 34.1 | – | 6,540 | – |
| **Theodore** | 51.0 | Measured | – | – | – | – |
| | | Indicated | 258.5 | 258.5 | 6,260 | 6,260 |
| | | **Measured and Indicated** | **258.5** | **258.5** | **6,260** | **6,260** |
| | | Inferred | 106.0 | 106.0 | 6,160 | 6,160 |
| **Australia – Projects** | 73.5 | Measured | 1,492.8 | 1,372.9 | 6,150 | 6,100 |
| | | Indicated | 900.2 | 847.0 | 6,370 | 6,310 |
| | | **Measured and Indicated** | **2,393.0** | **2,219.9** | **6,230** | **6,180** |
| | | Inferred (in LOM Plan)[7] | 10.4 | 9.5 | 6,330 | 6,330 |
| | | Inferred (ex. LOM Plan)[8] | 288.1 | 269.9 | 6,240 | 6,200 |
| | | **Total Inferred** | **298.5** | **279.5** | **6,240** | **6,210** |

COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Attributable percentages for country totals are weighted by Total MTIS.

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

# COAL

estimates as at 31 December 2013

| Metallurgical Coal – Canada Projects<br>COAL RESOURCES[5] | Attributable % | Classification | Tonnes 2013 MTIS[5] | Tonnes 2012 MTIS[5] | Coal Quality 2013 kcal/kg[6] | Coal Quality 2012 kcal/kg[6] |
|---|---|---|---|---|---|---|
| **Belcourt Saxon** | 50.0 | Measured | 166.7 | 166.7 | 6,500 | 6,500 |
| | | Indicated | 4.3 | 4.3 | 6,500 | 6,500 |
| | | **Measured and Indicated** | **171.0** | **171.0** | **6,500** | **6,500** |
| | | Inferred | 0.2 | 0.2 | 6,500 | 6,500 |
| **Roman Mountain** | 100 | Measured | 1.6 | 30.6 | 7,930 | 6,290 |
| | | Indicated | 2.7 | 6.4 | 7,960 | 6,300 |
| | | **Measured and Indicated** | **4.2** | **37.0** | **7,950** | **6,290** |
| | | Inferred (in LOM Plan)[7] | 0.3 | – | 7,960 | – |
| | | Inferred (ex. LOM Plan)[8] | 0.7 | 0.4 | 7,960 | 6,260 |
| | | **Total Inferred** | **1.0** | **0.4** | **7,960** | **6,260** |
| **Canada – Projects** | 51.5 | Measured | 168.3 | 197.3 | 6,510 | 6,470 |
| | | Indicated | 7.0 | 10.7 | 7,060 | 6,380 |
| | | **Measured and Indicated** | **175.2** | **208.0** | **6,540** | **6,460** |
| | | Inferred (in LOM Plan)[7] | 0.3 | – | 7,960 | – |
| | | Inferred (ex. LOM Plan)[8] | 0.9 | 0.6 | 7,640 | 6,340 |
| | | **Total Inferred** | **1.2** | **0.6** | **7,710** | **6,340** |

(1) Coal Reserves are quoted on a Run Of Mine (ROM) reserve tonnes basis, which represents the tonnes delivered to the plant. Saleable reserve tonnes represents the estimated product tonnes. Coal Reserves (ROM and Saleable) are on the applicable moisture basis.
(2) ROM tonnes quoted on an As Delivered moisture basis, and Saleable tonnes on a Product moisture basis.
(3) Yield – ROM % represents the ratio of Saleable reserve tonnes to ROM reserve tonnes and is quoted on a constant moisture basis or on an air dried to air dried basis whereas Plant % is based on the 'Feed to Plant' tonnes. The product yields (ROM %) for Proved, Probable and Total are calculated by dividing the individual Saleable reserves by the total ROM reserves per classification.
(4) The coal quality for Coal Reserves is quoted as either kilo-calories per kilogram (kcal/kg) or Crucible Swell Number (CSN). Kilo-calories per kilogram represent Calorific Value (CV) on a Gross As Received (GAR) basis. Coal quality parameters for the Coal Reserves for Coking, Other Metallurgical and Export Thermal collieries meet the contractual specifications for coking coal, PCI, metallurgical coal, steam coal and domestic coal. Coal quality parameters for the Coal Reserves for Domestic Power and Domestic Synfuels collieries meet the specifications of the individual supply contracts. CV is rounded to the nearest 10 kcal/kg and CSN to the nearest 0.5 index.
(5) Coal Resources are quoted on a Mineable Tonnes In-Situ (MTIS) basis in million tonnes, which are in addition to those resources that have been modified to produce the reported Coal Reserves. Coal Resources are on an in-situ moisture basis.
(6) The coal quality for Coal Resources is quoted on an in-situ heat content as kilo-calories per kilogram (kcal/kg), representing Calorific Value (CV) on a Gross As Received (GAR) basis. CV is rounded to the nearest 10 kcal/kg.
(7) Inferred (in LOM Plan) refers to Inferred Coal Resources that are included in the life of mine extraction schedule of the respective collieries and are not reported as Coal Reserves.
(8) Inferred (ex. LOM Plan) refers to Inferred Coal Resources outside the Life of Mine Plan but within the mine lease area.

Capcoal mine comprises open cast operations at Lake Lindsay and Oak Park and an underground longwall operation at Grasstree.
Trend mine and the Belcourt Saxon and Roman Mountain projects are part of Peace River Coal.
Jellinbah is not reported as Anglo American's shareholding is below the internal threshold for reporting.
Aquila was put on care and maintenance in July 2013 pending introduction of a longwall mine plan.

Estimates for the following operations were updated by depletion: Callide and Dawson.

**Summary of material changes (±10%) in estimates – Operations**
**Capcoal (OC):** Coal Resources increase due to reduced geological losses and updated economic assumptions.
**Capcoal (UG):** Coal Resources decrease due to transfer of Aquila Seam resources as a separate project which are offset by gains from exploration drilling and reduced geological losses.
**Dawson:** In 2012 the reported Mine Life considered reserves plus Inferred (in LOM Plan), however for 2013, correctly considers only the scheduled Coal Reserves.
**Drayton:** Coal Reserves decrease due to production and updated economic assumptions. Coal Resources decrease due to updated economic assumptions.
**Foxleigh:** Coal Reserves increase due to updated economic assumptions, exploration drilling and subsequent revision of geological models.
Coal Resources decrease due to refinement of the geological model and updated economic assumptions partially offset by exploration drilling.
**Moranbah North:** Coal Reserves increase due to an increase in cut height and extension of the mine design to accommodate Teviot Brook. Coal Resources decrease due to conversion of Coal Resources to Coal Reserves.
**Trend:** Export – Thermal Coal Reserves are no longer reported, due to current economic conditions. Coal Resources increase is due to reallocation of the Gething Formation from Coal Reserves to Coal Resources.

**Summary of material changes (±10%) in estimates – Projects**
**Capcoal (UG) – Aquila Seam:** Coal Reserves are reported for the first time as a discrete entity. Coal Resources show a net decrease is due to exploration drilling, reduced geological losses and conversion of Coal Resources to Coal Reserves.
**Grosvenor:** Coal Reserves increase due to additional longwall panels in the mine design. Coal Resources increase is due to exploration drilling.
**Roman Mountain:** Coal Reserves are reported for the first time following conversion from Coal Resources to Coal Reserves, and represent the life extension for the Trend operation. Coal Resources decrease due to conversion of Coal Resources to Coal Reserves and the upgrading of Inferred Resources to Measured Resources as a result of exploration drilling.

**Assumption with respect to Mineral Tenure**
**Callide:** Mining Leases ML80121 and ML80186, and Mining Development Leases MDL 203 and 241 are currently pending grant and Anglo American has reasonable expectation that such rights will not be withheld.
**Dawson:** Exploration Permits for Coal EPC989 and EPC1068 will expire in 2014, and Anglo American Metallurgical Coal will apply for renewal timeously, and has reasonable expectation that such rights will not be withheld.
**Drayton:** Authority A173 has been recommended for renewal. Anglo American has reasonable expectation that this renewal will be shortly granted by the NSW Minister for Resources and Energy.
**Drayton South:** The New South Wales Planning Assessment Commission's (PAC) report into the Drayton South project recommended significant changes to the mine plan, and Anglo American will now work through the PAC's recommendations to better understand their implications and consider the options moving forward.
**Foxleigh:** Grant of Mining Leases ML70310, ML70429, ML70430 and ML70431 are currently pending and Anglo American has reasonable expectation that such rights will not be withheld.
**Teviot Brook:** Future additional reserves identified for extraction by Moranbah North starting approximately 2020 are contained in the adjacent Teviot Brook (EPC 706), which is actively under exploration, contains sufficient identified resources for the purposes of the current Moranbah North mine plan and will be reported once a Mining Lease Application has been submitted.

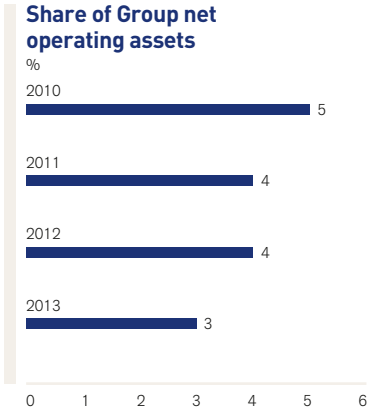
Audits related to the generation of the Coal Reserve and/or Coal Resource estimates were carried out by independent consultants during 2013 at the following operations and projects:
Callide (Trap Gully), Capcoal OC, Capcoal UG (Grasstree & Aquila), Dawson (Pits 3-8,13-19, 20-24), Foxleigh, Roman Mountain and Trend.

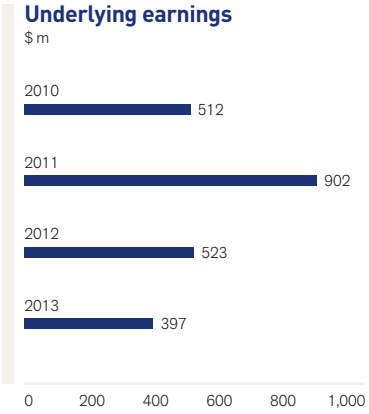
# THERMAL COAL

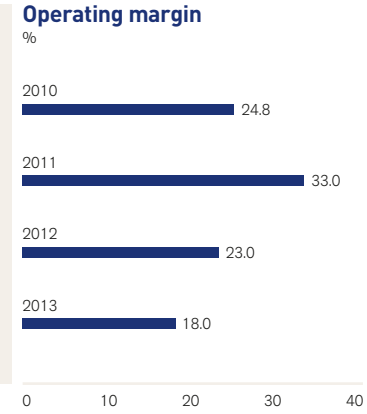
In South Africa, Thermal Coal wholly owns and operates seven mines. In Colombia, we have a one-third shareholding (with BHP Billiton and GlencoreXstrata also each owning one third) in Cerrejón, Colombia's biggest thermal coal exporter.

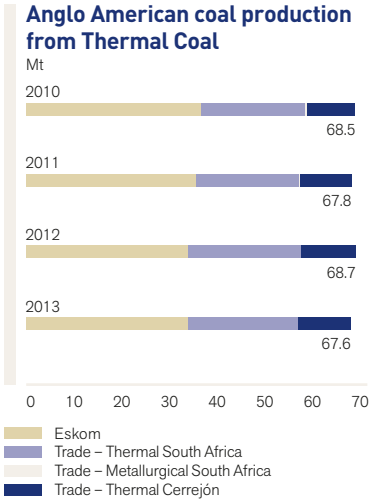
Thermal coal is the most abundant source of fossil fuel energy in the world. Exceeding known reserves of oil and gas, it accounts for approximately 41% of global electricity generation.

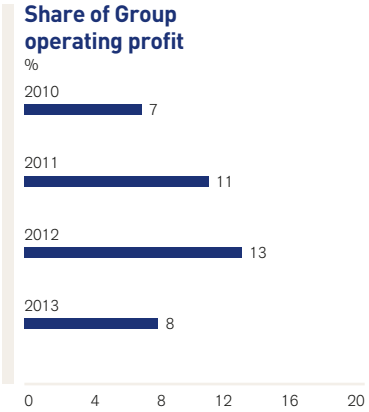
## FINANCIAL HIGHLIGHTS

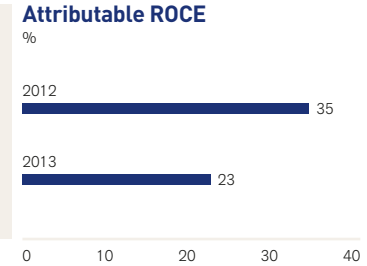


# FINANCIAL DATA

| $ million | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Turnover** | | | | |
| Subsidiaries | **2,187** | 2,477 | 2,642 | 2,105 |
| Joint ventures | **–** | – | – | – |
| Associates | **817** | 970 | 1,080 | 761 |
| **Total turnover** | **3,004** | **3,447** | **3,722** | **2,866** |
| Of which: | | | | |
| South Africa | **2,187** | 2,477 | 2,642 | 2,105 |
| South America | **817** | 970 | 1,080 | 761 |
| **EBITDA** | **735** | **972** | **1,410** | **872** |
| Of which: | | | | |
| South Africa | **479** | 607 | 906 | 539 |
| South America | **299** | 412 | 535 | 358 |
| Projects and corporate | **(43)** | (47) | (31) | (25) |
| **Depreciation and amortisation** | **194** | **179** | **180** | **162** |
| **Operating profit before special items and remeasurements** | **541** | **793** | **1,230** | **710** |
| Of which: | | | | |
| South Africa | **356** | 482 | 779 | 426 |
| South America | **228** | 358 | 482 | 309 |
| Projects and corporate | **(43)** | (47) | (31) | (25) |
| Operating special items and remeasurements | **(244)** | 1 | 1 | (2) |
| **Operating profit after special items and remeasurements** | **297** | **794** | **1,231** | **708** |
| **Net interest, tax and non-controlling interests** | **(144)** | **(270)** | **(328)** | **(198)** |
| **Underlying earnings** | **397** | **523** | **902** | **512** |
| Of which: | | | | |
| South Africa | **283** | 312 | 613 | 314 |
| South America | **151** | 251 | 318 | 223 |
| Projects and corporate | **(37)** | (40) | (29) | (25) |
| **Net operating assets** | **1,422** | **1,965** | **1,886** | **2,111** |
| **Capital expenditure** | **217** | **266** | **190** | **274** |

# BUSINESS OVERVIEW

**UNDERLYING OPERATING PROFIT**
(2012: $793 m)

**$541 m**

**SHARE OF GROUP UNDERLYING OPERATING PROFIT**
(2012: 13%)

**8%**

**UNDERLYING EBITDA**
(2012: $972 m)

**$735 m**

## Key financial and non-financial performance indicators

| $ million (unless otherwise stated) | 2013 | 2012[1] |
|---|---|---|
| Underlying operating profit | **541** | 793 |
| South Africa | **356** | 482 |
| Colombia | **228** | 358 |
| Projects and Corporate | **(43)** | (47) |
| Underlying EBITDA | **735** | 972 |
| Capital expenditure | **217** | 266 |
| Share of Group underlying operating profit | **8%** | 13% |
| Attributable return on capital employed | **23%** | 35% |

| Non-financial indicators | 2013 | 2012 |
|---|---|---|
| Number of fatal injuries | **3** | 2 |
| Lost-time injury frequency rate | **0.18** | 0.20 |
| Total energy consumed in 1,000 GJ | **5,935** | 5,742 |
| Total greenhouse gas emissions in 1,000 tonnes $CO_2e$ | **1,583** | 1,620 |
| Total water consumed in 1,000 $m^3$ | **11,044** | 10,398 |

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 of the financial statements for details.

Our Thermal Coal business operates in South Africa and Colombia. In South Africa, Thermal Coal wholly owns and operates seven mines. It also has a 73% stake in Anglo American Inyosi Coal (AAIC), a broad-based black economic empowerment entity. AAIC wholly owns two mines, Kriel and Zibulo, and has a 50% interest in the Phola washing plant, a joint operation with BHP Billiton. In addition, Thermal Coal has a 50% interest in the Mafube colliery, a joint operation with Exxaro.

The South African mines supply both the export and domestic markets, delivering thermal coal domestically to Eskom, the state-owned power utility and Sasol, a coal-to-liquids producer. Exports are currently routed through the Richards Bay Coal Terminal (RBCT), in which it has a 24.2% shareholding, to customers throughout the Atlantic, Mediterranean and Asia-Pacific regions.

In Colombia, Anglo American, BHP Billiton and GlencoreXstrata each have a one-third shareholding in Cerrejón, the country's largest thermal coal exporter. In 2011, an expansion (the P40 project) was approved to increase this capacity by 8 Mtpa to 40 Mtpa by 2015 (13.3 Mtpa attributable). Cerrejón owns and operates its own rail and deep water port facilities and sells into the export thermal and pulverised coal injection markets.

# OUR THERMAL COAL OPERATIONS

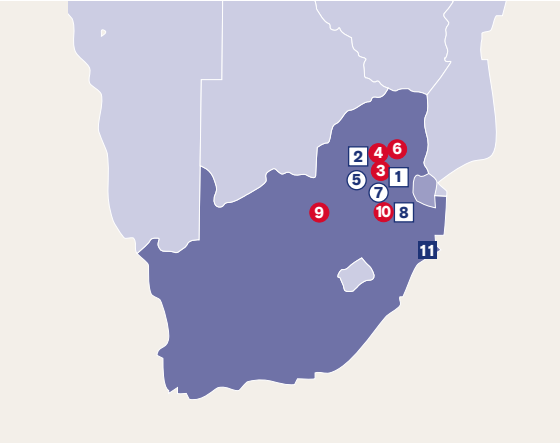
**Key**
- Open cut
- Underground
- Open cut and underground
- Other

## South Africa

Thermal Coal business in South Africa wholly owns and operates seven coal mines (Goedehoop, Greenside, Kleinkopje, Landau, New Denmark, Isibonelo, New Vaal). It also has a 73% stake in Anglo American Inyosi Coal (AAIC), a broad-based black economic empowerment entity. AAIC wholly owns two mines, Kriel and Zibulo colliery, and has a 50% interest in the Phola washing plant, a joint operation with BHP Billiton. In addition, Thermal Coal has a 50% interest in the Mafube colliery, a joint operation with Exxaro.

Goedehoop, Greenside, Kleinkopje, Landau, Mafube and Zibulo mines product for the export market. Kriel, New Denmark and New Vaal mines provide domestic product to Eskom, the state-owned power utility. Isibonelo mine supplies Sasol Synthetic Fuels.

Thermal Coal's South African operations currently route all export thermal coal through the Richards Bay Coal Terminal (RBCT), in which it has a 24.2% shareholding.




| | | |
|---|---|---|
| 1 | 100% | Goedehoop |
| 2 | 100% | Greenside |
| 3 | 100% | Kleinkopje |
| 4 | 100% | Landau |
| 5 | 73% | Zibulo |
| 6 | 50% | Mafube |
| 7 | 73% | Kriel |
| 8 | 100% | New Denmark |
| 9 | 100% | New Vaal |
| 10 | 100% | Isibonelo |
| 11 | 24.2% | Richards Bay Coal Terminal |

## Colombia

Anglo American has a 33.3% shareholding in Cerrejón, with BHP Billiton and GlencoreXstrata, in Colombia. Cerrejón owns and operates its own rail and deep water port facilities and sells into the export thermal and PCI coal markets.


| | | |
|---|---|---|
| 1 | 33% | Cerrejón (Colombia) |

# INDUSTRY OVERVIEW

Coal is the world's most abundant source of fossil fuel energy. Exceeding known reserves of oil and gas, it accounts for approximately 41% of global electricity generation. Thermal coal is a significant component of global energy consumption, accounting for an estimated 29% of primary energy demand in 2012.

The bulk of coal production is used in power generation; decisions that affect the energy mix of power generation therefore influence coal demand. These include long term industry dynamics for nuclear, gas and renewable power generation and policy decisions on climate and environmental legislation.

In 2013, export seaborne thermal coal accounted for approximately 950 Mt or 13% of global thermal coal demand, with a large proportion of production coming from four key basins: Indonesia, Australia, Colombia and South Africa. Demand for seaborne traded thermal coal has increased by 53% since 2008, and is expected to continue to grow over the long term, driven by India and China's growing reliance on imported thermal coal. The IEA World Energy Outlook 2013 forecasts coal consumption for electricity generation to grow by 1.2% per year (cumulative annual average growth rate) under its New Policies Scenario from 2011 to 2035, with growth slowing after 2020 owing to the effect of environmental regulation.

In developed economies, demand is expected to steadily decline as environmental regulation hastens the retirement of older coal-fired power stations and reduces the incentive for new coal-fired capacity. The major risks to the medium term growth of export seaborne thermal coal revolve around the ability of India and China to sustain their rates of economic growth, as well as logistical constraints and cost-inflation pressures.

US thermal coal continues to be exported into the seaborne market; however the US domestic gas price (Henry Hub spot prices) has increased, thereby improving the competitiveness of coal within the domestic market and reducing the overhang of US thermal coal that made its way into thermal markets in 2012.

## Markets

| Anglo American weighted average achieved sales prices ($/tonne) | 2013 | 2012 |
|---|---|---|
| South Africa export thermal coal (FOB) | **77** | 92 |
| South Africa domestic thermal coal | **19** | 21 |
| Colombia export thermal coal (FOB) | **73** | 89 |

| Attributable sales volumes ('000 tonnes) | 2013 | 2012 |
|---|---|---|
| South Africa export thermal coal | **17,502** | 17,151 |
| South Africa domestic thermal coal[1] | **39,044** | 40,110 |
| Colombia export thermal coal | **11,152** | 10,926 |

[1] Includes domestic metallurgical coal of 91,800 tonnes in 2012.

International seaborne demand continues to grow (7% to 961 Mt); however the supply response to date has kept pace with demand. In 2013, the international thermal coal seaborne market remained in oversupply, despite supply disruptions that included the effects of industrial action in Colombia. This has kept prices suppressed and discouraged investment.

Thermal coal prices generally continued their declining trend over the year, although with some volatility. Delivered prices into Europe (API2) fell below $75/tonne in June, their lowest in three years, before regaining some lost ground with a fourth quarter average price of $84.3/tonne. The average API2 price index was $81.5/tonne for the year. The average API4 (FOB, Richards Bay) index price also fell below $75/tonne in June, while the average for the year fell by approximately 14% to $80/tonne (2012: $93/tonne) to close at $85/tonne (2012: $89/tonne).

Generally, the lower prices have forced producers to seek productivity gains and ramp up volumes in order to reduce unit costs. In conjunction with newly commissioned infrastructure projects, this has resulted in strong supply-side performance from various export countries. Depreciation of the Australian dollar and South African rand, which declined by 6% and 18% respectively against the US dollar, provided some relief for producers.

Asia accounted for 75% of South African thermal coal shipments, 3% lower than 2012. South African thermal coal shipments out of RBCT reached a record high of 70.2 Mt, an increase of 3% over the prior year (2012: 68.3 Mt), bolstered by TFR's improved performance. TFR also had a record calendar year with 70.5 Mt railed to RBCT, a 3% improvement over 2012 (68.5 Mt).

# MARKET INFORMATION

## 2013 Seaborne thermal coal demand

Global 961 Mt

| | | % |
|---|---|---|
| Rest of World | 235 | 24 |
| China | 226 | 24 |
| Japan | 133 | 14 |
| India | 131 | 14 |
| South Korea | 102 | 10 |
| Europe | 78 | 8 |
| Taiwan | 56 | 6 |
| **Total** | 961 | 100 |

**Source:** Wood Mackenzie, Thermal coal supply and demand overview, January 2014

## 2013 Seaborne thermal coal supply

Global 961 Mt

| | | % |
|---|---|---|
| Indonesia | 390 | 41 |
| Australia | 194 | 20 |
| Russia | 98 | 10 |
| Rest of World | 82 | 8 |
| Colombia | 79 | 8 |
| South Africa | 74 | 8 |
| United States | 44 | 5 |
| **Total** | 961 | 100 |

**Source:** Wood Mackenzie, Thermal coal supply and demand overview, January 2014

## Top ten exporters of thermal coal in 2013

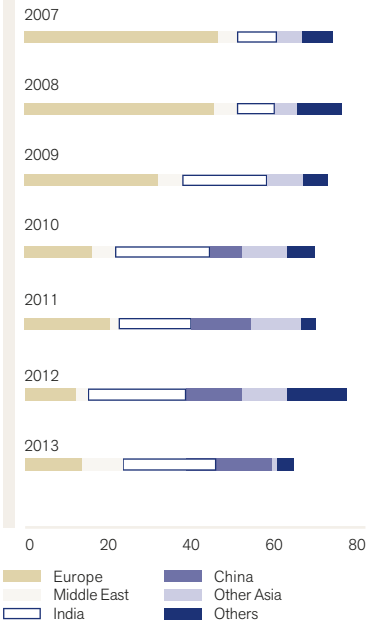
Global Mt

| | | % |
|---|---|---|
| Other | 590 | 61.4 |
| GlencoreXstrata | 83 | 8.7 |
| PT Bumi Resources Tbk | 55 | 6.7 |
| BHP Billiton Limited | 44 | 4.6 |
| PT Adaro Energy Tbk | 42 | 4.4 |
| Anglo American plc | 35 | 3.6 |
| Siberian Coal Energy Company | 30 | 3.1 |
| Rio Tinto | 23 | 2.4 |
| Banpu Public Company Ltd | 22 | 2.3 |
| Tata Power Company Ltd | 20 | 2.0 |
| Drummond Company Inc | 17 | 1.7 |
| **Total** | 961 | 100 |

**Source:** Company Reports, Wood Mackenzie, Anglo American estimates

## Export thermal coal from South Africa

Mt




**Source:** McCloskey

## Market price analysis


**Source:** IHF McClosky

# STRATEGY

Thermal Coal's strategic vision is to be a safe, material, high margin, thermal coal producer with a global footprint that participates in the most attractive seaborne thermal coal markets, while maintaining its domestic market commitments.

Thermal coal demand is being driven by Asia's economic growth and its reliance on low cost, readily available supply. Although the export thermal coal market is currently in oversupply, it is expected to recover in the medium term as sustained lower pricing begins to erode high cost supply and as demand recovers. In South Africa, demand for new coal supply is increasing and is expected to continue to grow in order to supply Eskom's future coal requirements for its existing and future power stations.

To maximise its asset value, Thermal Coal has implemented various business improvement initiatives based on understanding benchmark performance and aimed at driving value within its portfolio of operating mines.

The business improvement initiatives collectively form Project Khulisa, meaning to grow to full potential, and are designed to realise Thermal Coal's full production and profit potential and implement cross-mine programmes to achieve these targets. Project Khulisa continued in 2013, and its targets are entrenched in Thermal Coal's business processes. Thermal Coal also realised significant value by implementing an integrated mine planning process through its Enterprise Value Optimisation project, ensuring the highest possible margin is achieved given the available rail capacity, based on recent and expected Transnet Freight Rail (TFR) performance, market demand for varying coal products and price.

**Projects**

In South Africa, the 11 Mtpa New Largo project is in feasibility and engagement with Eskom to finalise the coal supply agreement continues. The project is expected to be presented for board approval once the necessary permits have been obtained and the coal supply agreement concluded.

The Cerrejón P40 expansion project, to increase the port and logistics chain capacity to handle a total mine output of 40 Mtpa (an additional 8.0 Mtpa), is progressing on schedule and budget.

# PROJECT PIPELINE – KEY PROJECTS

## Elders (unapproved)

**Overall capex: TBD**

**Country**
South Africa

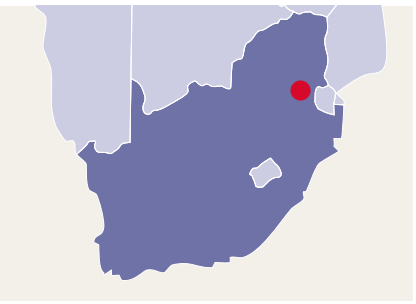
**Ownership**
73% Anglo American

**Production volume**
TBD

**Full project capex**
TBD

**First production**
TBD

The Elders coal resource is located in the province of Mpumalanga and is in close proximity to Goedehoop colliery complex. The project is aimed at optimising the mining of the resource primarily by underground mining methods with a mini pit opencast operation. Elders has the optionality of transporting coal to the established Goedehoop mine to utilise existing processing and logistical infrastructure.



## Mafube (unapproved)

**Overall capex: TBD**

**Country**
South Africa

**Ownership**
50% Anglo American

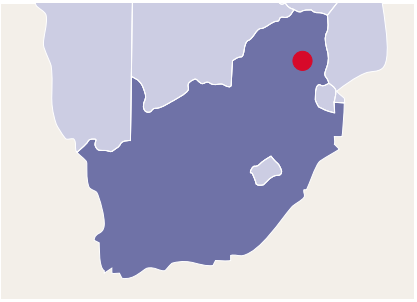
**Production volume**
TBD

**Full project capex**
TBD

**First production**
TBD

The Mafube mining complex is a 50/50 joint operation between Anglo American Coal and Exxaro situated 30km East of Middelburg, Mpumalanga and 20km North of Eskom's Arnot power station.

The current project extends the life of the current mining operation. This is an opencast coal operation, producing seaborne traded thermal coal, as well as coal for Arnot power station. The coal will be conveyed and processed at the Mafube coal handling and process plant.



## New Largo (unapproved)

**Overall capex: TBD**

**Country**
South Africa

**Ownership**
73% Anglo American

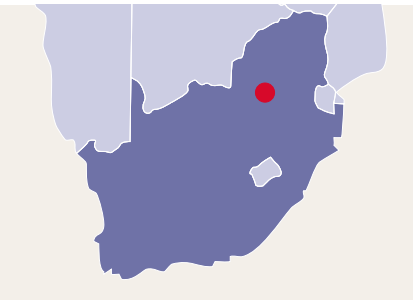
**Production volume**
TBD

**Full project capex**
TBD

**First production**
TBD

The New Largo project, currently at feasibility stage, has two main elements: a new opencast mine and a conveyor which will run from an existing coal plant to an Eskom power station. The operation plans to mine domestic thermal coal. Our Coal business is currently negotiating a coal supply agreement with Eskom for delivery into its Kusile power station.

The project is expected to be presented for board approval once the necessary permits have been obtained and the coal supply agreement concluded.



## Cerrejón P40 (approved)

**Overall capex: <$2 bn (100% basis)**

**Country**
Colombia

**Ownership**
33% Anglo American

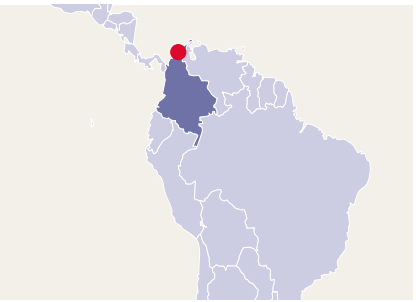
**Production volume**
8 Mtpa thermal (100%)

**Full project capex**
<$2 bn

**First production**
2015

P40 project is an expansion of current production from 32 Mtpa to 40 Mtpa at full production. The increase in tonnage will be achieved by systematically eliminating bottlenecks and constraints in the production, processing and transportation of coal.

First coal was produced during 2013, with the project expected to achieve full production in Q4 2015.



# PRODUCTION DATA

| Production (tonnes) | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **South Africa** | | | | |
| Export | **17,031,300** | 17,132,100 | 16,328,400 | 16,400,300 |
| Domestic (Eskom) | **33,567,400** | 33,706,400 | 35,296,000 | 36,403,400 |
| Domestic (Other) | **5,992,000** | 6,219,100 | 5,059,700 | 5,211,600 |
| Metallurgical | **–** | 74,100 | 323,400 | 436,600 |
| **South Africa Total** | **56,590,700** | **57,131,700** | **57,007,500** | **58,451,900** |
| **South America** | | | | |
| Export | **11,001,500** | 11,548,800 | 10,751,700 | 10,060,100 |
| **Total Thermal Coal segment** | **67,592,200** | **68,680,500** | **67,759,200** | **68,512,000** |
| | | | | |
| **South Africa** | | | | |
| Greenside | **3,269,500** | 2,883,200 | 2,853,100 | 3,425,000 |
| Goedehoop | **4,680,800** | 4,859,900 | 5,200,800 | 6,026,200 |
| Isibonelo | **5,066,800** | 5,399,200 | 4,338,200 | 4,569,100 |
| Kriel | **8,102,700** | 8,096,900 | 8,151,700 | 9,526,100 |
| Kleinkopje | **3,997,200** | 3,765,500 | 4,400,600 | 4,423,600 |
| Landau | **4,084,000** | 4,272,300 | 4,171,200 | 4,085,800 |
| New Denmark | **3,586,900** | 3,401,200 | 4,812,600 | 5,051,600 |
| New Vaal | **17,105,700** | 17,623,300 | 17,399,700 | 17,235,300 |
| Nooitgedacht | **–** | – | – | – |
| Mafube | **1,825,400** | 1,804,100 | 2,313,100 | 2,447,700 |
| Zibulo | **4,871,700** | 5,026,100 | 3,366,500 | 1,661,500 |
| **Total** | **56,590,700** | **57,131,700** | **57,007,500** | **58,451,900** |
| **South America** | | | | |
| Carbones Del Cerrejón | **11,001,500** | 11,548,800 | 10,751,700 | 10,060,100 |
| **Total** | **11,001,500** | **11,548,800** | **10,751,700** | **10,060,100** |

# COAL

estimates as at 31 December 2013

## THERMAL COAL

The Coal Reserve and Coal 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) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012) as applicable. The figures reported represent 100% of the Coal Reserves and Coal Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies. Anglo American Thermal Coal comprises the dominantly export and domestic thermal coal operations, located in Colombia and South Africa.

| Thermal Coal – Colombia Operations | | | | ROM Tonnes[2] | | Yield[3] | | Saleable Tonnes[2] | | Saleable Quality[4] | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **COAL RESERVES**[1] | Attributable % | Mine Life | Classification | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 |
| **Cerrejón (OC)** | 33.3 | 18 | | Mt | Mt | ROM % | ROM % | Mt | Mt | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | 645.1 | 675.0 | 96.0 | 96.7 | 626.6 | 652.7 | 6,150 | 6,180 |
| | | | Probable | 96.2 | 93.2 | 95.7 | 97.0 | 93.9 | 90.4 | 6,130 | 6,110 |
| | | | **Total** | **741.3** | **768.2** | **96.0** | **96.7** | **720.4** | **743.1** | **6,150** | **6,170** |

| Thermal Coal – South Africa Operations | | | | ROM Tonnes[2] | | Yield[3] | | Saleable Tonnes[2] | | Saleable Quality[4] | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **COAL RESERVES**[1] | Attributable % | Mine Life | Classification | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 |
| **Goedehoop (UG&OC)** | 100 | 7 | | Mt | Mt | ROM % | ROM % | Mt | Mt | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | 29.5 | 30.0 | 52.5 | 54.9 | 15.8 | 16.8 | 6,200 | 6,190 |
| | | | Probable | 29.9 | 40.9 | 58.5 | 51.6 | 17.8 | 21.5 | 5,930 | 6,200 |
| | | | **Total** | **59.4** | **70.9** | **55.5** | **53.0** | **33.6** | **38.3** | **6,060** | **6,200** |
| **Greenside (UG)** | 100 | 14 | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | 23.0 | 21.3 | 68.4 | 57.4 | 16.2 | 12.7 | 6,080 | 6,200 |
| | | | Probable | 36.8 | 26.4 | 68.6 | 54.0 | 26.2 | 14.8 | 5,840 | 6,190 |
| | | | **Total** | **59.8** | **47.7** | **68.5** | **55.5** | **42.5** | **27.5** | **5,930** | **6,190** |
| **Isibonelo (OC)** | 100 | 14 | | | | | | | | kcal/kg | kcal/kg |
| Synfuel | | | Proved | 65.2 | 70.5 | 100 | 100 | 65.2 | 70.5 | 4,690 | 4,520 |
| | | | Probable | – | – | – | – | – | – | – | – |
| | | | **Total** | **65.2** | **70.5** | **100** | **100** | **65.2** | **70.5** | **4,690** | **4,520** |
| **Kleinkopje (OC)** | 100 | 12 | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | 38.9 | 50.8 | 38.2 | 33.2 | 15.4 | 17.4 | 6,190 | 6,190 |
| | | | Probable | – | – | – | – | – | – | – | – |
| | | | **Total** | **38.9** | **50.8** | **38.2** | **33.2** | **15.4** | **17.4** | **6,190** | **6,190** |
| | | | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Domestic | | | Proved | | | 30.7 | 38.5 | 11.9 | 19.6 | 4,580 | 4,580 |
| | | | Probable | | | – | – | – | – | – | – |
| | | | **Total** | | | **30.7** | **38.5** | **11.9** | **19.6** | **4,580** | **4,580** |
| **Kriel (UG&OC)** | 73.0 | 12 | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Domestic | | | Proved | 36.1 | 40.3 | 100 | 100 | 36.1 | 40.3 | 4,860 | 4,830 |
| | | | Probable | 10.0 | 63.8 | 100 | 100 | 10.0 | 63.8 | 4,280 | 4,430 |
| | | | **Total** | **46.1** | **104.1** | **100** | **100** | **46.1** | **104.1** | **4,730** | **4,580** |
| **Landau (OC)** | 100 | 6 | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | 22.0 | 29.6 | 47.8 | 48.4 | 10.7 | 14.5 | 6,230 | 6,210 |
| | | | Probable | 12.2 | 12.1 | 46.6 | 46.0 | 5.8 | 5.7 | 6,250 | 6,210 |
| | | | **Total** | **34.2** | **41.7** | **47.4** | **47.7** | **16.5** | **20.2** | **6,240** | **6,210** |
| | | | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Domestic | | | Proved | | | 15.6 | 12.3 | 3.5 | 3.7 | 4,390 | 4,040 |
| | | | Probable | | | 21.1 | 18.5 | 2.6 | 2.3 | 4,530 | 4,370 |
| | | | **Total** | | | **17.6** | **14.1** | **6.1** | **5.9** | **4,450** | **4,170** |
| **Mafube (OC)** | 50.0 | 18 | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | 10.2 | 12.1 | 51.2 | 47.5 | 5.3 | 5.8 | 6,260 | 6,270 |
| | | | Probable | 113.0 | 70.7 | 42.8 | 33.9 | 48.4 | 24.2 | 6,040 | 6,260 |
| | | | **Total** | **123.2** | **82.8** | **43.5** | **35.9** | **53.7** | **30.0** | **6,060** | **6,260** |
| | | | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Domestic | | | Proved | | | 24.5 | 19.7 | 2.6 | 2.4 | 5,240 | 5,360 |
| | | | Probable | | | 18.4 | 29.1 | 21.1 | 21.2 | 5,050 | 4,970 |
| | | | **Total** | | | **18.9** | **27.7** | **23.7** | **23.6** | **5,070** | **5,010** |
| **New Denmark (UG)** | 100 | 25 | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Domestic | | | Proved | 25.8 | 30.8 | 100 | 100 | 25.8 | 30.8 | 5,040 | 4,950 |
| | | | Probable | 82.7 | 81.2 | 100 | 100 | 82.7 | 81.2 | 5,150 | 5,020 |
| | | | **Total** | **108.6** | **112.0** | **100** | **100** | **108.6** | **112.0** | **5,120** | **5,000** |
| **New Vaal (OC)** | 100 | 17 | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Domestic | | | Proved | 296.3 | 348.1 | 93.4 | 89.6 | 286.6 | 323.8 | 3,510 | 3,560 |
| | | | Probable | – | – | – | – | – | – | – | – |
| | | | **Total** | **296.3** | **348.1** | **93.4** | **89.6** | **286.6** | **323.8** | **3,510** | **3,560** |
| **Zibulo (UG&OC)** | 73.0 | 19 | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Export | | | Proved | 84.1 | 91.3 | 58.0 | 49.4 | 49.0 | 45.6 | 6,110 | 6,100 |
| | | | Probable | 34.2 | 23.5 | 46.8 | 43.9 | 16.1 | 10.4 | 6,110 | 6,110 |
| | | | **Total** | **118.2** | **114.9** | **54.8** | **48.3** | **65.1** | **56.0** | **6,110** | **6,100** |
| | | | | | | | | | | kcal/kg | kcal/kg |
| Thermal – Domestic | | | Proved | | | 14.6 | 26.6 | 12.2 | 25.1 | 4,840 | 4,930 |
| | | | Probable | | | 20.7 | 30.4 | 7.1 | 7.3 | 4,830 | 4,780 |
| | | | **Total** | | | **16.4** | **27.4** | **19.3** | **32.4** | **4,840** | **4,900** |

Mining method: OC = Open Cast/Cut, UG = Underground. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
For the multi-product operations, the ROM tonnage figures apply to each product.
The Saleable tonnes cannot be calculated directly from the ROM reserve tonnes using the air dried yields as presented since the difference in moisture content is not taken into account.
Attributable percentages for country totals are weighted by Saleable tonnes and should not be directly applied to the ROM tonnes.
Footnotes appear at the end of the section.

**Thermal – Export** refers to low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).
**Thermal – Domestic** refers to low- to high-volatile thermal coal primarily for domestic consumption for power generation; quality measured by calorific value (CV).
**Synfuel** refers to a coal specifically for the domestic production of synthetic fuel and chemicals; quality measured by calorific value (CV).

# COAL

estimates as at 31 December 2013

| Thermal Coal – South Africa Operations<br>COAL RESERVES[1] | Attributable % | Classification | ROM Tonnes[2] 2013 | ROM Tonnes[2] 2012 | Yield[3] 2013 | Yield[3] 2012 | Saleable Tonnes[2] 2013 | Saleable Tonnes[2] 2012 | Saleable Quality[4] 2013 | Saleable Quality[4] 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **South Africa Thermal – Export** | 80.4 | | Mt | Mt | Plant % | Plant % | Mt | Mt | kcal/kg | kcal/kg |
| | | Proved | 631.1 | 724.9 | 57.8 | 52.9 | 112.5 | 112.8 | 6,150 | 6,160 |
| | | Probable | 318.8 | 318.7 | 53.3 | 45.6 | 114.3 | 76.5 | 6,000 | 6,210 |
| | | **Total** | **949.9** | **1,043.6** | **55.5** | **49.9** | **226.8** | **189.3** | **6,070** | **6,180** |
| **South Africa Thermal – Domestic** | 94.1 | | | | | | | | kcal/kg | kcal/kg |
| | | Proved | | | 91.3 | 87.7 | 378.7 | 445.7 | 3,840 | 3,910 |
| | | Probable | | | 81.5 | 88.2 | 123.6 | 175.7 | 5,030 | 4,780 |
| | | **Total** | | | **88.9** | **87.8** | **502.3** | **621.4** | **4,130** | **4,150** |
| **South Africa Synfuel** | 100 | | | | | | | | kcal/kg | kcal/kg |
| | | Proved | | | 100 | 100 | 65.2 | 70.5 | 4,690 | 4,520 |
| | | Probable | | | – | – | – | – | – | – |
| | | **Total** | | | **100** | **100** | **65.2** | **70.5** | **4,690** | **4,520** |

| Thermal Coal – Operations<br>TOTAL COAL RESERVES[1] | Attributable % | Classification | ROM Tonnes[2] 2013 | ROM Tonnes[2] 2012 | Yield[3] 2013 | Yield[3] 2012 | Saleable Tonnes[2] 2013 | Saleable Tonnes[2] 2012 | Saleable Quality[4] 2013 | Saleable Quality[4] 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Thermal – Export** | 44.6 | | Mt | Mt | Plant % | Plant % | Mt | Mt | kcal/kg | kcal/kg |
| | | Proved | 1,276.2 | 1,399.9 | 90.2 | 90.2 | 739.0 | 765.5 | 6,150 | 6,180 |
| | | Probable | 415.0 | 411.9 | 72.4 | 73.4 | 208.2 | 166.9 | 6,060 | 6,160 |
| | | **Total** | **1,691.2** | **1,811.8** | **86.3** | **87.2** | **947.2** | **932.4** | **6,130** | **6,170** |
| **Thermal – Domestic** | 94.1 | | | | | | | | kcal/kg | kcal/kg |
| | | Proved | | | 91.3 | 87.7 | 378.7 | 445.7 | 3,840 | 3,910 |
| | | Probable | | | 81.5 | 88.2 | 123.6 | 175.7 | 5,030 | 4,780 |
| | | **Total** | | | **88.9** | **87.8** | **502.3** | **621.4** | **4,130** | **4,150** |
| **Synfuel** | 100 | | | | | | | | kcal/kg | kcal/kg |
| | | Proved | | | 100 | 100 | 65.2 | 70.5 | 4,690 | 4,520 |
| | | Probable | | | – | – | – | – | – | – |
| | | **Total** | | | **100** | **100** | **65.2** | **70.5** | **4,690** | **4,520** |

| Thermal Coal – Colombia Operations<br>COAL RESOURCES[5] | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Coal Quality 2013 | Coal Quality 2012 |
|---|---|---|---|---|---|---|
| **Cerrejón (OC)** | 33.3 | | MTIS[5] | MTIS[5] | kcal/kg[6] | kcal/kg[6] |
| | | Measured | 911.3 | 903.6 | 6,410 | 6,450 |
| | | Indicated | 162.9 | 160.0 | 6,340 | 6,360 |
| | | **Measured and Indicated** | **1,074.2** | **1,063.6** | **6,400** | **6,440** |
| | | Inferred (in LOM Plan)[7] | 68.0 | 73.8 | 6,770 | 6,720 |
| | | Inferred (ex. LOM Plan)[8] | 29.5 | 25.1 | 6,580 | 6,460 |
| | | **Total Inferred** | **97.5** | **98.8** | **6,710** | **6,650** |

# COAL

estimates as at 31 December 2013

| Thermal Coal – South Africa Operations<br>COAL RESOURCES[5] | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Coal Quality 2013 | Coal Quality 2012 |
|---|---|---|---|---|---|---|
| | | | MTIS[5] | MTIS[5] | kcal/kg[6] | kcal/kg[6] |
| **Goedehoop (UG&OC)** | 100 | Measured | 205.6 | 83.1 | 5,260 | 5,510 |
| | | Indicated | 29.0 | 75.7 | 4,910 | 5,470 |
| | | **Measured and Indicated** | **234.6** | **158.8** | **5,210** | **5,490** |
| | | Inferred (in LOM Plan)[7] | 1.6 | 1.6 | 5,300 | 5,740 |
| | | Inferred (ex. LOM Plan)[8] | 11.2 | 5.8 | 4,810 | 5,250 |
| | | **Total Inferred** | **12.8** | **7.4** | **4,870** | **5,360** |
| **Greenside (UG)** | 100 | Measured | 18.4 | 18.2 | 5,680 | 5,590 |
| | | Indicated | 1.7 | 1.4 | 5,140 | 5,610 |
| | | **Measured and Indicated** | **20.1** | **19.6** | **5,630** | **5,590** |
| | | Inferred (in LOM Plan)[7] | 1.9 | 8.3 | 5,730 | 5,790 |
| | | Inferred (ex. LOM Plan)[8] | 0.8 | – | 6,050 | – |
| | | **Total Inferred** | **2.8** | **8.3** | **5,830** | **5,790** |
| **Isibonelo (OC)** | 100 | Measured | – | – | – | – |
| | | Indicated | 16.3 | 16.3 | 5,390 | 5,250 |
| | | **Measured and Indicated** | **16.3** | **16.3** | **5,390** | **5,250** |
| | | Inferred (in LOM Plan)[7] | – | – | – | – |
| | | Inferred (ex. LOM Plan)[8] | – | – | – | – |
| | | **Total Inferred** | **–** | **–** | **–** | **–** |
| **Kleinkopje (OC)** | 100 | Measured | 28.0 | 30.4 | 5,020 | 5,040 |
| | | Indicated | – | – | – | – |
| | | **Measured and Indicated** | **28.0** | **30.4** | **5,020** | **5,040** |
| | | Inferred (in LOM Plan)[7] | – | – | – | – |
| | | Inferred (ex. LOM Plan)[8] | – | – | – | – |
| | | **Total Inferred** | **–** | **–** | **–** | **–** |
| **Kriel (UG&OC)** | 73.0 | Measured | 73.4 | 8.7 | 4,870 | 5,290 |
| | | Indicated | 10.2 | 10.2 | 4,860 | 4,860 |
| | | **Measured and Indicated** | **83.5** | **18.8** | **4,870** | **5,060** |
| | | Inferred (in LOM Plan)[7] | – | – | – | – |
| | | Inferred (ex. LOM Plan)[8] | 18.8 | 18.8 | 4,950 | 4,950 |
| | | **Total Inferred** | **18.8** | **18.8** | **4,950** | **4,950** |
| **Landau (OC)** | 100 | Measured | 50.1 | 52.0 | 5,230 | 5,190 |
| | | Indicated | 34.4 | 42.8 | 5,250 | 4,680 |
| | | **Measured and Indicated** | **84.5** | **94.8** | **5,240** | **4,960** |
| | | Inferred (in LOM Plan)[7] | – | – | – | – |
| | | Inferred (ex. LOM Plan)[8] | 18.1 | 13.8 | 5,500 | 5,760 |
| | | **Total Inferred** | **18.1** | **13.8** | **5,500** | **5,760** |
| **Mafube (OC)** | 50.0 | Measured | 53.9 | 56.5 | 5,300 | 5,300 |
| | | Indicated | 4.3 | 13.2 | 4,370 | 4,530 |
| | | **Measured and Indicated** | **58.2** | **69.7** | **5,230** | **5,150** |
| | | Inferred (in LOM Plan)[7] | 0.9 | 7.3 | 4,040 | 5,150 |
| | | Inferred (ex. LOM Plan)[8] | 1.2 | 30.2 | 5,360 | 3.890 |
| | | **Total Inferred** | **2.1** | **37.5** | **4,770** | **4,130** |
| **New Denmark (UG)** | 100 | Measured | 65.8 | – | 5,800 | – |
| | | Indicated | 2.9 | – | 5,850 | – |
| | | **Measured and Indicated** | **68.7** | **–** | **5,800** | **–** |
| | | Inferred (in LOM Plan)[7] | 14.4 | 16.2 | 5,270 | 5,270 |
| | | Inferred (ex. LOM Plan)[8] | 1.2 | – | 5,390 | – |
| | | **Total Inferred** | **15.6** | **16.2** | **5,280** | **5,270** |
| **Zibulo (UG&OC)** | 73.0 | Measured | 173.9 | 147.3 | 4,900 | 4,960 |
| | | Indicated | 201.0 | 201.7 | 4,870 | 4,900 |
| | | **Measured and Indicated** | **375.0** | **349.0** | **4,890** | **4,920** |
| | | Inferred (in LOM Plan)[7] | 20.8 | 20.4 | 5,320 | 5,460 |
| | | Inferred (ex. LOM Plan)[8] | 132.8 | 157.8 | 4,820 | 4,780 |
| | | **Total Inferred** | **153.6** | **178.2** | **4,890** | **4,860** |
| **South Africa – Mine Leases** | 83.2 | Measured | 669.1 | 396.2 | 5,180 | 5,200 |
| | | Indicated | 299.8 | 361.2 | 4,950 | 5,000 |
| | | **Measured and Indicated** | **968.9** | **757.4** | **5,110** | **5,100** |
| | | Inferred (in LOM Plan)[7] | 39.7 | 53.9 | 5,290 | 5,420 |
| | | Inferred (ex. LOM Plan)[8] | 184.1 | 226.5 | 4,910 | 4,750 |
| | | **Total Inferred** | **223.8** | **280.3** | **4,980** | **4,880** |

| Thermal Coal – Operations<br>COAL RESOURCES[5] | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Coal Quality 2013 | Coal Quality 2012 |
|---|---|---|---|---|---|---|
| | | | MTIS[5] | MTIS[5] | kcal/kg[6] | kcal/kg[6] |
| **Total** | 58.5 | Measured | 1,580.4 | 1,299.7 | 5,890 | 6,070 |
| | | Indicated | 462.6 | 521.2 | 5,440 | 5,410 |
| | | **Measured and Indicated** | **2,043.0** | **1,821.0** | **5,790** | **5,880** |
| | | Inferred (in LOM Plan)[7] | 107.7 | 127.7 | 6,230 | 6,170 |
| | | Inferred (ex. LOM Plan)[8] | 213.6 | 251.5 | 5,140 | 4,920 |
| | | **Total Inferred** | **321.3** | **379.2** | **5,510** | **5,340** |

COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

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

# COAL

estimates as at 31 December 2013

| Thermal Coal – South Africa Projects<br>COAL RESOURCES[5] | Attributable % | Classification | Tonnes<br>2013 | Tonnes<br>2012 | Coal Quality<br>2013 | Coal Quality<br>2012 |
|---|---|---|---|---|---|---|
| | | | MTIS[5] | MTIS[5] | kcal/kg[6] | kcal/kg[6] |
| **Elders** | 73.0 | Measured | 176.4 | 224.3 | 4,970 | 5,140 |
| | | Indicated | 9.6 | 107.6 | 4,700 | 5,410 |
| | | **Measured and Indicated** | **186.0** | **331.8** | **4,950** | **5,230** |
| | | Inferred | 22.4 | 109.1 | 4,750 | 5,320 |
| **Elders UG Extension** | 73.0 | Measured | 66.2 | – | 5,520 | – |
| | | Indicated | 85.3 | – | 5,550 | – |
| | | **Measured and Indicated** | **151.5** | **–** | **5,540** | **–** |
| | | Inferred | 90.0 | – | 5,460 | – |
| **Kriel Block F** | 100 | Measured | 49.0 | 36.1 | 5,310 | 5,270 |
| | | Indicated | 13.8 | 27.3 | 5,360 | 5,410 |
| | | **Measured and Indicated** | **62.8** | **63.4** | **5,320** | **5,330** |
| | | Inferred | – | – | – | – |
| **Kriel East** | 73.0 | Measured | 114.6 | 100.1 | 4,950 | 4,940 |
| | | Indicated | 18.1 | 31.4 | 4,990 | 4,890 |
| | | **Measured and Indicated** | **132.7** | **131.5** | **4,960** | **4,930** |
| | | Inferred | 6.6 | 8.0 | 4,880 | 4,840 |
| **New Largo** | 73.0 | Measured | 412.1 | 429.5 | 4,410 | 4,290 |
| | | Indicated | 161.8 | 178.5 | 4,270 | 3,970 |
| | | **Measured and Indicated** | **573.9** | **608.0** | **4,370** | **4,190** |
| | | Inferred | 13.4 | 13.9 | 5,300 | 5,270 |
| **Nooitgedacht** | 100 | Measured | 34.5 | 36.4 | 5,330 | 5,360 |
| | | Indicated | 10.2 | 10.6 | 5,410 | 5,450 |
| | | **Measured and Indicated** | **44.7** | **46.9** | **5,350** | **5,380** |
| | | Inferred | 10.8 | 10.8 | 5,280 | 5,300 |
| **South Rand** | 73.0 | Measured | 78.6 | 78.6 | 4,850 | 4,850 |
| | | Indicated | 168.1 | 168.1 | 4,770 | 4,770 |
| | | **Measured and Indicated** | **246.7** | **246.7** | **4,790** | **4,790** |
| | | Inferred | 157.2 | 157.2 | 4,780 | 4,780 |
| **Vaal Basin** | 100 | Measured | 378.8 | 375.2 | 4,330 | 4,330 |
| | | Indicated | 223.6 | 220.4 | 4,220 | 4,210 |
| | | **Measured and Indicated** | **602.4** | **595.6** | **4,290** | **4,290** |
| | | Inferred | 92.0 | 88.9 | 4,250 | 4,210 |
| **South Africa – Projects** | 82.2 | Measured | 1,310.2 | 1,280.2 | 4,650 | 4,590 |
| | | Indicated | 690.6 | 743.8 | 4,600 | 4,540 |
| | | **Measured and Indicated** | **2,000.8** | **2,024.0** | **4,630** | **4,570** |
| | | Inferred | 392.4 | 388.0 | 4,840 | 4,830 |

Attributable percentages for country totals are weighted by Total MTIS.

(1) Coal Reserves are quoted on a Run Of Mine (ROM) reserve tonnes basis, which represents the tonnes delivered to the plant. Saleable reserve tonnes represents the estimated product tonnes. Coal Reserves (ROM and Saleable) are on the applicable moisture basis.
(2) ROM tonnes quoted on an As Delivered moisture basis, and Saleable tonnes on a Product moisture basis.
(3) Yield – ROM % represents the ratio of Saleable reserve tonnes to ROM reserve tonnes and is quoted on a constant moisture basis or on an air dried to air dried basis whereas Plant % is based on the 'Feed to Plant' tonnes. The product yields (ROM %) for Proved, Probable and Total are calculated by dividing the individual Saleable reserves by the total ROM reserves per classification.
(4) The coal quality for Coal Reserves is quoted as either kilo-calories per kilogram (kcal/kg) or Crucible Swell Number (CSN). Kilo-calories per kilogram represent Calorific Value (CV) on a Gross As Received (GAR) basis. Coal quality parameters for the Coal Reserves for Coking, Other Metallurgical and Export Thermal collieries meet the contractual specifications for coking coal, PCI, metallurgical coal, steam coal and domestic coal. Coal quality parameters for the Coal Reserves for Domestic Power and Domestic Synfuels collieries meet the specifications of the individual supply contracts in the short-term and studies are underway to ensure long-term compliance. CV is rounded to the nearest 10 kcal/kg.
(5) Coal Resources are quoted on a Mineable Tonnes In-Situ (MTIS) basis in million tonnes, which are in addition to those resources that have been modified to produce the reported Coal Reserves. Coal Resources are on an in-situ moisture basis.
(6) The coal quality for Coal Resources is quoted on an in-situ heat content as kilo-calories per kilogram (kcal/kg), representing Calorific Value (CV) on a Gross As Received (GAR) basis. CV is rounded to the nearest 10 kcal/kg.
(7) Inferred (in LOM Plan) refers to Inferred Coal Resources that are included in the life of mine extraction schedule of the respective collieries and are not reported as Coal Reserves.
(8) Inferred (ex. LOM Plan) refers to Inferred Coal Resources outside the Life of Mine Plan but within the mine lease area.

**Summary of material changes (±10%) in estimates – Operations**
**Goedehoop:** In 2012 only the Seam 2 Select and Seam 4 Select sub-seams (in the Anglo Operations Limited portion of the Elders project area) were reported as resources. In 2013 all sub-seams are reported as Coal Resources due to the maturity of the Elders project study.
**Greenside:** Coal Reserves and Mine Life increase due to the re-evaluation and conversion of the southern portion of the Clydesdale Pan from Inferred in LOM Plan to Probable Reserves, the conversion of the Greenside East block transferred from Kleinkopje and adjustments to the mining height to include roof coal when producing higher yielding products (5850 and 5500 kcal/kg).
**Kriel:** Coal Reserves decrease due to the reallocation of Block F, Block Z, Pit 11, Pit 13 and Mini-pit 3 to resources as a result of delays in the Pre-Feasibility studies.
**Mafube:** Coal Reserves and Mine Life increase due to the inclusion of Seam 4 into the LOM Plan following feasibility studies which also optimised the mine plan, increasing the mining footprint of Seam 1 and Seam 2.
**New Denmark:** Coal Resources increase due to refinement of resource polygons around mine layouts to include resources previously not considered.

**Summary of material changes (±10%) in estimates – Projects**
**Elders:** In 2013 the previously reported Elders projects has been split into Elders and Elders Underground Extension due to the progress in the project studies.
**Nooitgedacht:** Coal Resources decrease due to the closure of the Seam 5 operation.

**Assumption with respect to Mineral Tenure**
**Cerrejón:** Coal Reserves are estimated for the area defined by the current approved Mining Right which expires in 2033. In order to exploit the Coal Resources, a renewal will be applied for at the appropriate time. There is a reasonable expectation that such renewal will not be withheld.
**Mafube:** Application for conversion to a Mining Right has been granted and executed in 2013.
**New Largo:** The New Largo Mining Right Application has been granted in August 2013; Anglo American awaits execution of the Mining Right.

Audits related to the generation of the Coal Reserve and/or Coal Resource estimates were carried out by independent consultants during 2013 at the following operations and projects: Isibonelo, Kleinkopje, Kriel, Kriel East, Landau and Zibulo.

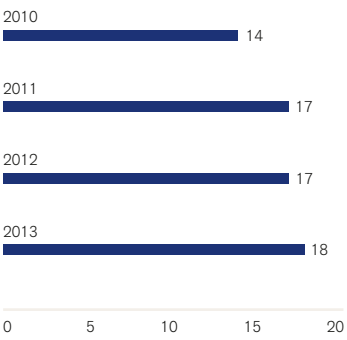
# COPPER

Anglo American has interests in six copper operations in Chile. These consist of the 50.1% in Anglo American Sur, the 100% owned Mantos Blancos and Mantoverde mines and a 44% interest in the Collahuasi mine.

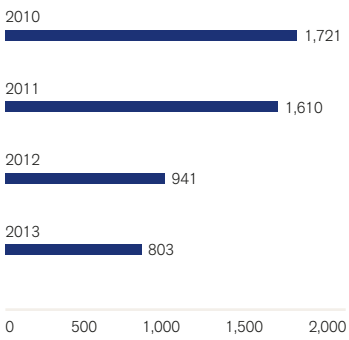
Copper is used mainly in wire and cable, brass, tubing and pipes, air conditioning and refrigeration.

## FINANCIAL HIGHLIGHTS

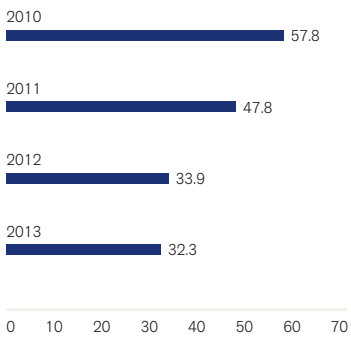
**Share of Group net operating assets**
%



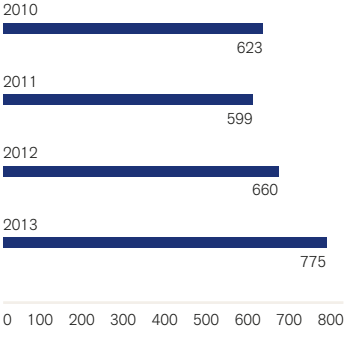

**Underlying earnings**
$ m



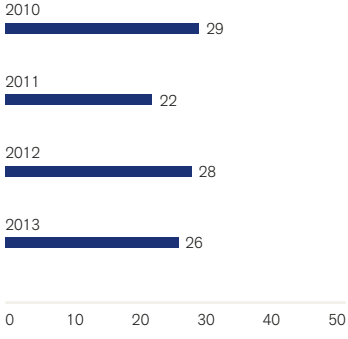

**Operating margin**
%



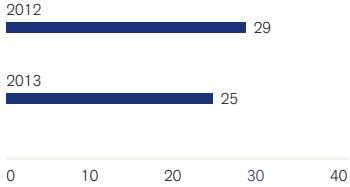

**Copper production from Copper business unit**
'000 kt




**Share of Group operating profit**
%




**Attributable ROCE[1]**
%




(1) Removing outstanding tax liability balances relating to the AA Sur divestment in 2012 and 2013, Copper achieved attributable ROCE would drop to 24% in 2012, and 24% in 2013.

# FINANCIAL DATA

| $ million | 2013 | 2012[1] | 2011 | 2010 |
|---|---|---|---|---|
| **Turnover** | | | | |
| Collahuasi | **1,314** | 1,002 | 1,688 | 1,729 |
| Anglo American Sur | **3,300** | 3,186 | 2,320 | 2,075 |
| Anglo American Norte | **778** | 934 | 1,136 | 1,073 |
| Projects and Corporate | **–** | – | – | – |
| **Total turnover** | **5,392** | **5,122** | **5,144** | **4,877** |
| | | | | |
| **EBITDA** | | | | |
| Collahuasi | **718** | 484 | 1,071 | 1,276 |
| Anglo American Sur | **1,642** | 1,762 | 1,283 | 1,263 |
| Anglo American Norte | **191** | 336 | 665 | 661 |
| Projects and Corporate | **(149)** | (294) | (269) | (114) |
| **Total EBITDA** | **2,402** | **2,288** | **2,750** | **3,086** |
| | | | | |
| **Depreciation and amortisation** | **663** | **552** | **289** | **269** |
| **Operating profit before special items and remeasurements** | | | | |
| Collahuasi | **533** | 340 | 957 | 1,186 |
| Anglo American Sur | **1,220** | 1,402 | 1,126 | 1,125 |
| Anglo American Norte | **135** | 288 | 629 | 624 |
| Projects and Corporate | **(149)** | (294) | (269) | (118) |
| **Total operating profit before special items and remeasurements** | **1,739** | **1,736** | **2,461** | **2,817** |
| Operating special items and remeasurements | **(337)** | 9 | (1) | 15 |
| **Operating profit after special items and remeasurements** | **1,402** | **1,745** | **2,460** | **2,832** |
| | | | | |
| **Net interest, tax and non-controlling interests** | **(936)** | **(795)** | **(851)** | **(1,096)** |
| | | | | |
| **Underlying earnings** | | | | |
| Collahuasi | **386** | 243 | 601 | 738 |
| Anglo American Sur | **464** | 695 | 784 | 685 |
| Anglo American Norte | **85** | 237 | 470 | 419 |
| Projects and Corporate | **(132)** | (234) | (245) | (121) |
| **Total underlying earnings** | **803** | **941** | **1,610** | **1,721** |
| | | | | |
| **Net operating assets** | **8,380** | **8,431** | **7,643** | **6,291** |
| | | | | |
| **Capital expenditure** | **1,011** | **1,214** | **1,570** | **1,530** |

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements.

# BUSINESS OVERVIEW

**UNDERLYING OPERATING PROFIT**
(2012: $1,736 m)

**$1,739 m**

**SHARE OF GROUP UNDERLYING OPERATING PROFIT**
(2012: 28%)

**26%**

**UNDERLYING EBITDA**
(2012: $2,288 m)

**$2,402 m**

## Key financial and non-financial performance indicators

| $ million (unless otherwise stated) | 2013 | 2012[1] |
|---|---|---|
| Underlying operating profit | **1,739** | 1,736 |
| Underlying EBITDA | **2,402** | 2,288 |
| Capital expenditure | **1,011** | 1,214 |
| Share of Group underlying operating profit | **26%** | 28% |
| Attributable return on capital employed[2] | **25%** | 29% |

| Non-financial indicators[3] | 2013 | 2012 |
|---|---|---|
| Number of fatal injuries | **1** | 0 |
| Lost-time injury frequency rate | **0.20** | 0.20 |
| Total energy consumed in 1,000 GJ | **16,070** | 15,485 |
| Total greenhouse gas emissions in 1,000 tonnes $CO_2e$ | **1,694** | 1,640 |
| Total water consumed in 1,000 $m^3$ | **38,525** | 35,667 |

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 of the financial statements for details.
(2) Removing outstanding tax liability balances relating to the AA Sur divestment in 2012 and 2013, Copper attributable ROCE would fall to 24% in 2012, and 24% in 2013.
(3) Certain non-financial indicators relating to 2012 have been revised due to change requests made by the operations subsequent to the publication of the 2012 annual report.

We have interests in six copper operations in Chile. The Mantos Blancos and Mantoverde mines are wholly owned and we hold a 50.1% interest in Anglo American Sur (AA Sur), which includes the Los Bronces and El Soldado mines and the Chagres smelter. We also hold a 44% shareholding in the Collahuasi mine. The mines produce a combination of copper in concentrate and copper cathodes together with associated by-products such as molybdenum and silver.

In Peru, we have an 81.9% interest in the Quellaveco project and we wholly own the Michiquillay project.

# OUR COPPER OPERATIONS

**Key**
- Open cut
- Other

## South America

Copper has interests in six operations in Chile: wholly owned Anglo American Norte operations, Mantos Blancos and Mantoverde mines; a 50.1% interest in Anglo American Sur, which includes the Los Bronces and El Soldado mines and the Chagres smelter; a 44% shareholding in the Collahuasi mine, a joint operation with GlencoreXstrata (44%) and Mitsui-led consortium (12%). The mines produce a combination of copper in concentrate and copper cathodes together with associated by-products such as molybdenum and silver.


| | | |
|---|---|---|
| 1 | 44% | Collahuasi (Chile) |
| 2 | 50.1% | Los Bronces (Chile) |
| 3 | 50.1% | El Soldado (Chile) |
| 4 | 50.1% | Chagres (Chile) |
| 5 | 100% | Mantos Blancos (Chile) |
| 6 | 100% | Mantoverde (Chile) |

# INDUSTRY OVERVIEW

Copper's principal use is in the wire and cable markets because of the metal's electrical conductivity and corrosion resistance. Applications that make use of copper's electrical conductivity, such as wire (including the wiring used in buildings), cables and electrical connectors, make up approximately 60% of total global demand. The metal's corrosion-resistant properties find numerous applications in the construction industry, particularly plumbing pipe and roof sheeting, which accounts for a further 20% of demand. Copper's thermal conductivity also makes it suitable for use in heat-transfer applications such as air conditioning and refrigeration, which constitute some 10% of total demand. Other applications include structural and aesthetic uses.

Access to quality orebodies, located in regions providing stable political, social and regulatory support for responsible and sustainable mining, is likely to continue to be the key factor distinguishing project returns and mine profitability. Such orebodies are scarce, however, and it will be increasingly necessary for mining companies to develop assets in more challenging environments.

With no fundamental technological shifts expected in the short to medium term, forecast long term demand is likely to be underpinned by growth in copper's electrical uses, particularly wire and cable in construction, automobiles and electricity infrastructure. The key growth area will continue to be the developing world, led by China and, in the longer term, other Asian economies including India, where industrialisation and urbanisation on a large scale continue to propel copper demand growth. The intensity of copper consumption is still at a high level in the case of China, while in India it is on an upward trajectory. This is in contrast with the advanced economies and their much lower levels of intensity.

In spite of near term supply growth that may well be higher than that of the past six or seven years, constraints on the supply side are likely to prove a structural feature of the market. Such constraints will be driven by continuing declines in ore grades at maturing existing operations, a lack of capital investment and under-exploration in new projects, as well as political and environmental challenges in many current and prospective copper areas.

The industry is capital-intensive and is likely to become more so as high grade surface deposits are exhausted and deeper and/or lower grade deposits are developed in more challenging locations. Combined with the need to develop infrastructure in new geographies, greater economies of scale will be required if mines are to be commercially viable. Scarcity of water in some countries, such as Chile and Peru, are also likely to necessitate the construction of capital- and energy-intensive desalination plants.

During the period 2000-2012, China increased its share of first-use refined metal consumption from 12% to an estimated 41%. Demand growth there continued to increase faster than in the rest of the world, so that in 2013, China's share of refined demand was estimated to have reached 44%.

## Markets

| Average price | 2013 | 2012 |
|---|---|---|
| Average market prices (c/lb) | **332** | 361 |
| Average realised prices (c/lb) | **326** | 364 |

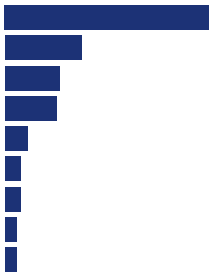
The copper price rose at the start of 2013 to a high of 374 c/lb, buoyed by Chinese buying ahead of the Lunar New Year and a temporary resolution to the fiscal stalemate in the US. Underwhelming macro-economic data releases and a sharp rise in LME inventories followed, which resulted in prices retreating to 301 c/lb by the end of June. A hot summer in China, increasing financial demand and tightness in the scrap market then underpinned a modest recovery. However, strong mine supply and surging concentrate imports began to weigh on sentiment by November, with prices falling back to 314 c/lb, before ending the year at 335 c/lb. For the full year, the realised price averaged 326 c/lb, a decrease of 10% compared with 2012. This included a negative provisional price adjustment of $92 million versus a positive adjustment of $47 million for 2012.

# MARKET INFORMATION

## Leading copper consumers

(2013 estimated refined copper consumption)
2013 estimated world total: 20.7 Mt

| | Mt |
|---|---|
| China | 9.2 |
| Europe | 3.4 |
| Rest of World | 2.4 |
| North America | 2.3 |
| Japan | 1.0 |
| South Korea | 0.7 |
| Russia | 0.7 |
| India | 0.5 |
| Brazil | 0.5 |



**Source:** Wood Mackenzie, Global copper short term outlook, January 2014

## Global copper consumption by product

Estimated end use in 2012

| | % |
|---|---|
| Wire rod | 74 |
| Cake/Slab | 13 |
| Billet | 13 |

**Source:** Wood Mackenzie

## Global copper consumption by sector (including direct use scrap)

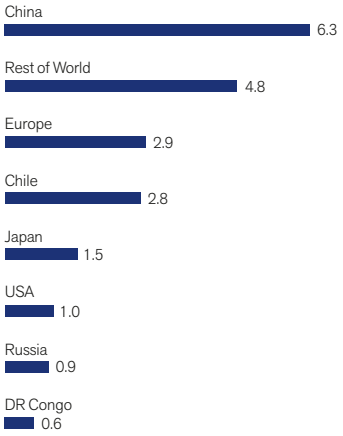
Estimated end use in 2012

| | % |
|---|---|
| Electrical products | 34 |
| Construction | 31 |
| Industrial machinery | 13 |
| Transport | 13 |
| Consumer products | 9 |

**Source:** Wood Mackenzie

## Leading copper refining countries

2013 estimated world total: 20.8 Mt
Mt refined copper




**Source:** Wood Mackenzie

# STRATEGY

Copper's strategy is to generate industry-leading returns by safely and sustainably creating value for all stakeholders through operational excellence, disciplined growth and an optimised portfolio. The business continues to explore for low operating cost and long life development opportunities and to evaluate the longer term project options in its portfolio, including Quellaveco and the Los Bronces District.

In September 2013, Anglo American gave notice of its decision to withdraw from the Pebble copper project in Alaska. As a result, the investment in Pebble was written off in full, resulting in a charge of $311 million, including exit costs.

**Projects**

In Peru, the Quellaveco copper project was evaluated as part of the Group asset review, which resulted in a decision to reconfigure the project so that its economic returns are more robust. A final review of the project is expected during 2015. During the intervening period, work will continue on the project site, aimed mainly at progressing the Asana river diversion tunnel, along with various social and community programmes, thereby solidifying the already high social support for the project.

In the Los Bronces District, the conceptual study of the Los Sulfatos deposit has commenced and the permits required to start sub-surface hydrogeological drilling were received in the final quarter of 2013.

# PROJECT PIPELINE – KEY PROJECTS

## Quellaveco (unapproved)

**Overall capex: TBD**

**Country**
Peru

**Ownership**
81.9% Anglo American

**Production volume**
TBD

**Full project capex**
TBD

**First production**
TBD

The Quellaveco copper project in southern Peru includes an open pit mine, 127.5 ktpd concentrator facility, water supply system, port and related mining infrastructure. The project was evaluated during 2013 as part of the Group wide asset review, which resulted in a decision to reconfigure the project from the prior capacity of 91.2 ktpd to 127.5 ktpd processing capacity. The work required to reconfigure the project will continue through 2014 with a final review and investment decision expected in 2015. During the intervening period, work will continue on the project site, aimed mainly at progressing the Asana river diversion tunnel and maintaining the social licence.

## Los Sulfatos (unapproved)

**Overall capex: TBD**

**Country**
Chile

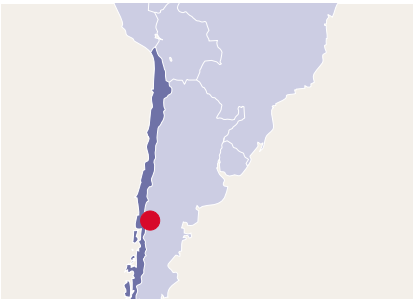
**Ownership**
50.1% Anglo American

**Production volume**
TBD

**Full project capex**
TBD

**First production**
TBD

The Los Sulfatos project forms part of the broader Los Bronces District development strategy with the specific intention of exploiting the Los Sulfatos deposit located some 17 km south of the current Los Bronces open pit mining operation. The project is currently in the conceptual study phase where options to extract the resource through underground mining operations are being investigated. Simultaneously, the work necessary to develop the hydrogeological model and environmental base-lining is underway. The option under study considers using this ore as a replacement for low grade ore from the current pit.



## Mantoverde Development (unapproved)

**Overall capex: TBD**

**Country**
Chile

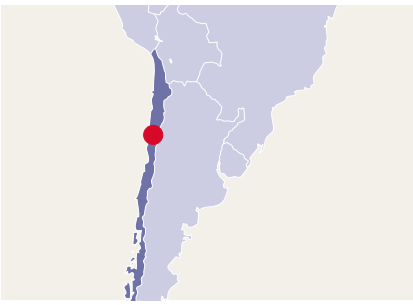
**Ownership**
100% Anglo American

**Production volume**
TBD

**Full project capex**
TBC

**First production**
TBD

Our wholly owned Mantoverde operation is located close to the city of Copiapo in northern Chile. It is approximately 40 km from the Chilean coast line and is at an elevation of 900masl.
The development project, currently in the pre-feasibility phase, is investigating options to exploit the extensive sulphide resources beneath the existing oxide reserves. The project will include the construction of a new sulphide concentrator facility with associated infrastructure, tailings and waste dump facilities. The additional water required for the new concentrator and mine will be supplied by the recently installed desalination plant, to be expanded in accordance with the requirements of the project.



## Michiquillay (unapproved)

**Overall capex: TBD**

**Country**
Peru

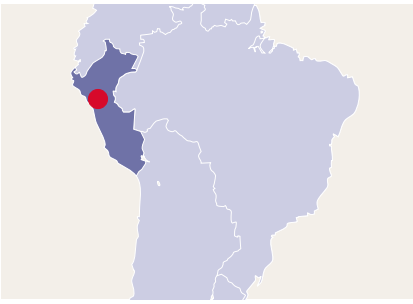
**Ownership**
100%

**Incremental production**
TBD

**Full project capex**
TBD

**First production**
TBD

Michiquillay was acquired in 2007 following government privatisation. It is a concept phase project located in Cajamarca, northern Peru. We are currently conducting a review of Michiquillay's optimal path for development.



# PRODUCTION DATA

| Production (tonnes) | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Collahuasi (attributable basis)** | | | | |
| Copper cathode | **12,500** | 16,200 | 15,900 | 17,100 |
| Copper in concentrate | **183,100** | 107,900 | 183,600 | 204,700 |
| **Total copper production for Collahuasi** | **195,600** | **124,100** | **199,500** | **221,800** |
| | | | | |
| **Anglo American Sur**[1] | | | | |
| Los Bronces copper cathode | **37,700** | 40,800 | 38,400 | 42,600 |
| Los Bronces copper in sulphate | **600** | 2,500 | 4,600 | 4,100 |
| Los Bronces copper in concentrate | **378,000** | 322,000 | 178,800 | 174,700 |
| **Total copper production for Los Bronces** | **416,300** | **365,300** | **221,800** | **221,400** |
| | | | | |
| El Soldado copper cathode | **1,100** | 2,000 | 5,000 | 4,700 |
| El Soldado copper in concentrate | **50,400** | 51,800 | 41,900 | 35,700 |
| **Total copper production for El Soldado** | **51,500** | **53,800** | **46,900** | **40,400** |
| | | | | |
| Chagres Smelter | | | | |
| Copper blister/anode | **145,200** | 138,700 | 138,200 | 137,900 |
| Copper blister/anode (third party) | **–** | – | – | – |
| Acid | **503,000** | 461,400 | 487,500 | 466,700 |
| **Total copper production from Anglo American Sur**[2] | **467,800** | **419,100** | **268,700** | **261,800** |
| | | | | |
| **Anglo American Norte** | | | | |
| Mantos Blancos copper cathode | **29,500** | 29,200 | 36,000 | 39,100 |
| Mantos Blancos copper in concentrate | **25,100** | 25,000 | 36,100 | 39,500 |
| **Total copper production for Mantos Blancos** | **54,600** | **54,200** | **72,100** | **78,600** |
| | | | | |
| Mantoverde – copper cathode | **56,800** | 62,300 | 58,700 | 61,100 |
| **Total copper production from Anglo American Norte**[2] | **111,400** | **116,500** | **130,800** | **139,700** |
| **Total Copper segment copper production** | **774,800** | **659,700** | **599,000** | **623,300** |

(1) Anglo American previously held 74.5% of AA Sur, as at 24 August 2012, holds 50.1%. Production is stated at 100% as Anglo American continues to consolidate AA Sur.
(2) Includes total concentrate, cathode and copper in sulphate production and blister/anode produced from third party.

# COPPER

estimates as at 31 December 2013

## COPPER

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, 2012) 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.

| Copper – Operations ORE RESERVES[1] | Attributable % | Mine* Life | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Metal 2013 | Contained Metal 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Collahuasi (OP)** | 44.0 | 63 | | Mt | Mt | %TCu | %TCu | kt | kt |
| Oxide and Mixed[2] | | | Proved | – | 31.0 | – | 0.58 | – | 181 |
| Heap Leach | | | Probable | 7.0 | 13.0 | 0.57 | 0.71 | 40 | 93 |
| | | | **Total** | **7.0** | **44.1** | **0.57** | **0.62** | **40** | **274** |
| | | | | | | %TCu | %TCu | | |
| Sulphide | | | Proved | 422.4 | 419.1 | 1.03 | 1.00 | 4,351 | 4,200 |
| Flotation – direct feed | Copper | | Probable | 1,683.0 | 1,655.1 | 0.98 | 0.98 | 16,494 | 16,202 |
| | | | **Total** | **2,105.4** | **2,074.2** | **0.99** | **0.98** | **20,845** | **20,402** |
| | | | | | | %Mo | %Mo | | |
| | | | Proved | | | 0.023 | 0.024 | 97 | 98 |
| | Molybdenum | | Probable | | | 0.023 | 0.024 | 387 | 398 |
| | | | **Total** | | | **0.023** | **0.024** | **484** | **496** |
| | | | | | | %TCu | %TCu | | |
| Low Grade Sulphide[3] | | | Proved | 28.2 | – | 0.53 | – | 150 | – |
| Flotation – stockpile | Copper | | Probable | 1,137.8 | 1,069.2 | 0.48 | 0.49 | 5,427 | 5,219 |
| | | | **Total** | **1,166.0** | **1,069.2** | **0.48** | **0.49** | **5,576** | **5,219** |
| | | | | | | %Mo | %Mo | | |
| | | | Proved | | | 0.013 | – | 4 | – |
| | Molybdenum | | Probable | | | 0.010 | 0.010 | 109 | 105 |
| | | | **Total** | | | **0.010** | **0.010** | **113** | **105** |
| **El Soldado (OP)** | 50.1 | 11 | | | | %TCu | %TCu | | |
| Sulphide | | | Proved | 48.1 | 125.7 | 0.94 | 0.81 | 452 | 1,018 |
| Flotation[4] | | | Probable | 39.1 | 44.6 | 0.82 | 0.79 | 321 | 352 |
| | | | **Total** | **87.2** | **170.3** | **0.89** | **0.80** | **773** | **1,371** |
| Oxide | | | Proved | – | – | – | – | – | – |
| Heap Leach | | | Probable | 2.3 | 3.0 | 0.33 | 0.45 | 8 | 14 |
| | | | **Total** | **2.3** | **3.0** | **0.33** | **0.45** | **8** | **14** |
| **Los Bronces (OP)** | 50.1 | 31 | | | | %TCu | %TCu | | |
| Sulphide | | | Proved | 721.4 | 729.9 | 0.69 | 0.70 | 4,977 | 5,109 |
| Flotation | Copper | | Probable | 724.1 | 779.4 | 0.53 | 0.53 | 3,838 | 4,131 |
| | | | **Total** | **1,445.4** | **1,509.3** | **0.61** | **0.61** | **8,815** | **9,240** |
| | | | | | | %Mo | %Mo | | |
| | | | Proved | | | 0.015 | 0.016 | 108 | 117 |
| | Molybdenum | | Probable | | | 0.013 | 0.013 | 94 | 101 |
| | | | **Total** | | | **0.014** | **0.014** | **202** | **218** |
| | | | | | | %TCu | %TCu | | |
| Sulphide | | | Proved | 439.1 | 428.6 | 0.32 | 0.32 | 1,405 | 1,371 |
| Dump Leach | | | Probable | 158.5 | 179.0 | 0.29 | 0.29 | 460 | 519 |
| | | | **Total** | **597.6** | **607.6** | **0.31** | **0.31** | **1,865** | **1,891** |
| **Mantos Blancos (OP)** | 100 | 10 | | | | %ICu | %ICu | | |
| Sulphide | | | Proved | 19.2 | 14.1 | 0.86 | 0.82 | 165 | 115 |
| Flotation[5] | | | Probable | 29.3 | 21.6 | 0.72 | 0.79 | 211 | 170 |
| | | | **Total** | **48.5** | **35.6** | **0.78** | **0.80** | **376** | **286** |
| | | | | | | %ASCu | %ASCu | | |
| Oxide | | | Proved | 3.7 | 2.7 | 0.48 | 0.55 | 18 | 15 |
| Vat and Heap Leach[6] | | | Probable | 12.0 | 12.7 | 0.44 | 0.38 | 53 | 47 |
| | | | **Total** | **15.7** | **15.4** | **0.45** | **0.41** | **71** | **62** |
| | | | | | | %ASCu | %ASCu | | |
| Oxide | | | Proved | – | – | – | – | – | – |
| Dump Leach | | | Probable | 36.2 | 36.8 | 0.23 | 0.23 | 83 | 84 |
| | | | **Total** | **36.2** | **36.8** | **0.23** | **0.23** | **83** | **84** |
| **Mantoverde (OP)** | 100 | 6 | | | | %ASCu | %ASCu | | |
| Oxide | | | Proved | 38.9 | 22.2 | 0.53 | 0.56 | 206 | 124 |
| Heap Leach[7] | | | Probable | 9.3 | 20.2 | 0.52 | 0.52 | 48 | 105 |
| | | | **Total** | **48.1** | **42.3** | **0.53** | **0.54** | **254** | **229** |
| | | | | | | %ASCu | %ASCu | | |
| Oxide | | | Proved | 20.1 | 18.4 | 0.22 | 0.23 | 44 | 42 |
| Dump Leach[8] | | | Probable | 13.4 | 25.7 | 0.23 | 0.27 | 31 | 70 |
| | | | **Total** | **33.4** | **44.2** | **0.22** | **0.25** | **75** | **112** |

Mining method: OP = Open Pit. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
TCu = total copper, ICu = insoluble copper (total copper less acid soluble copper), ASCu = acid soluble copper.

El Soldado and Los Bronces are part of Anglo American Sur.
Mantos Blancos and Mantoverde are part of Anglo American Norte.

* Mine Life figures reflect the extraction period for scheduled Ore Reserves only as opposed to the Life of Mine figures published in the 2013 Annual Report which include Inferred Resources within the Mine Plan.

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estimates as at 31 December 2013

(1) **Copper Reserves:** A minimum cut-off of 0.20% (TCu, ICu or ASCu) is applied to determine Ore Reserves on operations.
(2) **Collahuasi – Oxide and Mixed:** The decrease is due to reallocated of Ore Reserves to Mineral Resources due to changes in economic assumptions.
(3) **Collahuasi – Low Grade Sulphide:** The increase is primarily due to new information and changes in the economic assumptions.
(4) **El Soldado – Sulphide (Flotation):** In addition to production, the decrease in Ore Reserves is due to a change in economic assumptions (increase in operational costs) and a refinement of the grade calculation methodology in the block model.
(5) **Mantos Blancos – Sulphide (Flotation):** The increase in Ore Reserves is primarily due to conversion of Mineral Resources to Ore Reserves within the updated mine plan which now includes Phase 20 (Argentina) and uses a modified cut-off grade strategy.
(6) **Mantos Blancos – Oxide (Vat and Heap Leach):** The increase in Ore Reserves is primarily due to the inclusion of Phase 21 in the mine plan and conversion of additional ore from Phases 13,14 and 17.
(7) **Mantoverde – Oxide (Heap Leach):** The increase in Ore Reserves is due to the inclusion in the mine plan of Phase 4 of Mantoverde North and South pits, a new pit design at Franko North and the transfer of high-carbonate Dump Leach ore to the Heap Leach process.
(8) **Mantoverde – Oxide (Dump Leach):** The decrease in Ore Reserves is primarily due to production and the transfer of high-carbonate Dump Leach ore to the Heap Leach process which is offset by the inclusion in the mine plan of Phase 4 of Mantoverde North and South pits and a new pit design at Franko North.

Audits related to the generation of the Ore Reserve and Mineral Resource estimates were carried out by independent consultants during 2013 at the following operations: Collahuasi, El Soldado, Los Bronces and Mantos Blancos.

# COPPER

estimates as at 31 December 2013

| Copper – Operations MINERAL RESOURCES[1] | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Metal 2013 | Contained Metal 2012 |
|---|---|---|---|---|---|---|---|---|
| **Collahuasi (OP)** | 44.0 | | Mt | Mt | %TCu | %TCu | kt | kt |
| Oxide and Mixed[2] | | Measured | 25.6 | – | 0.64 | – | 164 | – |
| Heap Leach | | Indicated | 17.5 | 0.5 | 0.67 | 0.70 | 117 | 3 |
| | | **Measured and Indicated** | **43.0** | **0.5** | **0.65** | **0.70** | **281** | **3** |
| | | Inferred (in LOM Plan) | 17.0 | 2.8 | 0.57 | 0.37 | 97 | 11 |
| | | Inferred (ex. LOM Plan) | 17.5 | 8.5 | 0.72 | 0.62 | 126 | 53 |
| | | **Total Inferred** | **34.5** | **11.3** | **0.65** | **0.56** | **223** | **63** |
| | | | | | %TCu | %TCu | | |
| Sulphide[2] | | Measured | 9.0 | 4.6 | 0.76 | 0.75 | 68 | 35 |
| Flotation – direct feed | | Indicated | 1,162.6 | 1,148.9 | 0.96 | 0.94 | 11,161 | 10,821 |
| | Copper | **Measured and Indicated** | **1,171.6** | **1,153.6** | **0.96** | **0.94** | **11,229** | **10,856** |
| | | Inferred (in LOM Plan) | 460.4 | 486.1 | 1.05 | 1.03 | 4,834 | 5,017 |
| | | Inferred (ex. LOM Plan) | 3,017.5 | 2,654.9 | 0.95 | 0.92 | 28,666 | 24,441 |
| | | **Total Inferred** | **3,477.8** | **3,141.0** | **0.96** | **0.94** | **33,500** | **29,458** |
| | | | | | %Mo | %Mo | | |
| | | Measured | | | 0.005 | 0.005 | 0 | 0 |
| | | Indicated | | | 0.052 | 0.047 | 605 | 368 |
| | Molybdenum | **Measured and Indicated** | | | **0.052** | **0.047** | **605** | **368** |
| | | Inferred (in LOM Plan) | | | 0.011 | 0.016 | 51 | 76 |
| | | Inferred (ex. LOM Plan) | | | 0.023 | 0.022 | 694 | 584 |
| | | **Total Inferred** | | | **0.021** | **0.021** | **745** | **660** |
| | | | | | %TCu | %TCu | | |
| Low Grade Sulphide[2] | | Measured | 11.2 | 6.2 | 0.47 | 0.48 | 53 | 30 |
| Flotation – stockpile | | Indicated | 295.1 | 265.9 | 0.46 | 0.46 | 1,358 | 1,233 |
| | Copper | **Measured and Indicated** | **306.4** | **272.1** | **0.46** | **0.46** | **1,410** | **1,263** |
| | | Inferred (in LOM Plan) | 399.2 | 361.6 | 0.45 | 0.45 | 1,796 | 1,616 |
| | | Inferred (ex. LOM Plan) | 1,065.0 | 945.4 | 0.46 | 0.47 | 4,899 | 4,419 |
| | | **Total Inferred** | **1,464.2** | **1,307.0** | **0.46** | **0.46** | **6,695** | **6,036** |
| | | | | | %Mo | %Mo | | |
| | | Measured | | | 0.014 | 0.012 | 2 | 1 |
| | | Indicated | | | 0.023 | 0.021 | 68 | 25 |
| | Molybdenum | **Measured and Indicated** | | | **0.023** | **0.021** | **69** | **26** |
| | | Inferred (in LOM Plan) | | | 0.003 | 0.004 | 12 | 14 |
| | | Inferred (ex. LOM Plan) | | | 0.005 | 0.005 | 53 | 44 |
| | | **Total Inferred** | | | **0.004** | **0.005** | **65** | **58** |
| **El Soldado (OP)** | 50.1 | | | | %TCu | %TCu | | |
| Sulphide | | Measured | 71.7 | 24.7 | 0.72 | 0.78 | 516 | 193 |
| Flotation[3] | | Indicated | 26.0 | 7.7 | 0.66 | 0.72 | 173 | 55 |
| | | **Measured and Indicated** | **97.8** | **32.4** | **0.70** | **0.77** | **689** | **248** |
| | | Inferred (in LOM Plan) | 7.4 | 7.7 | 0.68 | 0.58 | 50 | 45 |
| | | Inferred (ex. LOM Plan) | 20.5 | 6.4 | 0.54 | 0.53 | 111 | 34 |
| | | **Total Inferred** | **27.9** | **14.1** | **0.58** | **0.56** | **161** | **79** |
| **Los Bronces (OP)** | 50.1 | | | | %TCu | %TCu | | |
| Sulphide | | Measured | 156.4 | 84.8 | 0.41 | 0.45 | 641 | 382 |
| Flotation[4] | | Indicated | 1,054.7 | 897.6 | 0.40 | 0.40 | 4,219 | 3,590 |
| | Copper | **Measured and Indicated** | **1,211.1** | **982.4** | **0.40** | **0.40** | **4,860** | **3,972** |
| | | Inferred (in LOM Plan) | 187.0 | 212.0 | 0.48 | 0.48 | 898 | 1,018 |
| | | Inferred (ex. LOM Plan) | 3,389.9 | 3,311.1 | 0.36 | 0.36 | 12,204 | 11,920 |
| | | **Total Inferred** | **3,576.9** | **3,523.1** | **0.37** | **0.37** | **13,101** | **12,938** |
| | | | | | %Mo | %Mo | | |
| | | Measured | | | 0.005 | 0.005 | 8 | 4 |
| | | Indicated | | | 0.008 | 0.009 | 84 | 81 |
| | Molybdenum | **Measured and Indicated** | | | **0.008** | **0.009** | **92** | **85** |
| | | Inferred (in LOM Plan) | | | 0.011 | 0.013 | 21 | 28 |
| | | Inferred (ex. LOM Plan) | | | 0.010 | 0.008 | 339 | 265 |
| | | **Total Inferred** | | | **0.010** | **0.008** | **360** | **293** |
| | | | | | %TCu | %TCu | | |
| Sulphide | | Measured | – | – | – | – | – | – |
| Dump Leach | | Indicated | – | – | – | – | – | – |
| | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | Inferred (in LOM Plan) | 175.0 | 173.2 | 0.28 | 0.28 | 490 | 485 |
| | | Inferred (ex. LOM Plan) | – | – | – | – | – | – |
| | | **Total Inferred** | **175.0** | **173.2** | **0.28** | **0.28** | **490** | **485** |

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.

# COPPER

estimates as at 31 December 2013

| **Copper – Operations** continued<br>**MINERAL RESOURCES**[1] | Attributable % | Classification | Tonnes<br>**2013** | Tonnes<br>2012 | Grade<br>**2013** | Grade<br>2012 | Contained Metal<br>**2013** | Contained Metal<br>2012 |
|---|---|---|---|---|---|---|---|---|
| **Mantos Blancos (OP)** | 100 | | Mt | Mt | %ICu | %ICu | kt | kt |
| Sulphide | | Measured | 28.0 | 30.2 | 0.75 | 0.95 | 210 | 286 |
| Flotation[5] | | Indicated | 58.8 | 64.8 | 0.61 | 0.69 | 359 | 447 |
| | | **Measured and Indicated** | **86.8** | **95.0** | **0.66** | **0.77** | **569** | **734** |
| | | Inferred (in LOM Plan) | 4.3 | 9.4 | 0.52 | 0.46 | 22 | 43 |
| | | Inferred (ex. LOM Plan) | 29.2 | 23.8 | 0.54 | 0.66 | 158 | 157 |
| | | **Total Inferred** | **33.5** | **33.2** | **0.54** | **0.60** | **180** | **201** |
| | | | | | %ASCu | %ASCu | | |
| Oxide | | Measured | 4.6 | 3.5 | 0.46 | 0.50 | 21 | 17 |
| Vat and Heap Leach[6] | | Indicated | 13.6 | 11.1 | 0.40 | 0.45 | 55 | 50 |
| | | **Measured and Indicated** | **18.2** | **14.6** | **0.42** | **0.46** | **76** | **67** |
| | | Inferred (in LOM Plan) | 18.2 | 17.6 | 0.25 | 0.26 | 45 | 46 |
| | | Inferred (ex. LOM Plan) | 12.5 | 7.4 | 0.40 | 0.46 | 50 | 34 |
| | | **Total Inferred** | **30.7** | **25.0** | **0.31** | **0.32** | **95** | **80** |
| | | | | | %ASCu | %ASCu | | |
| Oxide | | Measured | 1.3 | 0.4 | 0.18 | 0.18 | 2 | 1 |
| Dump Leach[7] | | Indicated | 10.9 | 8.4 | 0.17 | 0.17 | 19 | 14 |
| | | **Measured and Indicated** | **12.2** | **8.8** | **0.17** | **0.17** | **21** | **15** |
| | | Inferred (in LOM Plan) | 123.1 | 91.4 | 0.21 | 0.23 | 259 | 210 |
| | | Inferred (ex. LOM Plan) | 16.2 | 4.3 | 0.16 | 0.17 | 26 | 7 |
| | | **Total Inferred** | **139.3** | **95.7** | **0.20** | **0.23** | **284** | **218** |
| **Mantoverde (OP)** | 100 | | | | %ASCu | %ASCu | | |
| Oxide | | Measured | 27.0 | 5.1 | 0.39 | 0.42 | 105 | 22 |
| Heap Leach[8] | | Indicated | 13.5 | 6.7 | 0.40 | 0.53 | 54 | 35 |
| | | **Measured and Indicated** | **40.5** | **11.8** | **0.39** | **0.48** | **159** | **57** |
| | | Inferred (in LOM Plan) | 0.8 | 3.3 | 0.53 | 0.69 | 4 | 23 |
| | | Inferred (ex. LOM Plan) | 1.8 | 0.1 | 0.33 | 0.30 | 6 | 0 |
| | | **Total Inferred** | **2.6** | **3.4** | **0.39** | **0.68** | **10** | **23** |
| | | | | | %ASCu | %ASCu | | |
| Oxide | | Measured | – | – | – | – | – | – |
| Dump Leach | | Indicated | – | – | – | – | – | – |
| | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | Inferred (in LOM Plan) | 0.9 | 0.6 | 0.22 | 0.24 | 2 | 1 |
| | | Inferred (ex. LOM Plan) | – | – | – | – | – | – |
| | | **Total Inferred** | **0.9** | **0.6** | **0.22** | **0.24** | **2** | **1** |

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Mining method: OP = Open Pit
TCu = total copper, ICu = insoluble copper (total copper less acid soluble copper), ASCu = acid soluble copper.

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.

El Soldado and Los Bronces are part of Anglo American Sur.
Mantos Blancos and Mantoverde are part of Anglo American Norte.

(1) **Copper Resources:** A test of reasonable eventual economic extraction is applied through consideration of an optimised pit shell. Materials outside the optimised shell that have potential of eventual economic extraction via underground means are not included in the Mineral Resource statement. Mineral Resources are quoted above a 0.2% TCu cut-off.
(2) **Collahuasi – Oxide and Mixed, Sulphide and Low Grade Sulphide:** The increase in Mineral Resources is primarily due to new drilling information which identified and delineated new resources.
(3) **El Soldado – Sulphide (Flotation):** The increase in Mineral Resources is primarily due to reallocation from Ore Reserves as a result of a change in economic assumptions (increase in operational costs) as well as a refinement of the grade calculation methodology in the block model.
(4) **Los Bronces – Sulphide (Flotation):** The increase in Mineral Resources is primarily due to a change in economic assumptions (increase in long-term metal price).
(5) **Mantos Blancos – Sulphide (Flotation):** The decrease in Mineral Resources is due to a conversion to Ore Reserves in Phase 20 (Argentina) following a change in economic assumptions and adoption of a revised open pit mine plan.
(6) **Mantos Blancos – Oxide (Vat and Heap Leach):** The increase in Mineral Resources is due to new drilling information and a change in economic assumptions (increase in long-term metal price).
(7) **Mantos Blancos – Oxide (Dump Leach):** The Mineral Resources increase due to the inclusion of additional secondary leaching material from Dump Este, Old Concentrator Course Tailings and the Mercedes stockpile.
(8) **Mantoverde – Oxide (Heap Leach):** The increase in Mineral Resources at Mantoverde North and South pits (Phase 4 mine plan) is a result of updated economic assumptions and new drilling information.

# COPPER

estimates as at 31 December 2013

| Copper – Projects ORE RESERVES | Attributable % | Mine Life | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Metal 2013 | Contained Metal 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Quellaveco (OP)**[1] | 81.9 | 28 | | Mt | Mt | %TCu | %TCu | kt | kt |
| Sulphide | | | Proved | 701.8 | 701.8 | 0.65 | 0.65 | 4,562 | 4,562 |
| Flotation | Copper | | Probable | 214.6 | 214.6 | 0.63 | 0.63 | 1,352 | 1,352 |
| | | | **Total** | **916.4** | **916.4** | **0.65** | **0.65** | **5,914** | **5,914** |
| | | | | | | %Mo | %Mo | | |
| | | | Proved | | | 0.019 | 0.019 | 133 | 133 |
| | Molybdenum | | Probable | | | 0.021 | 0.021 | 45 | 45 |
| | | | **Total** | | | **0.019** | **0.019** | **178** | **178** |

| Copper – Projects MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Metal 2013 | Contained Metal 2012 |
|---|---|---|---|---|---|---|---|---|
| **Quellaveco (OP)**[1] | 81.9 | | Mt | Mt | %TCu | %TCu | kt | kt |
| Sulphide | | Measured | 285.1 | 284.2 | 0.35 | 0.35 | 998 | 990 |
| Flotation | | Indicated | 807.5 | 807.9 | 0.41 | 0.41 | 3,311 | 3,290 |
| | Copper | **Measured and Indicated** | **1,092.7** | **1,092.0** | **0.39** | **0.39** | **4,309** | **4,280** |
| | | Inferred (in LOM Plan) | 6.9 | 6.9 | 0.79 | 0.79 | 54 | 54 |
| | | Inferred (ex. LOM Plan) | 858.0 | 877.9 | 0.33 | 0.33 | 2,831 | 2,893 |
| | | **Total Inferred** | **864.9** | **884.8** | **0.33** | **0.33** | **2,886** | **2,947** |
| | | | | | %Mo | %Mo | | |
| | | Measured | | | 0.010 | 0.015 | 29 | 43 |
| | | Indicated | | | 0.015 | 0.015 | 121 | 121 |
| | Molybdenum | **Measured and Indicated** | | | **0.014** | **0.015** | **150** | **164** |
| | | Inferred (in LOM Plan) | | | 0.010 | – | 1 | – |
| | | Inferred (ex. LOM Plan) | | | 0.011 | 0.015 | 93 | 132 |
| | | **Total Inferred** | | | **0.011** | **0.015** | **93** | **132** |
| **Mantoverde Development Project**[2] | 100 | | | | %TCu | %TCu | | |
| Sulphide | | Measured | 118.2 | 106.6 | 0.71 | 0.68 | 839 | 725 |
| Flotation | | Indicated | 54.6 | 41.5 | 0.64 | 0.66 | 349 | 274 |
| | | **Measured and Indicated** | **172.8** | **148.1** | **0.69** | **0.67** | **1,189** | **999** |
| | | Inferred | 147.9 | 78.0 | 0.61 | 0.68 | 902 | 530 |
| **Los Sulfatos**[3] | 50.1 | | | | %TCu | %TCu | | |
| Sulphide | | Inferred | 1,200.0 | 1,200.0 | 1.46 | 1.46 | 17,520 | 17,520 |
| **San Enrique Monolito**[4] | 50.1 | | | | %TCu | %TCu | | |
| Sulphide | | Inferred | 900.0 | 900.0 | 0.81 | 0.81 | 7,290 | 7,290 |
| **West Wall (OP)**[5] | 50.0 | | | | %TCu | %TCu | | |
| Sulphide | | Measured | – | – | – | – | – | – |
| | | Indicated | 495.0 | – | 0.55 | – | 2,723 | – |
| | | **Measured and Indicated** | **495.0** | **–** | **0.55** | **–** | **2,723** | **–** |
| | | Inferred | 970.0 | 750.0 | 0.48 | 0.54 | 4,656 | 4,050 |

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.

Los Sulfatos and San Enrique Monolito are part of Anglo American Sur.
Mantoverde Development Project is part of Anglo American Norte.
West Wall is a Joint Venture with GlencoreXstrata.
The Pebble project is not reported in 2013 as Anglo American has elected to withdraw from the project.

(1) **Quellaveco:** Mineral Resources are quoted above a 0.2 %TCu cut-off within an optimised pit shell. The slight change is due to updated economic assumptions used to define the resource shell.
(2) **Mantoverde Development Project:** Mineral Resources are quoted above a 0.35 %TCu cut-off. The increase in Mineral Resources is due to a change in economic assumptions (increase in long-term metal price) and pit optimisation parameters. Reported as Mantoverde Sulphide Project in 2012. Mineral Resource estimates for oxide material planned to be exposed during pre-stripping operations for the sulphides are as follows: Measured 48.0 Mt at 0.40 %ASCu; Indicated 5.7 Mt at 0.34 %ASCu; Inferred 3.4 Mt at 0.32 %ASCu.
(3) **Los Sulfatos:** The reported resources include mineralisation inside a 1% nominal copper grade cut-off envelope down to the current drillhole depths of 1,000 metres below surface. The test for reasonable prospects of eventual economic extraction is based on an underground operation.
(4) **San Enrique Monolito:** The test for reasonable prospects of eventual economic extraction is based on an underground operation.
(5) **West Wall:** Mineral Resources are quoted above a 0.3 %TCu cut-off within an optimised pit shell. The increase in Mineral Resources is due to new drilling information leading to an update of the geological model.

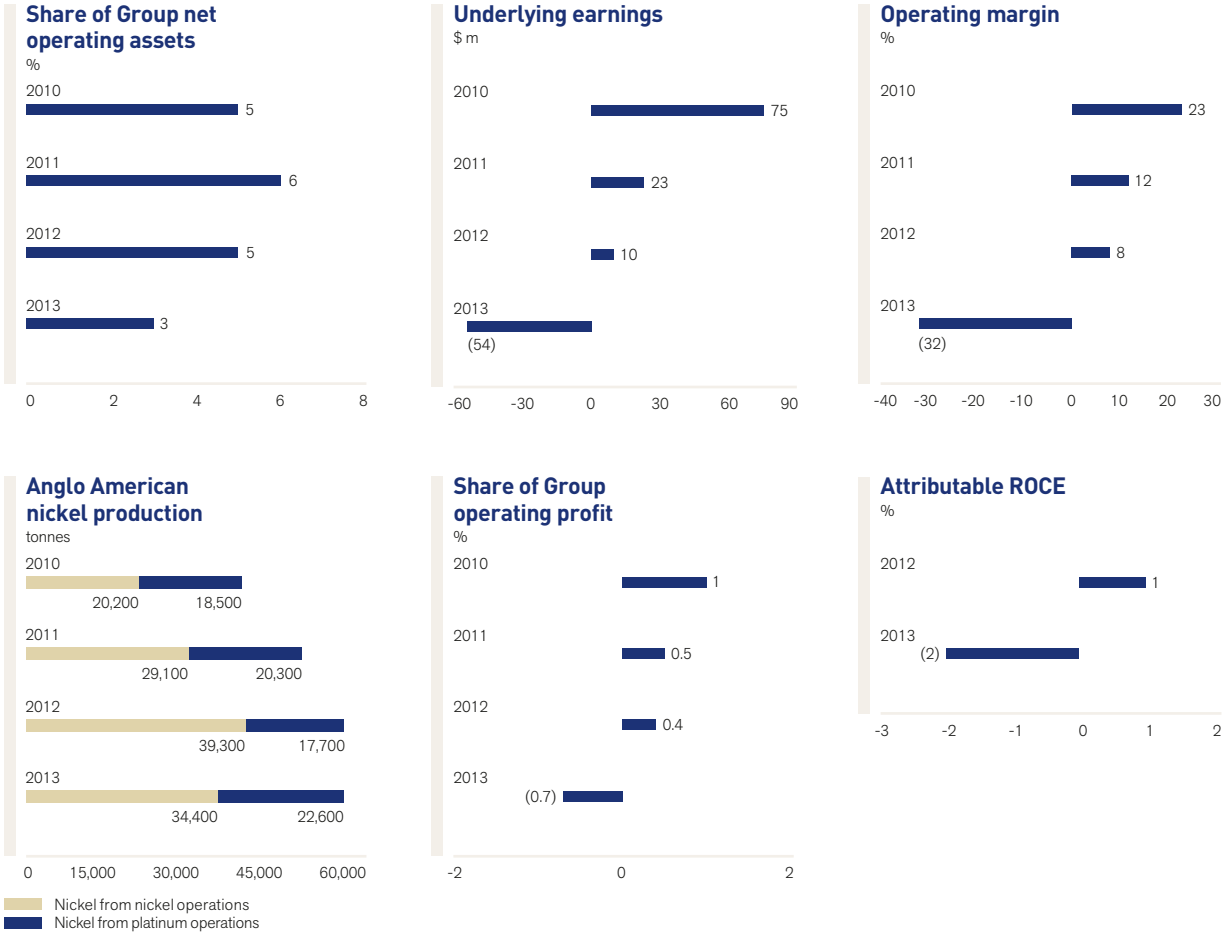
Audits related to the generation of the Ore Reserve and Mineral Resource estimates were carried out by independent consultants during 2013 at the following project: Los Sulfatos.

# NICKEL

Our Nickel business unit comprises two Brazilian operating assets: Codemin and Barro Alto, both ferronickel producers in the state of Goiás.

Nickel demand is closely linked to the stainless steel industry, which consumes two-thirds of the metal and virtually all ferronickel production.

## FINANCIAL HIGHLIGHTS



# FINANCIAL DATA

| $ million | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Turnover** | | | | |
| Codemin | **136** | 176 | 203 | 195 |
| Loma de Níquel[1] | **–** | 160 | 285 | 231 |
| Barro Alto | **–** | – | – | – |
| Projects and Corporate | **–** | – | – | – |
| **Total turnover** | **136** | **336** | **488** | **426** |
| | | | | |
| **EBITDA** | | | | |
| Codemin | **23** | 53 | 46 | 83 |
| Loma de Níquel | **(5)** | 46 | 86 | 82 |
| Barro Alto | **(38)** | (7) | (12) | – |
| Projects and Corporate | **(17)** | (42) | (36) | (43) |
| **Total EBITDA** | **(37)** | **50** | **84** | **122** |
| | | | | |
| **Depreciation and amortisation** | **7** | **24** | **27** | **26** |
| **Operating profit before special items and remeasurements** | | | | |
| Codemin | **17** | 47 | 40 | 76 |
| Loma de Níquel | **(5)** | 29 | 66 | 65 |
| Barro Alto | **(39)** | (8) | (13) | – |
| Projects and Corporate | **(17)** | (42) | (36) | (45) |
| **Total operating profit before special items and remeasurements** | **(44)** | **26** | **57** | **96** |
| Operating special items and remeasurements | **(1,028)** | (184) | (72) | (51) |
| **Operating profit after special items and remeasurements** | **(1,072)** | **(158)** | **(15)** | **45** |
| | | | | |
| **Net interest, tax and non-controlling interests** | **(10)** | **(16)** | **(34)** | **(21)** |
| | | | | |
| **Underlying earnings** | | | | |
| Codemin | **5** | 31 | 35 | 48 |
| Loma de Níquel | **(7)** | 17 | 29 | 55 |
| Barro Alto | **(38)** | (5) | (8) | – |
| Projects and Corporate | **(14)** | (33) | (33) | (28) |
| **Total underlying earnings** | **(54)** | **10** | **23** | **75** |
| | | | | |
| **Net operating assets** | **1,597** | **2,509** | **2,535** | **2,334** |
| | | | | |
| **Capital expenditure**[2] | **(28)** | **100** | **398** | **525** |

(1) Operations at Loma de Níquel in Venezuela ceased permanently in November 2012.

(2) Cash capital expenditure for Nickel of $76 million is offset by the capitalisation of $104 million of net operating cash inflows generated by Barro Alto which has not yet reached commercial production.

# BUSINESS OVERVIEW

**UNDERLYING OPERATING (LOSS)/PROFIT**
(2012: $26 m)

**$(44) m**

**SHARE OF GROUP UNDERLYING OPERATING PROFIT**
(2012: 0.4%)

**(0.7)%**

**UNDERLYING EBITDA**
(2012: $50 m)

**$(37) m**

## Key financial and non-financial performance indicators

| $ million (unless otherwise stated) | 2013 | 2012[1] |
|---|---|---|
| Underlying operating (loss)/profit | **(44)** | 26 |
| Underlying EBITDA | **(37)** | 50 |
| Capital expenditure[2] | **(28)** | 100 |
| Share of Group underlying operating profit | **(0.7)%** | 0.4% |
| Attributable return on capital employed | **(2)%** | 1% |

| Non-financial indicators | 2013 | 2012 |
|---|---|---|
| Number of fatal injuries | **0** | 1 |
| Lost-time injury frequency rate | **0.17** | 0.11 |
| Total energy consumed in 1,000 GJ | **15,577** | 19,154 |
| Total greenhouse gas emissions in 1,000 tonnes $CO_2e$[3] | **884** | 1,423 |
| Total water used for primary activities in 1,000 $m^3$ | **4,175** | 7,262 |

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 of the financial statements for details.
(2) Cash capital expenditure at Nickel of $76 million is offset by the capitalisation of $104 million of net operating cash generated by Barro Alto which has not yet reached commercial production.
(3) Greenhouse gas emissions data for 2012 has been revised due to system corrections applied subsequent to the publication of the 2012 annual report.

Our Nickel business unit comprises two Brazilian operating assets: Barro Alto and Codemin, both ferronickel producers in the state of Goiás. Within the portfolio there are also two promising growth projects, Jacaré and Morro Sem Boné, both of which are laterite deposits in Brazil.

Operations at Loma de Níquel in Venezuela ceased permanently in November 2012.

# OUR NICKEL OPERATIONS

**Key**
- Open cut

## Brazil

Nickel has interests in two wholly owned Brazilian operations: Barro Alto and Codemin, both ferronickel producers in the state of Goiás.

Operations at Loma de Níquel in Venezuela ceased permanently in November 2012.


1. 100% Barro Alto
2. 100% Codemin

# INDUSTRY OVERVIEW

Nickel demand is closely linked to that of the stainless steel industry, which consumes two-thirds of the metal and virtually all ferronickel production. Nickel used in the manufacture of alloy steel and other non-ferrous alloys accounts for a further 23% of output.

China is the largest stainless steel producing country, with close to 50% of world production in 2013. Nearly 80% of China's nickel requirements is produced domestically. Of this, nickel pig iron (NPI) accounted for around 69% in 2013.

The next significant stainless steel producing regions are Europe, with 19% of world output, India (9%), Japan (8%), other Asia (8%) and the US accounting for 5%.

Nickel can be produced from two different ore types: sulphides and laterites. This has resulted in a large number of processing technologies that have made the industry a very complex one, with high processing costs and capital intensity. Production is concentrated among the biggest five producers, which between them are responsible for almost half of global output.

The nickel industry faced a variety of challenges in 2013. Demand was negatively affected by macro-economic uncertainty, including at various points through the year, concerns surrounding the US Federal Reserve's 'tapering' policies, the state of the euro zone economy, and a slowdown in China.

Nickel producers are going through a challenging period as the price of nickel remains depressed, largely owing to increased NPI output from Chinese smelters, which left the market in surplus in 2013. Chinese NPI production depends on high grade, low iron content ore imported from Indonesia; however, owing to shifts in Indonesian government policy, there is uncertainty around the sustainability of Indonesian ore supply.

## Markets

| Average nickel price (c/lb) | 2013 | 2012 |
|---|---|---|
| Average market price (c/lb) | **680** | 794 |
| Average realised price (c/lb)[1] | **646** | 771 |

[1] Realised prices are now reported inclusive of Barro Alto sales. This has led to the restatement of the 2012 realised price from 765 c/lb to 771 c/lb.

After increasing moderately to 804 c/lb, LME nickel prices fell to a low of 622 c/lb in July as a result of economic concerns. These price declines led to a reduction in demand owing to the way in which stainless steel producers pass on raw material costs to their buyers with a one month lag. Further pressure came from the impact of increasing new nickel supply, most notably NPI in China.

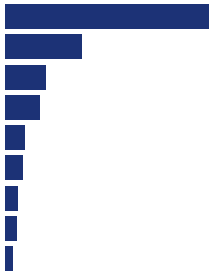
The nickel market recorded a surplus of 102,000 tonnes for the year compared with a surplus of 48,000 tonnes in 2012. Nickel consumption increased by 9.1% to 1.9 million tonnes, but supply also rose following the ramping up of a number of new nickel plants. The growth in conventional supply was lower than expected as a result of problems at a number of new operations.

# MARKET INFORMATION

## Leading nickel consumers

(2013 estimated refined nickel consumption)
2013 estimated world total: 1,852 kt

| | kt |
|---|---|
| China | 890 |
| Europe | 336 |
| Japan | 177 |
| North America | 150 |
| Rest of World | 84 |
| South Korea | 78 |
| India | 56 |
| Taiwan | 49 |
| Russia and Caspian | 32 |

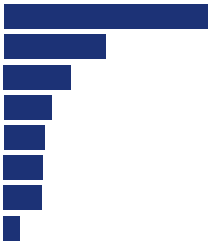


**Source:** Wood Mackenzie, Global nickel short term outlook, January 2014

## Leading nickel refinery production by country

2013 world total 2,003kt

| | kt |
|---|---|
| China | 728 |
| Rest of World | 367 |
| Russia | 244 |
| Japan | 174 |
| Canada | 150 |
| Australia | 143 |
| Europe (excl. Russia) | 137 |
| Brazil | 61 |



**Source:** Wood Mackenzie

## 2013 global primary nickel consumption by first use

| | % |
|---|---|
| Stainless steel | 67 |
| N-F alloys | 11 |
| Plating | 7 |
| Other | 7 |
| Alloy steel | 5 |
| Foundry | 3 |

**Source:** Wood Mackenzie

## Global stainless steel product consumption by end use

| | % |
|---|---|
| Process and other industries | 33 |
| Catering utensils and domestic appliances | 31 |
| Architecture, building and construction | 19 |
| Automotive and transport | 12 |
| Others and unallocated | 5 |

**Source:** Wood Mackenzie

# STRATEGY

Nickel's strategy is currently operationally focused, concentrating on stabilising Barro Alto's production while the nickel price is low, so as to achieve nominal capacity in time to benefit from the next cyclical price increase. Management is currently implementing strategic short term initiatives to deliver an optimised operation ahead of the furnaces rebuild at Barro Alto. Delivery of efficient production is supported by business improvement initiatives which are driving improved output and reduced costs and will extend the lives of both Barro Alto and Codemin. At full production, both operations will be positioned in the first half of the industry's cash-cost curve.

Our Nickel business continues to assess its portfolio of expansionary and exploration projects. In 2013, progress was made on environmental licensing for both Jacaré and Morro Sem Boné.

Nickel has identified that a key driver for operational efficiency is to attract and retain a suitably qualified workforce. The business has focused on recognising high performance through competitive remuneration and employee development programmes and, during 2013, was recognised as one of Brazil's "Top 35" companies to start a career with, and as one of its 150 best companies to work for.

# PRODUCTION DATA

| Production (tonnes) | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Codemin** | | | | |
| Ore mined | **6,800** | – | – | – |
| Ore processed[1] | **602,400** | 581,100 | 562,900 | 488,300 |
| Ore grade processed (% Ni) | **1.71** | 1.81 | 1.9 | 1.9 |
| **Production** | **9,300** | **9,600** | **9,500** | **8,500** |
| **Loma de Níquel** | | | | |
| Ore mined | **–** | 432,900 | 1,302,600 | 714,200 |
| Ore processed | **–** | 767,400 | 1,014,200 | 798,000 |
| Ore grade processed (% Ni) | **–** | 1.40 | 1.5 | 1.6 |
| **Production** | **–** | **8,100** | **13,400** | **11,700** |
| **Barro Alto[2]** | | | | |
| Ore mined | **1,999,000** | 1,844,400 | 1,527,900 | 1,217,500 |
| Ore processed | **1,616,300** | 1,422,100 | 456,500 | – |
| Ore grade processed (% Ni) | **1.82** | 1.94 | 2.0 | – |
| **Production** | **25,100** | 21,600 | 6,200 | **–** |
| **Total Nickel segment nickel production** | **34,400** | **39,300** | **29,100** | **20,200** |
| **Platinum nickel production[3]** | **22,600** | **17,700** | **20,300** | **18,500** |
| **Total attributable nickel production** | **57,000** | **57,000** | **49,400** | **38,700** |

(1) Includes processing of Barro Alto ore.
(2) Barro Alto is not currently in commercial production and therefore all revenue and related costs associated with 25,100 tonnes (2012: 21,600 tonnes) of production have been capitalised.
(3) 2013 includes 5,800 tonnes of nickel matte.

# NICKEL

estimates as at 31 December 2013

## NICKEL

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) 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.

| Nickel – Operations ORE RESERVES | Attributable % | Mine Life | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Metal 2013 | Contained Metal 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Barro Alto (OP)**[1] | 100 | 17 | | Mt | Mt | %Ni | %Ni | kt | kt |
| Saprolite | | | Proved | 20.0 | 23.4 | 1.71 | 1.71 | 342 | 401 |
| | | | Probable | 25.2 | 23.4 | 1.42 | 1.51 | 358 | 353 |
| | | | **Total** | **45.3** | **46.8** | **1.55** | **1.61** | **700** | **754** |
| **Niquelândia (OP)**[2] | 100 | 23 | | | | %Ni | %Ni | | |
| Saprolite | | | Proved | 4.5 | 3.9 | 1.31 | 1.35 | 59 | 52 |
| | | | Probable | 1.1 | 1.0 | 1.25 | 1.32 | 14 | 14 |
| | | | **Total** | **5.6** | **4.9** | **1.30** | **1.34** | **73** | **66** |

| Nickel – Operations MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Metal 2013 | Contained Metal 2012 |
|---|---|---|---|---|---|---|---|---|
| **Barro Alto (OP)** | 100 | | Mt | Mt | %Ni | %Ni | kt | kt |
| Saprolite | | Measured | 8.5 | 9.0 | 1.34 | 1.43 | 114 | 129 |
| Direct Feed[3] | | Indicated | 7.7 | 5.0 | 1.31 | 1.30 | 101 | 65 |
| | | **Measured and Indicated** | **16.3** | **14.0** | **1.32** | **1.38** | **215** | **193** |
| | | Inferred (in LOM Plan) | 32.5 | 36.6 | 1.51 | 1.52 | 491 | 556 |
| | | Inferred (ex. LOM Plan) | 14.7 | 13.1 | 1.22 | 1.18 | 179 | 155 |
| | | **Total Inferred** | **47.2** | **49.7** | **1.42** | **1.43** | **670** | **710** |
| Ferruginous Laterite | | Measured | 2.4 | 3.3 | 1.25 | 1.28 | 30 | 42 |
| Stockpile[4] | | Indicated | 5.6 | 3.8 | 1.17 | 1.10 | 65 | 42 |
| | | **Measured and Indicated** | **7.9** | **7.1** | **1.19** | **1.19** | **95** | **85** |
| | | Inferred (in LOM Plan) | 1.2 | 1.5 | 1.08 | 1.07 | 13 | 16 |
| | | Inferred (ex. LOM Plan) | 0.0 | 0.0 | 1.06 | 1.00 | 0 | 0 |
| | | **Total Inferred** | **1.2** | **1.6** | **1.08** | **1.07** | **13** | **17** |
| **Niquelândia (OP)**[5] | 100 | | | | %Ni | %Ni | | |
| Saprolite | | Measured | 2.5 | 2.8 | 1.21 | 1.25 | 31 | 35 |
| | | Indicated | 2.4 | 2.9 | 1.20 | 1.23 | 28 | 35 |
| | | **Measured and Indicated** | **4.9** | **5.7** | **1.21** | **1.24** | **59** | **70** |
| | | Inferred (in LOM Plan) | – | – | – | – | – | – |
| | | Inferred (ex. LOM Plan) | – | – | – | – | – | – |
| | | **Total Inferred** | **–** | **–** | **–** | **–** | **–** | **–** |

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

| Nickel – Projects MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Metal 2013 | Contained Metal 2012 |
|---|---|---|---|---|---|---|---|---|
| **Jacaré**[6] | 100 | | Mt | Mt | %Ni | %Ni | kt | kt |
| Ferruginous Laterite | | Measured | 6.3 | 6.3 | 1.15 | 1.15 | 72 | 72 |
| | | Indicated | 53.8 | 53.8 | 1.21 | 1.21 | 653 | 653 |
| | | **Measured and Indicated** | **60.1** | **60.1** | **1.21** | **1.21** | **726** | **726** |
| | | Inferred | 125.0 | 125.0 | 1.17 | 1.17 | 1,468 | 1,468 |
| Saprolite | | Measured | – | – | – | – | – | – |
| | | Indicated | 39.6 | 39.6 | 1.49 | 1.49 | 589 | 589 |
| | | **Measured and Indicated** | **39.6** | **39.6** | **1.49** | **1.49** | **589** | **589** |
| | | Inferred | 81.9 | 81.9 | 1.39 | 1.39 | 1,138 | 1,138 |

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) **Barro Alto – Ore Reserves:** The decrease is primarily due to production along with reallocation of Ore Reserves to Mineral Resources. The decrease is partially offset by increases due to updated economic assumptions and refinement of the geological model to take into account additional drilling and more detailed ore-waste contacts captured from pit mapping.

(2) **Niquelândia – Ore Reserves:** The increase is due to updated economic assumptions which are partially offset by reallocation of Ore Reserves to Mineral Resources. Niquelândia Mine is adjacent to the Codemin Ferro-Nickel smelter which is fed with ore from Barro Alto which is blended with Niquelândia ore to achieve an appropriate smelter feed chemistry.

(3) **Barro Alto – Direct Feed:** Mineral Resources are quoted above a 0.9 %Ni cut-off, below an iron content of 30 %Fe and a $SiO_2$/MgO ratio of less than or equal to 1.80. A surface stockpile of 5.4 Mt at 1.31 %Ni is included in the Saprolite Mineral Resources.

(4) **Barro Alto – Stockpile:** Material that is scheduled for stockpiling or has already been mined and stockpiled. A surface stockpile of 0.7 Mt at 1.19 %Ni is included in the Ferruginous Laterite Mineral Resources.

(5) **Niquelândia – Mineral Resources:** Mineral Resources are quoted above a 0.9 %Ni cut-off, below an Iron content of 30% Fe and a $SiO_2$/MgO ratio of less than or equal to 1.75. The decrease is due to updated economic assumptions which are partially offset by reallocation of Ore Reserves to Mineral Resources.

(6) **Jacaré:** The Mineral Resources are reported within a pit shell developed for the Concept Study with a cut-off of 1.3 %Ni. A minimum mineralised width of 1m must be present to allow material to be categorised as higher-grade Saprolite Mineral Resource. The Saprolite Resources are a combination of higher-grade resources (>1.3 %Ni) that are expected to feed a pyrometallurgical treatment facility and lower-grade resources (1.3 – 0.9 %Ni) that could be used to neutralise the acid in the proposed hydrometallurgical treatment of the Ferruginous Laterite material while still recovering Nickel in the process. The Plano de Aproveitamento Economico (PAE) is under consideration by Brazil's Departamento Nacional de Produção Mineral (DNPM).

# NIOBIUM AND PHOSPHATES

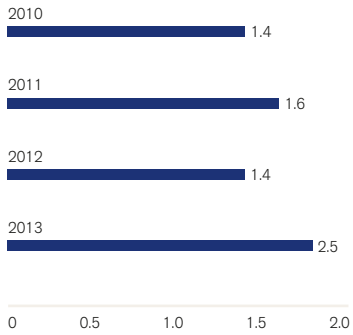
Our niobium business is located in Goiás state, Brazil, and is one of the world's three principal niobium producers.

Our Phosphates business is the second largest integrated phosphate fertiliser producer in Brazil.

## FINANCIAL HIGHLIGHTS

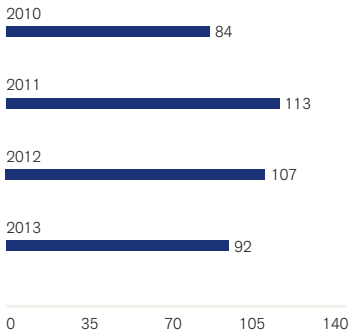
### Share of Group net operating assets

%



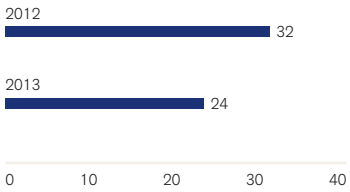

### Underlying earnings

$ m



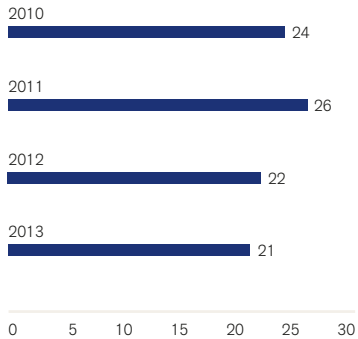

### Attributable ROCE

%



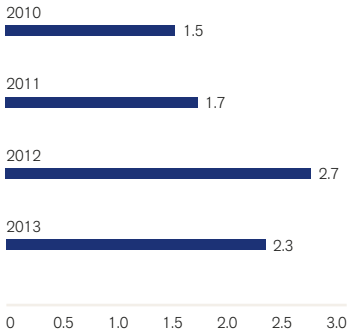

### Operating margin

%




### Share of Group operating profit

%



# FINANCIAL DATA

| $ million | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Turnover** | | | | |
| Niobium | **182** | 173 | 149 | 152 |
| Phosphates | **544** | 597 | 571 | 461 |
| Projects and Corporate | **–** | – | – | – |
| **Total turnover** | **726** | **770** | **720** | **613** |
| | | | | |
| **EBITDA** | | | | |
| Niobium | **94** | 85 | 57 | 71 |
| Phosphates | **100** | 114 | 160 | 104 |
| Projects and Corporate | **(18)** | (3) | (2) | (2) |
| **Total EBITDA** | **176** | **196** | **215** | **173** |
| | | | | |
| **Depreciation and amortisation** | **26** | **27** | **25** | **25** |
| **Operating profit before special items and remeasurements** | **150** | **169** | **188** | **146** |
| Niobium | **89** | 81 | 54 | 67 |
| Phosphates | **79** | 91 | 136 | 81 |
| Projects and Corporate | **(18)** | (3) | (2) | (2) |
| Operating special items and remeasurements | **(6)** | (5) | – | (15) |
| **Operating profit after special items and remeasurements** | **144** | **164** | **188** | **131** |
| | | | | |
| **Net interest, tax and non-controlling interests** | **(58)** | **(62)** | **(75)** | **(62)** |
| | | | | |
| **Underlying earnings** | | | | |
| Of which: | | | | |
| Niobium | **48** | 47 | 35 | 38 |
| Phosphates | **57** | 63 | 80 | 48 |
| Projects and Corporate | **(13)** | (3) | (2) | (2) |
| **Total underlying earnings** | **92** | **107** | **113** | **84** |
| | | | | |
| **Net operating assets** | **854** | **691** | **691** | **619** |
| | | | | |
| **Capital expenditure** | **237** | **94** | **42** | **34** |

# BUSINESS OVERVIEW

**UNDERLYING OPERATING PROFIT**
(2012: $169 m)

**$150 m**

**SHARE OF GROUP UNDERLYING OPERATING PROFIT**
(2012: 3%)

**2%**

**UNDERLYING EBITDA**
(2012: $196 m)

**$176 m**

## Key financial and non-financial performance indicators

| $ million (unless otherwise stated) | 2013 | 2012[1] |
|---|---|---|
| Underlying operating profit | **150** | 169 |
| Niobium | **89** | 81 |
| Phosphates | **79** | 91 |
| Projects and Corporate | **(18)** | (3) |
| Underlying EBITDA | **176** | 196 |
| Capital expenditure | **237** | 94 |
| Share of Group underlying operating profit | **2%** | 3% |
| Attributable return on capital employed | **24%** | 32% |

| Non-financial indicators[2] | 2013 | 2012 |
|---|---|---|
| Number of fatal injuries | **0** | 0 |
| Lost-time injury frequency rate | **0.31** | 0.39 |
| Total energy consumed in 1,000 GJ | **2,808** | 2,711 |
| Total greenhouse gas emissions in 1,000 tonnes $CO_2e$ | **110** | 94 |
| Total water consumed in 1,000 $m^3$ | **8,382** | 8,498 |

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 of the financial statements for details.
(2) Certain non-financial indicators relating to 2012 have been revised due to change requests made by the operations subsequent to the publication of the 2012 annual report.

### Niobium

Our Niobium business, located in the cities of Catalão and Ouvidor, in Brazil's Goiás state, accounts for about 10% of the country's production (and 8-9% of global production) of the metal. In operation since 1973, the Boa Vista mine produces and exports approximately 4,500 tonnes of niobium per year. With the end of its weathered ore reserves approaching, Niobium is investing in adapting the existing plant to process fresh rock.

### Phosphates

Our Phosphates business is the second largest phosphate fertiliser producer in Brazil. Its operations are vertically integrated, covering the mining of phosphate ore, beneficiation of the ore to produce phosphorus pentoxide ($P_2O_5$) concentrate, and further processing into intermediate and final products.

The Phosphates business has approximately 15% of Brazil's known phosphate mineral resources. The Chapadão mine in Ouvidor currently produces, on average, around 5.8 Mt of ore per annum (on a dry basis). It is a prime deposit, containing some of Brazil's highest grades of phosphate ore (approximately 13% $P_2O_5$), and has a remaining mine life of 20 years at current production rates.

Phosphate ore is treated at a beneficiation facility on the same site, with approximately 1.4 million tonnes per annum (Mtpa) of phosphate concentrate being produced at an average grade of around 35% $P_2O_5$. Phosphates operates two chemical processing complexes: one in Catalão, the other at Cubatão in the state of São Paulo. The company produces a wide variety of products for the Brazilian agriculture sector, including low analysis (approximately 20% $P_2O_5$ content) and high analysis (40%-55% $P_2O_5$ content) phosphate fertilisers, dicalcium phosphate (DCP) for the animal feed industry, as well as phosphoric and sulphuric acids for the food and animal feed industries.

# OUR NIOBIUM AND PHOSPHATES OPERATIONS

**Key**
- Open cut
- Other

## Brazil

**Niobium**
Anglo American's wholly owned Mineração Catalão de Goiás produces and exports ferroniobium. The ore is mined from the Boa Vista open pit and processed at Ouvidor in the state of Goiás.

**Phosphates**
Anglo American's wholly owned phosphates business is the second largest phosphate fertiliser producer in Brazil. Its operations are vertically integrated, covering the mining of phosphate ore (Chapadão mine in Ouvidor), beneficiation of the ore to produce phosphorus pentoxide ($P_2O_5$) concentrate, and further processing into intermediate and final products at processing plants in Catalão, in Goiás state, and Cubatão near the port of Santos in the state of São Paulo.


1. 100% Niobium
2. 100% Phosphates – Chapadão mine/ processing plant
3. 100% Phosphates – Cubatão processing plant

# INDUSTRY OVERVIEW

## Niobium

As an alloying agent, niobium brings unique properties to high strength steel alloys (HSSA), such as increased formability, corrosion resistance, weldability and strength under tough working environments, including extreme high or low temperatures.

Around 90% of total global niobium consumption is used as an alloying element, in the form of ferroniobium (FeNb) in high strength steels, which are used in the manufacture of automobiles, ships and high pressure pipelines, as well as in the petroleum and construction industries. The product is exported to major steel plants in Europe, the US and Asia (principally China, South Korea and Japan).

## Phosphates

Phosphate fertiliser demand is driven by strong fundamental trends, including expanding food needs from a growing global population, changing dietary habits in major emerging economies such as China and India, and increased demand for biofuels.

Brazil, a major agricultural nation, is the fourth largest phosphate market globally and needs to import almost 50% of its phosphate fertilisers. Anglo American's phosphates' assets are situated in the centre of Brazil's major agricultural region and thus benefit from lower inland transportation costs and import taxes compared with competitors, in addition to being well placed to respond quickly to customer requirements.

## Markets

### Niobium

In 2013, our Niobium business exported 4,675 tonnes of niobium, representing an increase of 11% over the previous year. However, the average realised price was $39 per kg of niobium, a reduction of 5% compared with the $41 per kg achieved in 2012.

Demand for niobium decreased by 5% owing to the lacklustre pace of recovery in European markets and tighter economic policies in China. In response to strong competition from producers in Brazil and Canada, putting downward pressure on prices, the Niobium business developed a more diversified geographical sales portfolio in order to capitalise on spot supply opportunities in other countries such as South Korea, Turkey, India, the UAE and Taiwan.

### Phosphates

Global demand for phosphates decreased during 2013, mainly as a result of high inventories, adverse weather conditions in the US which affected the timing of crop planting, exchange rate fluctuations, and a reduction in the phosphates subsidy offered to farmers in India. Although some major phosphate suppliers reduced their output in response to the weaker demand environment, prices for the year as a whole were subdued, with an average monoammonium phosphate (MAP) price of $494/tonne, a 16% reduction over 2012.

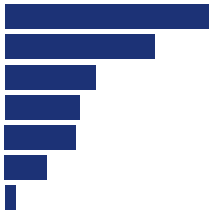
Demand for phosphate fertilisers in Brazil totalled approximately 11.8 Mt in 2013, a 7% increase, mainly owing to increased production of soybean and corn crops. Domestic production of phosphate fertiliser products was 1% lower at 7.3 Mt, resulting in the levels of imported intermediate fertilisers reaching 5 Mt, an increase of approximately 20%. Brazil is running a high inventory position following a strong import programme in the first half of 2013, with stocks at year end of 1.9 Mt estimated to be approximately 27% higher than the prior year.

# MARKET INFORMATION

## Leading niobium consumers

(2013 estimated contained niobium consumption)
2013 estimated world total: 49.2 kt

| | kt |
|---|---|
| Europe | 15.5 |
| China | 11.5 |
| United States | 7.0 |
| Japan | 5.8 |
| Others | 5.4 |
| South Korea | 3.2 |
| India | 0.8 |

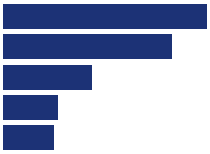


**Source:** Anglo American estimates

## Leading phosphates consumers

(2013 estimated phosphate consumption)
2013 estimated world total: 47 Mt

| | Mt of $P_2O_5$ |
|---|---|
| Others | 16,659 |
| China | 13,931 |
| India | 7,244 |
| Brazil | 4,650 |
| United States | 4,558 |

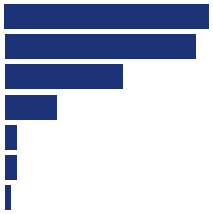


**Source:** CRU

## 2013 global niobium consumption by sector

(2013 estimated contained niobium consumption)

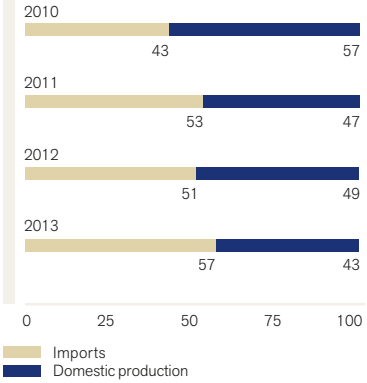
| | % |
|---|---|
| Construction | 34 |
| Oil and gas | 32 |
| Automotive | 20 |
| Stainless steel | 9 |
| Machinery | 2 |
| Others | 2 |
| Shipbuilding | 1 |



**Source:** Wood Mackenzie

## Brazilian phosphates supply

(2013 estimated phosphate supply)
%




**Source:** ANDA

# STRATEGY

Niobium and Phosphates' core strategy is to expand existing operations and mineral resources in both commodities through a focus on operational excellence, and the execution of selected low cost, high return projects.

At Niobium, the $325 million investment in the Boa Vista Fresh Rock project is expected to consolidate the business as the second largest producer of niobium worldwide. It will do so by increasing production so that plant capacity is fully utilised, as well as replacing existing production, allowing the company to gain an increased market share in the HSSA market. Commissioning will start in the second half of 2014.

At Phosphates, significant brownfield expansion opportunities are currently being evaluated in order to meet the expected growing demand needs of the Brazilian agricultural market, which is strategically placed to benefit from global shifts in dietary habits, and where the outlook for the production of fertiliser products is very positive.

## Operating safely, sustainably and responsibly

Niobium and Phosphates takes a risk-based approach to achieving our vision of zero harm to people and the environment. Focus areas for the business include reducing water and energy consumption, as well as greenhouse gas emissions. Health and wellness programmes are in place to improve the well-being of our workforce and increase productivity.

## Projects

### Niobium

The Boa Vista Fresh Rock project continued to progress and is expected to start production later in 2014. The project includes the construction of a new upstream plant that will enable continuity of the Catalão site through processing the Fresh Rock orebody. Production capacity will increase to approximately 6,500 tonnes of niobium per year (2013: 4,500 tonnes), allowing use of the full plant capacity. Both Niobium and Phosphates have a series of smaller optimisation projects to improve plant capacity and productivity and to release the full potential of the reserve base, including upstream and downstream de-bottlenecking projects and tailings initiatives. The upstream project is expected to contribute to production in 2014, while the downstream projects will deliver additional volumes in 2016. The tailings initiatives will increase niobium production through the recovery of waste from Goiás II.

### Phosphates

Goiás II is a brownfield project that aims to double the production of phosphate concentrate at the same site through the doubling of plant capacity and is expected to increase the production of fertilisers by 725 ktpa by 2018. Goiás II represents an opportunity to capture market share that is currently supplied by imports. A conceptual study for the project was developed towards the end of 2012, and is expected to enter the feasibility stage in 2014.

# PROJECT PIPELINE – KEY PROJECTS

## Boa Vista Fresh Rock (approved)

**Overall capex: <$1 bn**

**Country**
Brazil

**Ownership**
100%

**Incremental production**
6.5 ktpa

**Full project capex**
<$1 bn

**First production**
2014

The Boa Vista Fresh Rock brownfield project continued to progress during 2013 and is expected to start production later in 2014. The project includes the construction of a new upstream plant that will enable continuity of the Catalão site through processing the fresh rock orebody. Production capacity will increase to approximately 6,500 tonnes of niobium per year (2013: 4,500 tonnes), allowing use of the full plant capacity.

## Goiás II (unapproved)

**Overall capex: TBD**

**Country**
Brazil

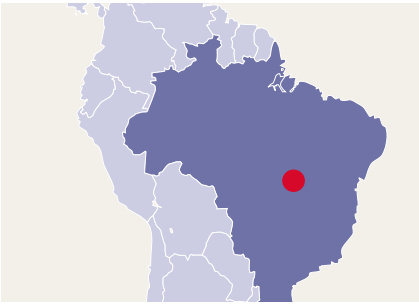
**Ownership**
100%

**Incremental production**
TBD

**Full project capex**
TBD

**First production**
TBD

Goiás II is a brownfield project located in centre-west of the state of Goiás. It is expected to double the production of phosphate concentrate.



# PRODUCTION DATA

| | | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| **Niobium** | | | | | |
| Ore mined | tonnes | **1,228,809** | 933,203 | 866,600 | 1,209,400 |
| Ore processed | tonnes | **963,118** | 973,500 | 902,600 | 909,300 |
| Ore grade processed | % | **1.16** | 1.21 | 1.16 | 0.94 |
| **Production** | tonnes | **4,500** | **4,400** | **3,900** | **4,000** |
| | | | | | |
| **Phosphates** | | | | | |
| Concentrate | tonnes | **1,406,300** | 1,357,100 | 1,354,100 | 1,283,200 |
| Phosphoric acid | tonnes | **317,100** | 299,800 | 283,000 | 281,400 |
| Fertiliser[1] | tonnes | **1,199,000** | 1,127,600 | 1,052,900 | 1,017,800 |
| DCP | tonnes | **159,600** | 150,000 | 132,200 | 124,500 |

(1) Production information for 2012, 2011 and 2010 was restated reflecting the change in production quantification methodology in the acidulation plant at Cubatão.

# NIOBIUM

estimates as at 31 December 2013

## ANGLO AMERICAN NIÓBIO BRASIL LIMITADA

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, 2012) 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.

| Niobium – Operations ORE RESERVES | Attributable % | Mine Life | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Product 2013 | Contained Product 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Boa Vista (OP)** | 100 | 1 | | Mt | Mt | $\%Nb_2O_5$ | $\%Nb_2O_5$ | kt | kt |
| Catalão II Carbonatite Complex Oxide[1] | | | Proved | 0.8 | 0.8 | 1.21 | 1.31 | 10 | 10 |
| | | | Probable | 0.4 | 0.3 | 1.03 | 1.01 | 5 | 3 |
| | | | **Total** | **1.3** | **1.0** | **1.15** | **1.24** | **14** | **13** |
| **Mina II (OP)** | 100 | 1 | | | | $\%Nb_2O_5$ | $\%Nb_2O_5$ | | |
| Catalão I Carbonatite Complex Oxide | | | Proved | 0.4 | 0.4 | 1.16 | 1.13 | 4 | 4 |
| | | | Probable | – | – | – | – | – | – |
| | | | **Total** | **0.4** | **0.4** | **1.16** | **1.13** | **4** | **4** |
| **Tailings** | 100 | 18 | | | | $\%Nb_2O_5$ | $\%Nb_2O_5$ | | |
| Catalão I Carbonatite Complex Phosphate Tailings[2] | | | Proved | – | – | – | – | – | – |
| | | | Probable | 14.5 | 2.0 | 0.69 | 0.73 | 100 | 14 |
| | | | **Total** | **14.5** | **2.0** | **0.69** | **0.73** | **100** | **14** |

| Niobium – Operations MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Product 2013 | Contained Product 2012 |
|---|---|---|---|---|---|---|---|---|
| **Boa Vista (OP)** | 100 | | Mt | Mt | $\%Nb_2O_5$ | $\%Nb_2O_5$ | kt | kt |
| Catalão II Carbonatite Complex Oxide[3] | | Measured | 0.2 | 0.8 | 1.56 | 1.21 | 3 | 9 |
| | | Indicated | 0.4 | 0.3 | 1.18 | 0.86 | 5 | 3 |
| | | **Measured and Indicated** | **0.6** | **1.0** | **1.30** | **1.11** | **8** | **12** |
| | | Inferred (in LOM Plan) | 0.2 | 0.2 | 0.91 | 0.91 | 2 | 1 |
| | | Inferred (ex. LOM Plan) | 0.5 | 0.7 | 0.79 | 0.82 | 4 | 5 |
| | | **Total Inferred** | **0.7** | **0.8** | **0.83** | **0.84** | **6** | **7** |

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

| Niobium – Projects ORE RESERVES | Attributable % | Mine Life | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Product 2013 | Contained Product 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Boa Vista** | 100 | 18 | | Mt | Mt | $\%Nb_2O_5$ | $\%Nb_2O_5$ | kt | kt |
| Catalão II Carbonatite Complex Fresh Rock (OP)[4] | | | Proved | 0.2 | – | 1.24 | – | 3 | – |
| | | | Probable | 23.8 | – | 0.95 | – | 226 | – |
| | | | **Total** | **24.0** | **–** | **0.95** | **–** | **229** | **–** |

| Niobium – Projects MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Product 2013 | Contained Product 2012 |
|---|---|---|---|---|---|---|---|---|
| **Area Leste** | 100 | | Mt | Mt | $\%Nb_2O_5$ | $\%Nb_2O_5$ | kt | kt |
| Catalão I Carbonatite Complex Oxide (OP)[5] | | Measured | – | 1.8 | – | 1.32 | – | 24 |
| | | Indicated | – | 0.5 | – | 1.13 | – | 6 |
| | | **Measured and Indicated** | **–** | **2.3** | **–** | **1.28** | **–** | **30** |
| | | Inferred | 2.9 | 0.0 | 1.25 | 0.74 | 37 | 0 |
| Catalão I Carbonatite Complex Fresh Rock (UG)[6] | | Measured | – | 8.2 | – | 1.24 | – | 101 |
| | | Indicated | – | 4.7 | – | 1.20 | – | 57 |
| | | **Measured and Indicated** | **–** | **12.9** | **–** | **1.23** | **–** | **158** |
| | | Inferred | 11.8 | 1.3 | 1.17 | 1.12 | 138 | 14 |
| **Boa Vista** | 100 | | | | $\%Nb_2O_5$ | $\%Nb_2O_5$ | | |
| Catalão II Carbonatite Complex Fresh Rock (OP)[7] | | Measured | – | 0.6 | – | 0.97 | – | 5 |
| | | Indicated | 4.8 | 28.6 | 0.98 | 0.95 | 47 | 273 |
| | | **Measured and Indicated** | **4.8** | **29.2** | **0.98** | **0.95** | **47** | **278** |
| | | Inferred (in LOM Plan) | 1.3 | – | 0.86 | – | 11 | – |
| | | Inferred (ex. LOM Plan) | 9.2 | 9.2 | 1.11 | 1.03 | 102 | 94 |
| | | **Total Inferred** | **10.5** | **9.2** | **1.08** | **1.03** | **113** | **94** |
| Catalão II Carbonatite Complex Fresh Rock (UG)[8] | | Measured | – | – | – | – | – | – |
| | | Indicated | – | – | – | – | – | – |
| | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | Inferred | 10.7 | – | 0.99 | – | 106 | – |
| **Mina I** | 100 | | | | $\%Nb_2O_5$ | $\%Nb_2O_5$ | | |
| Catalão I Carbonatite Complex Oxide (OP)[9] | | Measured | – | – | – | – | – | – |
| | | Indicated | – | – | – | – | – | – |
| | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | Inferred | 1.7 | – | 0.79 | – | 13 | – |
| **Mina II** | 100 | | | | $\%Nb_2O_5$ | $\%Nb_2O_5$ | | |
| Catalão I Carbonatite Complex Fresh Rock (OP)[10] | | Measured | – | – | – | – | – | – |
| | | Indicated | – | – | – | – | – | – |
| | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | Inferred | 5.1 | – | 1.17 | – | 60 | – |
| Catalão I Carbonatite Complex Fresh Rock (UG)[11] | | Measured | – | 5.5 | – | 1.24 | – | 69 |
| | | Indicated | – | 0.9 | – | 1.17 | – | 11 |
| | | **Measured and Indicated** | **–** | **6.4** | **–** | **1.23** | **–** | **79** |
| | | Inferred | 1.4 | 0.8 | 1.08 | 1.19 | 15 | 10 |
| **Morro do Padre** | 100 | | | | $\%Nb_2O_5$ | $\%Nb_2O_5$ | | |
| Catalão II Carbonatite Complex Fresh Rock (UG)[12] | | Measured | – | – | – | – | – | – |
| | | Indicated | – | 2.6 | – | 1.27 | – | 33 |
| | | **Measured and Indicated** | **–** | **2.6** | **–** | **1.27** | **–** | **33** |
| | | Inferred | 8.3 | 8.9 | 1.26 | 1.54 | 104 | 138 |

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.

# NIOBIUM

estimates as at 31 December 2013

(1) **Boa Vista – Oxide Ore Reserves (OP):** The increase is primarily due to ongoing grade control and a new drilling campaign identifying additional ore.
(2) **Phosphate Tailings Ore Reserves:** The fines portion of the Phosphate tailings from Chapadão are processed in the Niobium Tailings Plant to recover Niobium. The increase is a result of the approval of the Boa Vista Fresh Rock project enabling the tailings plant to continue operating once the Oxide Reserves are depleted.
(3) **Boa Vista – Oxide Mineral Resources (OP):** The Oxide Resources are reported above a 0.5% $Nb_2O_5$ cut-off. The decrease is due to the introduction of a new mine plan which allows additional Mineral Resources to be converted to Ore Reserves.
(4) **Boa Vista – Fresh Rock Ore Reserves (OP):** Approval of the Boa Vista Fresh Rock project permits the declaration of Ore Reserves.
(5) **Area Leste – Oxide Mineral Resources (OP):** The Oxide Resources are reported above a 0.5% $Nb_2O_5$ cut-off. The increase is due to reallocation of Ore Reserves to Mineral Resource following a reclassification of historical estimates to the Inferred category.
(6) **Area Leste – Fresh Rock Mineral Resources (UG):** The Fresh Rock Resources are reported above a 0.7 %$Nb_2O_5$ cut-off. The difference is attributable to the application of underground mining as the basis for reasonable prospects for eventual economic extraction.
(7) **Boa Vista – Fresh Rock Mineral Resources (OP):** The Fresh Rock Resources are reported above a 0.5 %$Nb_2O_5$ cut-off. The decrease is the result of Mineral Resources conversion to Ore Reserves which is partially offset by a change in the slope angle of the pit allowing more Mineral Resources to be declared.
(8) **Boa Vista – Fresh Rock Mineral Resources (UG):** The Fresh Rock Resources are reported above a 0.5 %$Nb_2O_5$ cut-off. The application of underground mining as the basis for reasonable prospects for eventual economic extraction allows for declaration of this resource for the first time.
(9) **Mina I – Oxide Mineral Resources (OP):** The Oxide Resources are reported above a 0.5% $Nb_2O_5$ cut-off. The Mina I Ore Reserves (previously declared as part of Boa Vista – Oxides) were reallocated to Mineral Resource following re-classification of historical estimates to Inferred.
(10) **Mina II – Fresh Rock Mineral Resources (OP):** The Fresh Rock Resources are reported above a 0.7 %$Nb_2O_5$ cut-off. The application of an open pit mining method is the basis for reasonable prospect for eventual economic extraction of this material, formerly considered for underground extraction and reclassification of historical estimates to the Inferred category has also been applied.
(11) **Mina II – Fresh Rock Mineral Resources (UG):** The Fresh Rock Resources are reported above a 0.7 %$Nb_2O_5$ cut-off. Application of underground mining method is the basis for defining reasonable prospects for eventual economic extraction for this material and the declaration of a Mineral Resource.
(12) **Morro do Padre – Fresh Rock Mineral Resources (UG):** The Fresh Rock Resources are reported above a 0.7 %$Nb_2O_5$ cut-off. Application of underground mining method is the basis for defining reasonable prospects for eventual economic extraction of this material and reclassification of historical estimates to the Inferred category has also been applied.

Following the reclassification of historical estimates to the Inferred category in order to ensure compliance with Anglo American standards, a systematic programme of re-analysis of historical samples and additional drilling is underway to upgrade the confidence in the project resources.

# PHOSPHATES

estimates as at 31 December 2013

## ANGLO AMERICAN FOSFATOS BRASIL LIMITADA

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, 2012) 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.

| Phosphates – Operations ORE RESERVES | Attributable % | Mine Life | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 |
|---|---|---|---|---|---|---|---|
| **Chapadão (OP)**[1] | 100 | 20 | | Mt | Mt | $\%P_2O_5$ | $\%P_2O_5$ |
| Carbonatite Complex | | | Proved | 41.0 | 83.1 | 12.5 | 14.1 |
| Oxide | | | Probable | 77.0 | 151.0 | 13.0 | 13.0 |
| | | | **Total** | **118.1** | **234.0** | **12.8** | **13.4** |

| Phosphates – Operations MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 |
|---|---|---|---|---|---|---|
| **Chapadão (OP)**[2] | 100 | | Mt | Mt | $\%P_2O_5$ | $\%P_2O_5$ |
| Carbonatite Complex | | Measured | – | 3.9 | – | 13.4 |
| Oxide | | Indicated | 0.1 | 60.2 | 13.2 | 11.8 |
| | | **Measured and Indicated** | **0.1** | **64.1** | **13.2** | **11.9** |
| | | Inferred (in LOM Plan) | 19.5 | 7.5 | 13.6 | 13.2 |
| | | Inferred (ex. LOM Plan) | 165.7 | 50.4 | 12.1 | 10.9 |
| | | **Total Inferred** | **185.2** | **57.9** | **12.3** | **11.2** |

| Phosphates – Projects MINERAL RESOURCES | Attributable % | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 |
|---|---|---|---|---|---|---|
| **Coqueiros (OP)**[3] | 100 | | Mt | Mt | $\%P_2O_5$ | $\%P_2O_5$ |
| Carbonatite Complex | | Measured | 1.8 | 1.8 | 10.5 | 10.5 |
| Oxide | | Indicated | 16.5 | 16.5 | 12.9 | 12.9 |
| | | **Measured and Indicated** | **18.3** | **18.3** | **12.6** | **12.6** |
| | | Inferred | 26.2 | 26.2 | 11.2 | 11.2 |
| Carbonatite Complex | | Measured | 1.2 | 1.2 | 7.3 | 7.3 |
| Fresh Rock | | Indicated | 34.0 | 34.0 | 8.5 | 8.5 |
| | | **Measured and Indicated** | **35.2** | **35.2** | **8.5** | **8.5** |
| | | Inferred | 16.2 | 16.2 | 7.6 | 7.6 |

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.

Chapadão Mine is the formal name of the Anglo American Fosfatos Brasil Limitada Phosphate mining operation near Ouvidor (reported as Ouvidor in 2012).

(1) **Chapadão – Oxide Ore Reserves:** The decrease is primarily due to reallocation of Ore Reserves to Mineral Resources which occurred when the new resource classification methodology (balanced scorecard) was applied resulting in the downgrade of confidence of portions of the reserve. The Mine Life is also reduced as a result. The decrease is offset by the inclusion of new drilling information in the updated geological model and a re-assay and drilling programme is planned to upgrade confidence in future model updates.

(2) **Chapadão – Oxide Mineral Resources:** Mineral Resources are quoted above a 6 $\%P_2O_5$ cut-off and a $CaO/P_2O_5$ ratio between 1 and 1.5. The increase and downgrading of the Mineral Resources is as a result of the application of the new resource classification methodology (balanced scorecard) which resulted in reallocation of Ore Reserves to Mineral Resources.

(3) **Coqueiros:** The Oxide mineralisation is defined by a cut-off grade of 7 $\%P_2O_5$ and a $CaO/ P_2O_5$ ratio between 1 and 1.4. The Fresh Rock resources are defined by a cut-off grade of 5% $P_2O_5$. The exploration drilling report submitted to Brazil's Departamento Nacional de Produção Mineral (DNPM) was approved late in 2013 and the updated estimates will be published in 2015.

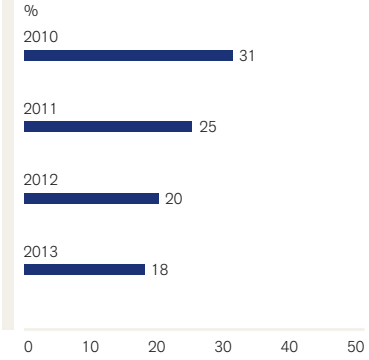
# PLATINUM

Anglo American Platinum Limited is the leading primary producer of platinum group metals (PGMs) and accounts for approximately 40% of the world's newly mined supply.

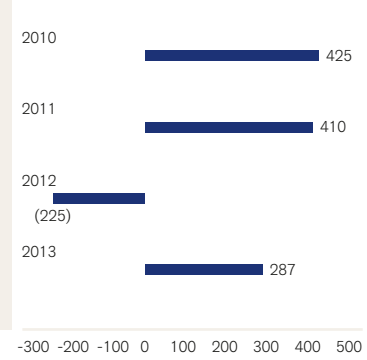
Platinum and other PGMs are primarily used in autocatalysts and jewellery. They are also employed in the chemical, electronic, medical, glass and petroleum industries.

## FINANCIAL HIGHLIGHTS

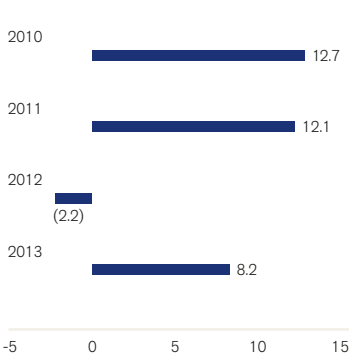
### Share of Group net operating assets



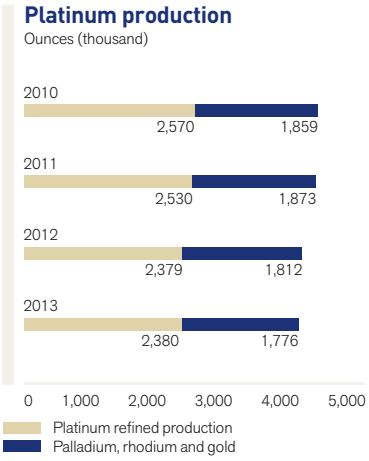

### Underlying earnings



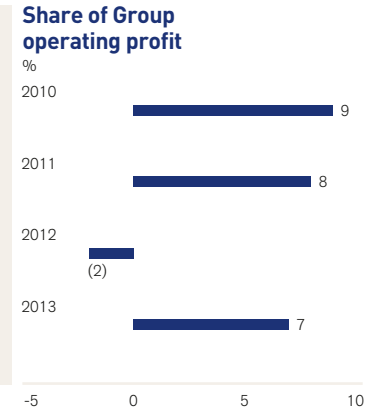

### Operating margin



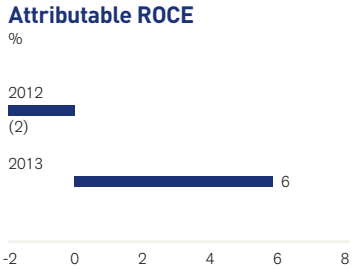

### Platinum production




### Share of Group operating profit




### Attributable ROCE



# FINANCIAL DATA

| Total refined production | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Platinum (troy ounces) | **2,379,600** | 2,378,600 | 2,530,100 | 2,569,900 |
| Palladium (troy ounces) | **1,380,800** | 1,395,900 | 1,430,700 | 1,448,500 |
| Rhodium (troy ounces) | **294,700** | 310,700 | 337,600 | 328,900 |
| Nickel (tonnes) | **16,800** | 17,700 | 20,300 | 18,500 |

| **Turnover ($m)** | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Subsidiaries and joint ventures | **5,460** | 5,258 | 7,090 | 6,365 |
| Associates | **228** | 231 | 269 | 237 |
| **Total turnover** | **5,688** | **5,489** | **7,359** | **6,602** |
| | | | | |
| **EBITDA** | **1,048** | **580** | **1,672** | **1,624** |
| **Depreciation and amortisation** | **584** | **700** | **782** | **787** |
| **Operating profit before special items and remeasurements** | **464** | **(120)** | **890** | **837** |
| Operating special items and remeasurements | **(522)** | (921) | (6) | (72) |
| **Operating profit after special items and remeasurements** | **(58)** | **(1,041)** | **884** | **765** |
| | | | | |
| **Net interest, tax and non-controlling interests** | **(177)** | **(105)** | **(480)** | **(412)** |
| **Total underlying earnings** | **287** | **(225)** | **410** | **425** |
| | | | | |
| **Net operating assets** | **8,622** | **10,419** | **11,191** | **13,478** |
| | | | | |
| **Capital expenditure** | **608** | **822** | **970** | **1,011** |

# BUSINESS OVERVIEW

**UNDERLYING OPERATING PROFIT/(LOSS)**
(2012: $(120) m)

**$464 m**

**SHARE OF GROUP UNDERLYING OPERATING PROFIT**
(2012: (2)%)

**7%**

**UNDERLYING EBITDA**
(2012: $580 m)

**$1,048 m**

## Key financial and non-financial performance indicators

| $ million (unless otherwise stated) | 2013 | 2012[1] |
|---|---|---|
| Underlying operating profit/(loss) | **464** | (120) |
| Underlying EBITDA | **1,048** | 580 |
| Capital expenditure | **608** | 822 |
| Share of Group underlying operating profit | **7%** | (2)% |
| Attributable return on capital employed | **6%** | (2)% |

| Non-financial indicators[2] | 2013 | 2012 |
|---|---|---|
| Number of fatal injuries | **6** | 7 |
| Lost-time injury frequency rate | **1.05** | 1.15 |
| Total energy consumed in 1,000 GJ | **24,942** | 24,393 |
| Total greenhouse gas emissions in 1,000 tonnes $CO_2e$ | **5,936** | 5,743 |
| Total water consumed in 1,000 $m^3$ | **33,412** | 34,911 |

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 of the financial statements for details.
(2) The energy consumed data from 2012 has been revised due to an error detected subsequent to the publication of the 2012 annual report.

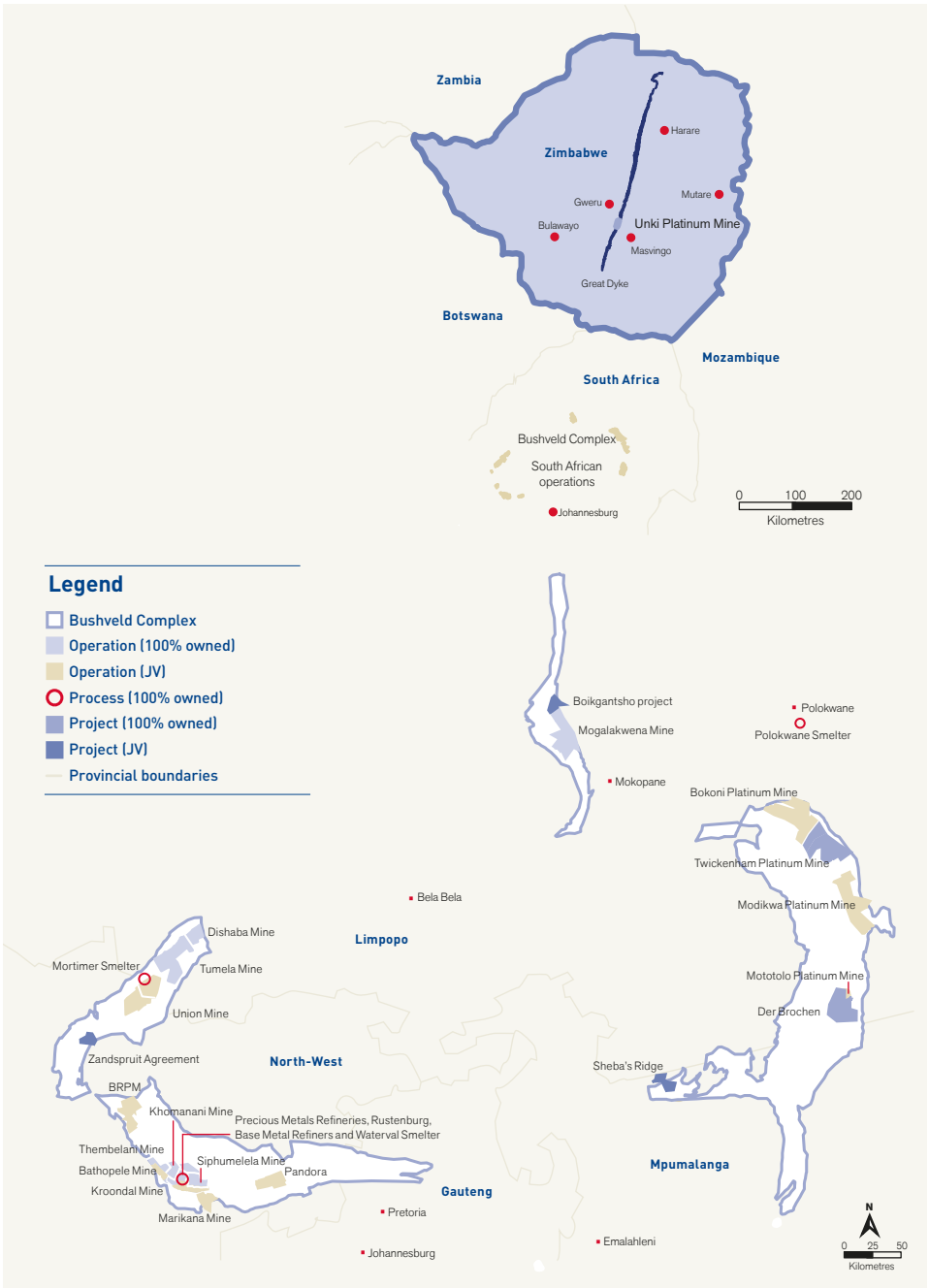
Anglo American Platinum Limited is the leading primary producer of Platinum Group Metals (PGMs) and accounts for approximately 40% of the world's newly mined platinum. It mines an area called the Bushveld Complex in South Africa, which contains PGM-bearing Merensky, UG2 and Platreef ores, and the Great Dyke in Zimbabwe. Access to an extensive portfolio of ore reserves ensures Platinum is well placed to be a major PGM producer for many years to come.

Following Platinum's announcement of its portfolio review on 15 January 2013, and extensive engagement with the South African government, unions and other stakeholders in the subsequent months, the company began to implement the restructuring of its operations. This led to the consolidation and optimisation of five Rustenburg mines into three. The consolidation of Rustenburg was completed in the third quarter of 2013 through the integration of the Khuseleka 2 shaft and Khomanani mine into surrounding mines. The Khuseleka 1 shaft remains operational in the medium term and has been integrated into Thembelani mine. The 'own mines' division of Platinum consists of operations based in the Rustenburg mining area, which has been reduced to the Bathopele, Siphumelele and Thembelani mines; two mines in the Amandelbult Section, Tumela Mine and Dishaba Mine; as well as the open pit Mogalakwena mine and Twickenham Platinum mine project. Union mine is 85% held, with a black economic empowerment (BEE) partner, the Bakgatla-Ba-Kgafela traditional community, holding the remainder. During 2013, Union North and Union South mines were consolidated as part of the business review, the strategy being to prepare for the entity's sale in the medium term. Platinum also operates the Unki mine in Zimbabwe, which is currently wholly owned.

Platinum also has two 50:50 joint operations: one with a BEE consortium, led by African Rainbow Minerals, at Modikwa Platinum mine; and another with the Glencore Kagiso Tiso Platinum Partnership in respect of Mototolo mine. In addition, Platinum has a 50:50 pooling and sharing agreement with Aquarius Platinum covering the shallow reserves of the Kroondal mine. The company also owns 49% of Bokoni mine and holds, through Rustenburg Platinum Mines' (RPM), 27% of Atlatsa Resources. Platinum is in partnership with Royal Bafokeng Resources, and has a 33% shareholding in the combined Bafokeng-Rasimone Platinum Mine and Styldrift properties. Through RPM, Platinum holds 12.6% of RB Plats' issued share capital.

In association with its mining operations, Platinum operates a tailings re-treatment facility, three smelters, a base metals refinery and a precious metals refinery.

# OUR PLATINUM OPERATIONS



# INDUSTRY OVERVIEW

PGMs have a wide range of industrial and high-technology applications. Demand for platinum is dominated by its use in autocatalysts to control emissions from both gasoline- and diesel-engine vehicles, and in jewellery. These uses are responsible for 66% of total gross annual platinum demand. PGMs also have a wide range of other applications, in the chemical, electronic, medical, glass and petroleum industries.

Our Platinum business is the major funder of Platinum Guild International (PGI), which plays a key role in encouraging demand for platinum jewellery and in establishing new platinum jewellery markets. Since 2000, China has been the leading platinum jewellery market, followed by Europe, Japan and North America. Industrial applications for platinum are driven by technology and, especially in the case of autocatalysts, by legislation. The increasing stringency of emissions legislation continues to drive growth in PGM demand.

Palladium's principal application, accounting for 72% of total palladium demand, is in autocatalysts, particularly in gasoline vehicles. The metal is also used in electronic components, dental alloys and jewellery.

Rhodium is an important metal in autocatalytic activity, which accounts for nearly 80% of total gross annual rhodium demand.

### Markets

In 2013, gross global platinum demand increased by 507,000 ounces, or 6.3%, as increases in industrial and investment demand more than offset declines from the autocatalyst and jewellery sectors. Primary platinum supply grew by 60,000 ounces, or 1%, as increased supply from South Africa and Zimbabwe exceeded declines in Russia and North America. Secondary supplies from recycled autocatalyst, jewellery and industrial scrap decreased by 29,000 ounces, or 1%, resulting in a 0.4% increase in gross global platinum supply of 31,000 ounces. The resultant platinum deficit of 856,000 ounces was satisfied by cumulative above-ground stocks at market prices during the course of the year.

Gross global palladium demand decreased by 437,000 ounces, or 4%, as reduced demand from the jewellery, industrial and investment sectors far exceeded the increase in autocatalyst demand. Primary palladium supply reduced by 160,000 ounces, or 3%, as the reduction in supply from Russia and the rest of world more than offset the increases from South Africa, Zimbabwe and North America. Secondary supplies from recycled autocatalyst, jewellery and industrial scrap increased by 179,000 ounces, or 8%, resulting in flat gross global palladium supply. The resultant palladium deficit for the year of 621,000 ounces was also satisfied by cumulative above-ground stocks at market prices during the year.

In 2013, gross global rhodium demand increased by 19,000 ounces, or 2%. Although autocatalyst demand remained flat, this was more than compensated by increases in industrial and investment demand. Primary supply decreased by 3% and secondary supply increased by 9%, keeping gross supply flat and with a resultant market deficit of 9,000 ounces.

### Autocatalysts

Global light vehicle sales grew by 3.8% in 2013, to 84.2 million units, driven by growth in China and North America, offset by declines in India, Russia and Europe. Gross demand for platinum in autocatalysis declined by 5%, owing largely to lower vehicle production in the diesel-dominant Indian and European markets. Palladium use in autocatalysis increased by 3%, in line with global growth in gasoline vehicle production, with an increase in palladium purchases for autocatalysis in China offsetting weakness in other markets. Gross rhodium use in autocatalysis was flat in 2013, as the increase in Chinese demand was offset by weakness in other markets.

### Jewellery

The Chinese platinum jewellery market accounted for 67% of gross global jewellery demand in 2013, and is positioned to grow as disposable income increases and the effective market development by PGI continues. Platinum jewellery sales in China continued to benefit from the narrow price premium to gold; gross demand, however, decreased by 5%. The weak platinum price also reduced the volume of jewellery recycled, resulting in flat net demand. The much smaller markets of Europe, North America and India all increased in 2013, and this, combined with lower Japanese recycled volumes, saw net global platinum jewellery demand increase by 86,000 ounces, or 5%.

### Industrial

In 2013, platinum use in industrial applications increased by 250,000 ounces, or 14%, owing to growth in electrical and glass applications.

Palladium industrial use declined by 146,000 ounces as increased substitution by base metals in electronic capacitors and by ceramics in dentistry exceeded palladium's increased use in polyester manufacture.

In 2013, industrial use for rhodium increased by 9,000 ounces, or 6%, following inventory changes in glass manufacture and capacity increases in oxo-alcohol and acetic acid manufacture.

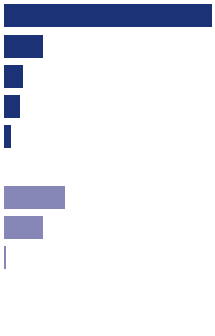
### Investment

Platinum investment demand increased by 457,000 ounces, or 102%, owing to the rand-denominated platinum ETF launched in April 2013. Palladium investment demand declined by 451,000 ounces, or 98%, as a result of ETF disinvestment. Rhodium investment demand increased by 8,000 ounces, or 20%.

# MARKET INFORMATION

## Platinum supply

| | '000 oz |
|---|---|
| South Africa | 4,168 |
| Russia | 780 |
| Zimbabwe | 363 |
| North America | 308 |
| Other | 124 |
| **Total primary supply** | 5,743 |
| Autocat recycle | 1,224 |
| Jewellery recycle | 773 |
| Industrial recycle | 10 |
| **Secondary supply** | 2,007 |
| **Gross supply** | 7,750 |



**Source:** Johnson Matthey and Anglo American Platinum

## 2013 Share of world platinum production

'000oz

| | | % |
|---|---|---|
| Rest of the world | 3,423 | 60 |
| Anglo American Platinum | 2,320 | 40 |
| **Total** | 5,743 | 100 |

**Source:** Johnson Matthey and Anglo American Platinum

## 2013 Platinum end use

Gross demand

| | % |
|---|---|
| Autocatalyst | 34 |
| Jewellery | 32 |
| Industrial | 23 |
| Investment | 11 |
| **Total** | 100 |

**Source:** Johnson Matthey and Anglo American Platinum

## 2013 Rhodium end use

Gross demand

| | % |
|---|---|
| Autocatalyst | 79 |
| Industrial | 16 |
| Investment | 5 |
| **Total** | 100 |

**Source:** Johnson Matthey and Anglo American Platinum

## 2013 Share of world palladium production

'000oz

| | | % |
|---|---|---|
| Rest of the world | 4,989 | 78 |
| Anglo American Platinum | 1,413 | 22 |
| **Total** | 6,402 | 100 |

**Source:** Johnson Matthey and Anglo American Platinum

## 2013 Palladium end use

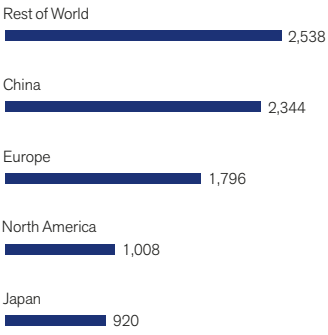
Gross demand

| | % |
|---|---|
| Autocatalyst | 72 |
| Industrial | 23 |
| Jewellery | 4 |
| Investment | 1 |
| **Total** | 100 |

**Source:** Johnson Matthey and Anglo American Platinum

## Leading platinum consumers

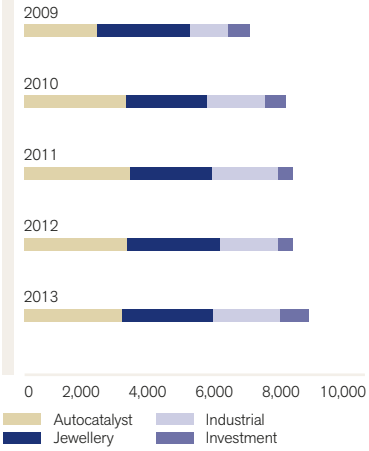
'000 oz




**Source:** Johnson Matthey and Anglo American Platinum

## Gross platinum demand by application

'000 oz




**Source:** Johnson Matthey and Anglo American Platinum

# STRATEGY

For Anglo American Platinum, the objective of the portfolio review announced in January 2013 was to assess the options available in order to create a sustainable, competitive and profitable business for the long term benefit of all its stakeholders. Platinum's strategy is being built on five levers of priority: projects; commercial; people; operational; and sustainability excellence.

The result of the restructuring was to align baseline production with long term demand expectations, focusing on a high quality portfolio of operations to produce PGMs on an economically sustainable basis.

Operationally, the company intends to change the composition of its portfolio to concentrate on more opencast and shallow, lower risk, lower cost, higher margin and more mechanised mining, supporting a significant reduction in its cost base and achieving a more efficient allocation of capital.

The major reconfiguration of Platinum is now under way and significant progress has been made in implementing the first stages of the review. Baseline production has been maintained at 2.3-2.4 million ounces per annum, with 250,000 annualised low margin, high cost, and unprofitable ounces no longer in production.

As a result of the consolidation of the Rustenburg mines from five to three and the consolidation of Union mines, 7,450 roles were eliminated in 2013, though there were no forced retrenchments. Of that total, some 5,100 employees had left the organisation by year end, while 2,300 employees had been redeployed to other parts of the business. In addition, the decision was made to continue to operate the reconfigured Khuseleka 1 shaft at Khuseleka mine, as it makes a positive contribution to cash flow.

Following the substantial changes being made to the business to ensure its sustainability, a number of social-mitigation plans have been implemented, including the company continuing to contribute to the welfare of employees affected by the restructuring. The programme includes employee assistance in the form of bursaries, healthcare and retraining; support for local economic development and a number of suppliers; and investment, together with local government, in housing development in the Rustenburg region.

A new organisational design and operating model has been implemented to ensure that the operations are appropriately supported by the various support service functions. In addition, Platinum's commercial strategy aims to ensure value and stability for the company and its customers, while promoting new applications for PGMs.

We continue to evaluate and develop a number of projects, including the Twickenham platinum mine project and a number of low capital intensity projects to increase production potential at Mogalakwena. The flexibility for long term growth options will therefore be retained, ensuring Platinum is well positioned in future to make use of opportunities arising from an increase in demand for PGMs.

Platinum continues to take its social responsibilities seriously, particularly to its employees and surrounding communities. The implementation of the strategy aims to deliver a sustainable, competitive and profitable business that will be best placed to sustain employment over the long term.

### Projects

In an environment of capital austerity, careful consideration is taken to determine how projects are prioritised in line with the company's strategy to increase scrutiny over capital allocation. Projects, including the development of Twickenham and expansion of production capacity at Mogalakwena mine, are in line with the longer term strategy of increasing shallow, mechanised and lower cost production and continue to be progressed.

# PROJECT PIPELINE – KEY PROJECTS

## Twickenham (approved) — Overall capex: <$2bn

**Country**
South Africa

**Ownership**
100% Anglo American Platinum

**Replacement production**
202 koz pa refined platinum

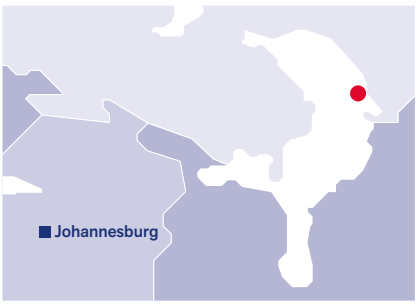
**Full project capex**
<$2 bn

**Full production**
2024

The Twickenham, a tier 1 greenfield project is central to unlocking value in the Eastern Limb of the Bushveld Complex, as it offers long term potential for shallow mining activities on both UG2 Reef and the Merensky Reef horizons.

The current macroeconomic environment has resulted in Anglo American Platinum having to review its capital expenditure over the next three-year period. As a result, Twickenham Platinum Mine project will defer its current ramp-up schedule and has entered a period whereby it is required to stay in business as an operating mine without the support of significant capital funding for the next three years. Development to support the mining scope will be confined to critical 'fit for purpose' infrastructure. During this period, Twickenham's development ore will be toll-treated by neighbouring mines.

The current focus of the studies is to define the full potential of the mine given size of the resource c. 110 m 4E pgm ounces.




## Bathopele Platinum Mine Phase 5 (approved) — Overall capex: <$1 bn

**Country**
South Africa

**Ownership**
100% Anglo American Platinum

**Replacement production**
128 koz pa refined platinum

**Full project capex**
<$1 bn

**First production**
2017

Phase 5 is an ore replacement project and a natural progression of the previous phases (1 to 4) and employs a proven mine method. It is a fully mechanised operation that mines the UG2 horizon exclusively. Two types of mechanised equipment are utilised namely Low Profile (LP) and Extra Low Profile (XLP) equipment. The mining layout applied in the LP section is bord and pillar and in the XLP section, breast mining layout is applied.

The scope of the project includes exploitation of UG2 to Bathopele Mine's boundaries by way of extension to the existing Central and East Shafts and makes provision for a new sub-outcrop decline (West Shaft) which is configured per existing declines and connected to Central Shaft by way of an upgraded roadway.


## Mogalakwena Debottlenecking (unapproved) — Overall capex: TBD

**Country**
South Africa

**Ownership**
100% Anglo American Platinum

**Incremental production**
60 koz pa refined platinum

**Full project capex**
TBD

**First production**
2017

The focus on North Concentrator de-bottlenecking during 2013 was to complete the pre-feasibility study and advance the project to feasibility stage. The project approval has been deferred to allow an integrated study and a better understanding of the mining potential so that the best value is extracted.

During 2014 the focus will be to optimise the project for the implementation approval by the end of 2014 with a view to commence with ramp-up during 2016. It is expected that de-bottlenecked nameplate capacity will be reached by 2017.

# PRODUCTION DATA

## Total Refined Production

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **2,379.5** | 2,378.6 | 2,530.1 | 2,569.9 |
| Palladium | 000 oz | **1,380.8** | 1,395.9 | 1,430.7 | 1,448.5 |
| Rhodium | 000 oz | **294.7** | 310.7 | 337.6 | 328.9 |
| Gold | 000 oz | **100.0** | 105.2 | 105.1 | 81.3 |
| PGMs | 000 oz | **4,564.9** | 4,640.6 | 4,887.4 | 4,936.9 |
| Nickel[(1)] | 000 tonnes | **22.6** | 17.7 | 20.3 | 18.5 |
| Copper[(1)] | 000 tonnes | **14.1** | 11.4 | 12.8 | 10.9 |

## Bathopele mine

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **110.9** | 115.7 | 118.3 | 141.6 |
| Palladium | 000 oz | **60.7** | 66.3 | 65.8 | 81.8 |
| Rhodium | 000 oz | **18.7** | 22.6 | 20.9 | 24.7 |
| Gold | 000 oz | **1.2** | 1.3 | 1.3 | 1.4 |
| PGMs | 000 oz | **225.0** | 244.8 | 243.2 | 292.8 |
| Nickel | 000 tonnes | **0.3** | 0.2 | 0.3 | 0.3 |
| Copper | 000 tonnes | **0.1** | 0.1 | 0.1 | 0.1 |
| Cash operating costs | R/oz equivalent refined Pt | **16,415** | 15,804 | 13,168 | 10,748 |

## Khomanani mine

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **68.3** | 102.8 | 102.2 | 101.1 |
| Palladium | 000 oz | **30.5** | 49.3 | 47.9 | 47.2 |
| Rhodium | 000 oz | **7.0** | 12.3 | 10.8 | 9.7 |
| Gold | 000 oz | **2.6** | 4.2 | 4.4 | 4.0 |
| PGMs | 000 oz | **118.1** | 187.1 | 179.7 | 174.6 |
| Nickel | 000 tonnes | **0.6** | 0.6 | 0.7 | 0.7 |
| Copper | 000 tonnes | **0.4** | 0.4 | 0.4 | 0.4 |
| Cash operating costs | R/oz equivalent refined Pt | **18,406** | 17,938 | 15,698 | 13,911 |

## Thembelani mine

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **90.3** | 86.5 | 106.4 | 97.6 |
| Palladium | 000 oz | **44.3** | 45.6 | 55.3 | 52.1 |
| Rhodium | 000 oz | **11.9** | 13.5 | 15.5 | 14.1 |
| Gold | 000 oz | **2.4** | 2.3 | 2.7 | 2.0 |
| PGMs | 000 oz | **168.9** | 170.5 | 205.9 | 190.1 |
| Nickel | 000 tonnes | **0.5** | 0.5 | 0.6 | 0.5 |
| Copper | 000 tonnes | **0.3** | 0.2 | 0.3 | 0.2 |
| Cash operating costs | R/oz equivalent refined Pt | **20,677** | 19,787 | 14,776 | 13,126 |

## Khuseleka mine

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **146.4** | 133.4 | 133.0 | 131.7 |
| Palladium | 000 oz | **68.5** | 67.0 | 65.6 | 65.0 |
| Rhodium | 000 oz | **16.9** | 18.4 | 16.6 | 15.2 |
| Gold | 000 oz | **4.8** | 4.5 | 4.6 | 4.2 |
| PGMs | 000 oz | **262.5** | 253.2 | 245.5 | 239.1 |
| Nickel | 000 tonnes | **1.1** | 0.8 | 0.8 | 0.9 |
| Copper | 000 tonnes | **0.3** | 0.4 | 0.5 | 0.5 |
| Cash operating costs | R/oz equivalent refined Pt | **17,454** | 18,236 | 15,958 | 13,477 |

(1) Nickel and Copper refined and matte production.

# **PRODUCTION DATA** continued

## Siphumelele mine

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **85.0** | 83.4 | 100.9 | 96.2 |
| Palladium | 000 oz | **34.6** | 36.0 | 43.3 | 42.0 |
| Rhodium | 000 oz | **6.0** | 6.8 | 7.5 | 7.2 |
| Gold | 000 oz | **4.3** | 4.6 | 5.8 | 4.6 |
| PGMs | 000 oz | **134.9** | 138.6 | 163.9 | 156.8 |
| Nickel | 000 tonnes | **0.8** | 0.6 | 0.8 | 0.7 |
| Copper | 000 tonnes | **0.6** | 0.4 | 0.6 | 0.5 |
| Cash operating costs | R/oz equivalent refined Pt | **17,638** | 16,603 | 13,492 | 12,663 |

## Tumela mine

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **217.7** | 221.8 | 284.4 | 303.0 |
| Palladium | 000 oz | **97.6** | 103.3 | 129.7 | 140.8 |
| Rhodium | 000 oz | **34.4** | 38.5 | 46.5 | 45.9 |
| Gold | 000 oz | **2.5** | 3.3 | 4.4 | 4.5 |
| PGMs | 000 oz | **409.7** | 427.9 | 543.0 | 566.0 |
| Nickel | 000 tonnes | **0.6** | 0.5 | 0.8 | 1.0 |
| Copper | 000 tonnes | **0.4** | 0.3 | 0.4 | 0.5 |
| Cash operating costs | R/oz equivalent refined Pt | **17,087** | 15,778 | 12,308 | 9,870 |

## Dishaba mine

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **145.7** | 148.4 | 161.9 | 156.4 |
| Palladium | 000 oz | **61.8** | 68.6 | 72.6 | 71.8 |
| Rhodium | 000 oz | **16.7** | 21.0 | 20.8 | 19.3 |
| Gold | 000 oz | **3.8** | 4.1 | 4.8 | 3.7 |
| PGMs | 000 oz | **252.1** | 272.4 | 291.1 | 278.0 |
| Nickel | 000 tonnes | **0.7** | 0.6 | 0.8 | 0.8 |
| Copper | 000 tonnes | **0.3** | 0.4 | 0.4 | 0.4 |
| Cash operating costs | R/oz equivalent refined Pt | **16,718** | 14,606 | 13,125 | 11,717 |

## Union mine

85% owned (100% statistics shown)

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **170.8** | 213.0 | 273.1 | 304.0 |
| Palladium | 000 oz | **73.4** | 94.7 | 116.7 | 134.5 |
| Rhodium | 000 oz | **29.4** | 39.1 | 47.2 | 46.6 |
| Gold | 000 oz | **1.3** | 1.8 | 3.4 | 3.5 |
| PGMs | 000 oz | **323.8** | 417.3 | 515.4 | 566.0 |
| Nickel | 000 tonnes | **0.3** | 0.3 | 0.6 | 0.8 |
| Copper | 000 tonnes | **0.1** | 0.1 | 0.3 | 0.3 |
| Cash operating costs | R/oz equivalent refined Pt | **19,371** | 17,061 | 13,263 | 11,179 |

# **PRODUCTION DATA** continued

## Mogalakwena mine

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **342.8** | 304.8 | 312.8 | 272.3 |
| Palladium | 000 oz | **347.6** | 327.3 | 320.6 | 283.2 |
| Rhodium | 000 oz | **21.8** | 19.9 | 20.7 | 16.5 |
| Gold | 000 oz | **41.9** | 44.5 | 41.4 | 29.0 |
| PGMs | 000 oz | **734.9** | 676.0 | 676.4 | 589.1 |
| Nickel | 000 tonnes | **11.4** | 9.0 | 10.1 | 8.5 |
| Copper | 000 tonnes | **7.2** | 5.8 | 6.6 | 5.6 |
| Cash operating costs | R/oz equivalent refined Pt | **16,148** | 15,464 | 12,662 | 12,426 |

## Unki Mine (Zimbabwe)

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **67.0** | 64.6 | 50.8 | – |
| Palladium | 000 oz | **45.7** | 44.5 | 33.9 | – |
| Rhodium | 000 oz | **5.3** | 5.2 | 2.9 | – |
| Gold | 000 oz | **7.1** | 7.3 | 4.9 | – |
| PGMs | 000 oz | **124.7** | 121.1 | 90.1 | – |
| Nickel | 000 tonnes | **1.3** | 1.0 | 0.8 | – |
| Copper | 000 tonnes | **1.6** | 1.3 | 0.9 | – |
| Cash operating costs | R/oz equivalent refined Pt | **18,486** | 18,819 | 15,087 | – |

## Twickenham platinum mine project

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **10.0** | – | 0.9 | 3.6 |
| Palladium | 000 oz | **9.7** | – | 0.7 | 3.2 |
| Rhodium | 000 oz | **0.8** | – | 0.3 | 0.6 |
| Gold | 000 oz | **0.3** | – | – | 0.1 |
| PGMs | 000 oz | **20.9** | – | 2.6 | 8.5 |
| Nickel | 000 tonnes | **–** | – | – | – |
| Copper | 000 tonnes | **–** | – | – | – |
| Cash operating costs | R/oz equivalent refined Pt | **65,010** | – | 4,506 | 60,773 |

## Modikwa platinum mine

50:50 JV with Aquarius Platinum (South Africa)

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **127.8** | 130.1 | 129.8 | 134.9 |
| Palladium | 000 oz | **118.2** | 120.3 | 117.5 | 127.1 |
| Rhodium | 000 oz | **25.1** | 20.8 | 25.0 | 24.1 |
| Gold | 000 oz | **3.3** | 3.6 | 3.5 | 2.9 |
| PGMs | 000 oz | **312.0** | 306.7 | 311.8 | 328.0 |
| Nickel | 000 tonnes | **0.6** | 0.4 | 0.5 | 0.5 |
| Copper | 000 tonnes | **0.3** | 0.3 | 0.4 | 0.3 |
| Cash operating costs | R/oz equivalent refined Pt | **19,227** | 18,131 | 14,881 | 13,569 |

# **PRODUCTION DATA** continued

## Kroondal platinum mine pooling-and-sharing agreement

50:50 JV with Aquarius Platinum (South Africa)

| Refined production (mined and purchased) | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **260.21** | 223.4 | 217.6 | 266.7 |
| Palladium | 000 oz | **128.3** | 113.8 | 106.4 | 132.4 |
| Rhodium | 000 oz | **43.2** | 34.8 | 41.2 | 43.1 |
| Gold | 000 oz | **2.2** | 1.9 | 1.7 | 1.9 |
| PGMs | 000 oz | **510.7** | 436.6 | 445.9 | 522.7 |
| Nickel | 000 tonnes | **0.4** | 0.3 | 0.3 | 0.4 |
| Copper | 000 tonnes | **0.2** | 0.1 | 0.1 | 0.1 |
| Cash operating costs | R/oz equivalent refined Pt | **15,995** | 16,480 | 14,093 | 11,031 |

## Marikana platinum mine pooling-and-sharing agreement

50:50 JV with Aquarius Platinum (South Africa)

| Refined production (mined and purchased) | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **–** | 28.2 | 48.7 | 53.3 |
| Palladium | 000 oz | **–** | 13.5 | 22.8 | 25.1 |
| Rhodium | 000 oz | **–** | 6.9 | 8.1 | 7.7 |
| Gold | 000 oz | **–** | 0.3 | 0.5 | 0.4 |
| PGMs | 000 oz | **–** | 67.0 | 92.1 | 104.9 |
| Nickel | 000 tonnes | **–** | – | 0.1 | 0.1 |
| Copper | 000 tonnes | **–** | – | – | 0.1 |
| Cash operating costs | R/oz equivalent refined Pt | **–** | 20,064 | 16,384 | 13,633 |

## Mototolo platinum mine

50:50 JV with XK Platinum Partnership

| Refined production (mined and purchased) | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **128.5** | 123.8 | 115.1 | 110.5 |
| Palladium | 000 oz | **78.9** | 74.5 | 66.8 | 65.0 |
| Rhodium | 000 oz | **20.8** | 18.3 | 17.8 | 18.7 |
| Gold | 000 oz | **2.1** | 2.1 | 1.8 | 1.5 |
| PGMs | 000 oz | **262.3** | 252.6 | 234.9 | 231.9 |
| Nickel | 000 tonnes | **0.4** | 0.3 | 0.3 | 0.3 |
| Copper | 000 tonnes | **0.2** | 0.1 | 0.1 | 0.1 |
| Cash operating costs | R/oz equivalent refined Pt | **13,144** | 12,726 | 11,800 | 10,392 |

## Western limb tailings retreatment

100% owned

| Refined production | unit | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Platinum | 000 oz | **59.7** | 46.2 | 43.0 | 43.3 |
| Palladium | 000 oz | **21.3** | 16.8 | 13.2 | 13.9 |
| Rhodium | 000 oz | **3.5** | 2.7 | 2.1 | 1.9 |
| Gold | 000 oz | **5.3** | 4.5 | 4.3 | 3.6 |
| PGMs | 000 oz | **95.3** | 73.6 | 65.5 | 65.3 |
| Nickel | 000 tonnes | **0.6** | 0.3 | 0.2 | 0.3 |
| Copper | 000 tonnes | **0.3** | 0.2 | 0.2 | 0.2 |
| Cash operating costs | R/oz equivalent refined Pt | **9,447** | 10,230 | 10,251 | 9,110 |

# PLATINUM GROUP METALS

estimates as at 31 December 2013

## ANGLO AMERICAN PLATINUM LIMITED

The Ore Reserve and Mineral Resource estimates were compiled in compliance 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). Operations and Projects outside South Africa were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012) as a minimum standard. Details of the individual operations appear in Anglo American Platinum's Annual Report. Merensky Reef and UG2 Reef Mineral Resources are reported over an economic and mineable cut appropriate to the specific reef. The figures reported represent 100% of the Mineral Resources and Ore Reserves attributable to Anglo American Platinum Limited unless otherwise noted. Rounding of figures may cause computational discrepancies.

Anglo American plc's interest in Anglo American Platinum Limited is 78.0%.

| Platinum – South Africa Operations | | Tonnes | | Grade | | Contained Metal | | Contained Metal | |
|---|---|---|---|---|---|---|---|---|---|
| **ORE RESERVES** | Classification | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 |
| **Merensky Reef**[1][2] | | Mt | Mt | 4E PGE | 4E PGE | 4E tonnes | 4E tonnes | 4E Moz | 4E Moz |
| | Proved | 55.0 | 59.8 | 4.79 | 4.79 | 263.3 | 286.5 | 8.5 | 9.2 |
| | Probable | 17.3 | 22.5 | 4.52 | 4.49 | 78.2 | 100.9 | 2.5 | 3.2 |
| | **Total** | **72.3** | **82.3** | **4.72** | **4.71** | **341.5** | **387.4** | **11.0** | **12.5** |
| **UG2 Reef**[1][3] | Proved | 316.2 | 389.8 | 4.13 | 4.05 | 1,306.8 | 1,578.7 | 42.0 | 50.8 |
| | Probable | 91.0 | 128.6 | 4.20 | 4.46 | 381.7 | 573.6 | 12.3 | 18.4 |
| | **Total** | **407.2** | **518.4** | **4.15** | **4.15** | **1,688.5** | **2,152.3** | **54.3** | **69.2** |
| **Platreef**[4] | Proved | 705.8 | 587.5 | 2.73 | 2.75 | 1,925.2 | 1,617.3 | 61.9 | 52.0 |
| | Proved primary ore stockpile[5] | 28.7 | 26.7 | 1.59 | 1.72 | 45.7 | 46.0 | 1.5 | 1.5 |
| | Probable | 901.4 | 394.6 | 2.70 | 2.81 | 2,433.7 | 1,108.2 | 78.2 | 35.6 |
| | **Total** | **1,635.9** | **1,008.9** | **2.69** | **2.75** | **4,404.6** | **2,771.5** | **141.6** | **89.1** |
| **All Reefs** | Proved | 1,105.7 | 1,063.9 | 3.20 | 3.32 | 3,541.0 | 3,528.5 | 113.8 | 113.4 |
| Merensky, UG2 & Platreef | Probable | 1,009.6 | 545.7 | 2.87 | 3.27 | 2,893.6 | 1,782.7 | 93.0 | 57.3 |
| | **Total**[6] | **2,115.3** | **1,609.6** | **3.04** | **3.30** | **6,434.6** | **5,311.2** | **206.9** | **170.8** |
| **Tailings**[7] | Proved | – | – | – | – | – | – | – | – |
| | Probable | 23.7 | 15.9 | 1.08 | 1.02 | 25.5 | 16.1 | 0.8 | 0.5 |
| | **Total** | **23.7** | **15.9** | **1.08** | **1.02** | **25.5** | **16.1** | **0.8** | **0.5** |

| Platinum – Zimbabwe Operations | | Tonnes | | Grade | | Contained Metal | | Contained Metal | |
|---|---|---|---|---|---|---|---|---|---|
| **ORE RESERVES** | Classification | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 |
| **Main Sulphide Zone**[8] | | Mt | Mt | 4E PGE | 4E PGE | 4E tonnes | 4E tonnes | 4E Moz | 4E Moz |
| | Proved | 14.1 | 13.9 | 3.72 | 3.85 | 52.3 | 53.4 | 1.7 | 1.7 |
| | Probable | 36.6 | 39.8 | 3.68 | 3.73 | 134.6 | 148.5 | 4.3 | 4.8 |
| | **Total**[9] | **50.7** | **53.7** | **3.69** | **3.76** | **186.9** | **201.9** | **6.0** | **6.5** |

Tonnes are quoted as dry metric tonnes.
4E PGE is the sum of Platinum, Palladium, Rhodium and Gold grades in grammes per tonne (g/t).
Contained Metal is presented in metric tonnes and million troy ounces (Moz).
Concentrator recoveries for Merensky Reef range from 86% to 89%, UG2 Reef from 82% to 87%, Platreef from 70% to 80% and Main Sulphide Zone from 70% to 78%.
Tailings reprocessing recoveries range from 30 to 40%.

(1) **Merensky Reef and UG2 Reef:** The pay limits built into the basic mining equation are directly linked to the 2014 Business plan. The pay limit is based on Cost 4 which consists of 'Direct Cash Cost' (on and off mine), 'Other Indirect Costs' and 'Stay in Business Capital' (on and off mine). The reserve pay-limit varies across all operations between 2.5g/t and 4.8g/t (4E PGE). The range is a function of various factors including depth of the orebody, geological complexity, infrastructure and economic parameters. Changes associated with the strategic review resulted in a reallocation of reported Ore Reserves to Mineral Resources mainly in the Rustenburg area and the impact thereof are reflected in the 2013 figures.

(2) **Merensky Reef:** The Ore Reserve tonnage and 4E ounce content decreased, mainly in response to economic assumptions resulting in reallocation of Ore Reserves to Mineral Resources at Rustenburg's Khomanani, Khuseleka and Thembelani mines. These decreases were partially offset by the increase in Ore Reserves mainly from Dishaba, Union and Bokoni mines where additional Mineral Resources have been converted to Ore Reserves.

(3) **UG2 Reef:** The Ore Reserve tonnage and 4E ounce content decreased largely due to economic assumptions and the resulting reallocation of Ore Reserves to Mineral Resources at the Rustenburg mines (Khuseleka, Thembelani, Khomanani, Siphumelele 1 and Siphumelele 2 – School of Mines) as well as at Tumela and Union mines. These decreases were partially offset by the increase in Ore Reserves mainly from Siphumelele 3, Dishaba and Bathopele mines where Mineral Resources have been converted to Ore Reserves.

(4) **Platreef:** For Mogalakwena North, Central and South the 4E pay limit is 1.0 g/t. For Zwartfontein South the pay limit is 1.7 g/t.
The Ore Reserves tonnage and 4E ounce content increased materially due to new drilling information allowing an upgrade in the resource confidence and hence conversion of more Mineral Resources to Ore Reserves as well as changes to the structural interpretation in the updated geological model. A revised pit design was also introduced (due to the Atlatsa refinancing transaction) which now incorporates the southern portion of the Boikgantsho project and allows deeper Mogalakwena resources to be extracted with two additional benches.

(5) **Platreef stockpiles:** Mined ore retained for future treatment and reported separately as Proved Ore Reserves but included in the Total Platreef Ore Reserves.

(6) **Alternative units – All Reefs Total:** Tonnage in million short tons (Mton) and associated grade in troy ounces per short ton (oz/ton) for 2013 is:
Total – 2,331.7 Mton (2012: 1,774.3 Mton)
Total – 0.089 oz/ton (2012: 0.096 oz/ton)

(7) **Tailings:** Operating tailings dams are not evaluated and therefore not reported as part of the Ore Reserves. At Rustenburg mine and at Union mines, dormant tailings dams have been evaluated and are separately reported as tailings Ore Reserves.

(8) **Main Sulphide Zone:** The Ore Reserve tonnage and 4E ounce content decreased mainly due to production. Anglo American Platinum Limited currently has an effective 100% interest in Unki Mine, subject to the finalisation of the indigenisation agreement.

(9) **Alternative units – Main Sulphide Zone:** Tonnage in million short tons (Mton) and associated grade in troy ounces per short ton (oz/ton) for 2013 is:
Total – 55.8 Mton (2012: 59.2 Mton)
Total – 0.108 oz/ton (2012: 0.110 oz/ton)

# PLATINUM GROUP METALS

estimates as at 31 December 2013

| Platinum – South Africa Operations | | Tonnes | | Grade | | Contained Metal | | Contained Metal | |
|---|---|---|---|---|---|---|---|---|---|
| **MINERAL RESOURCES** | Classification | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 |
| **Merensky Reef**[1][2] | | Mt | Mt | 4E PGE | 4E PGE | 4E tonnes | 4E tonnes | 4E Moz | 4E Moz |
| | Measured | 238.5 | 189.3 | 5.47 | 5.63 | 1,305.2 | 1,065.1 | 42.0 | 34.2 |
| | Indicated | 326.4 | 290.6 | 5.41 | 5.51 | 1,766.2 | 1,600.1 | 56.8 | 51.4 |
| | **Measured and Indicated** | **564.9** | **479.9** | **5.44** | **5.55** | **3,071.4** | **2,665.2** | **98.8** | **85.7** |
| | Inferred (in LOM Plan) | 6.6 | 9.8 | 6.47 | 6.33 | 43.0 | 62.1 | 1.4 | 2.0 |
| | Inferred (ex. LOM Plan) | 564.1 | 563.8 | 5.06 | 5.11 | 2,853.9 | 2,879.5 | 91.8 | 92.6 |
| | **Total Inferred** | **570.7** | **573.6** | **5.08** | **5.13** | **2,896.9** | **2,941.6** | **93.1** | **94.6** |
| **UG2 Reef**[1][3] | Measured | 656.5 | 475.2 | 5.19 | 5.14 | 3,409.5 | 2,441.0 | 109.6 | 78.5 |
| | Indicated | 681.4 | 656.4 | 5.16 | 5.13 | 3,516.4 | 3,367.8 | 113.1 | 108.3 |
| | **Measured and Indicated** | **1,338.0** | **1,131.6** | **5.18** | **5.13** | **6,925.9** | **5,808.8** | **222.7** | **186.8** |
| | Inferred (in LOM Plan) | 4.3 | 7.3 | 4.79 | 5.23 | 20.4 | 38.3 | 0.7 | 1.2 |
| | Inferred (ex. LOM Plan) | 596.4 | 604.8 | 5.35 | 5.36 | 3,189.4 | 3,239.5 | 102.5 | 104.2 |
| | **Total Inferred** | **600.6** | **612.1** | **5.34** | **5.35** | **3,209.8** | **3,277.8** | **103.2** | **105.4** |
| **Platreef**[4] | Measured | 155.1 | 151.2 | 2.62 | 2.59 | 406.1 | 391.3 | 13.1 | 12.6 |
| | Indicated | 740.9 | 740.7 | 2.17 | 2.11 | 1,605.0 | 1,560.9 | 51.6 | 50.2 |
| | **Measured and Indicated** | **896.0** | **891.8** | **2.24** | **2.19** | **2,011.1** | **1,952.2** | **64.7** | **62.8** |
| | Inferred (in LOM Plan) | 72.9 | 25.8 | 2.61 | 4.05 | 190.2 | 104.5 | 6.1 | 3.4 |
| | Inferred (ex. LOM Plan) | 1,101.9 | 1,560.5 | 1.81 | 2.10 | 1,997.5 | 3,284.1 | 64.2 | 105.6 |
| | **Total Inferred** | **1,174.8** | **1,586.3** | **1.86** | **2.14** | **2,187.7** | **3,388.6** | **70.3** | **108.9** |
| **All Reefs** | Measured | 1,050.1 | 815.7 | 4.88 | 4.78 | 5,120.8 | 3,897.4 | 164.6 | 125.3 |
| Merensky, UG2 & Platreef | Indicated | 1,748.8 | 1,687.7 | 3.94 | 3.87 | 6,887.6 | 6,528.8 | 221.4 | 209.9 |
| | **Measured and Indicated**[5] | **2,798.9** | **2,503.4** | **4.29** | **4.16** | **12,008.4** | **10,426.2** | **386.1** | **335.2** |
| | Inferred (in LOM Plan) | 83.8 | 43.0 | 3.02 | 4.77 | 253.6 | 204.9 | 8.2 | 6.6 |
| | Inferred (ex. LOM Plan) | 2,262.3 | 2,729.1 | 3.55 | 3.45 | 8,040.8 | 9,403.1 | 258.5 | 302.3 |
| | **Total Inferred** | **2,346.2** | **2,772.1** | **3.54** | **3.47** | **8,294.4** | **9,608.0** | **266.7** | **308.9** |
| **Tailings**[6] | Measured | 137.5 | 87.6 | 0.95 | 1.08 | 130.1 | 94.3 | 4.2 | 3.0 |
| | Indicated | 22.8 | 15.1 | 1.02 | 1.13 | 23.4 | 17.0 | 0.8 | 0.5 |
| | **Measured and Indicated** | **160.3** | **102.7** | **0.96** | **1.08** | **153.5** | **111.3** | **4.9** | **3.6** |
| | Inferred (in LOM Plan) | – | – | – | – | – | – | – | – |
| | Inferred (ex. LOM Plan) | 1.2 | – | 0.90 | – | 1.1 | – | 0.0 | – |
| | **Total Inferred** | **1.2** | **–** | **0.90** | **–** | **1.1** | **–** | **0.0** | **–** |

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

| Platinum – Zimbabwe Operations | | Tonnes | | Grade | | Contained Metal | | Contained Metal | |
|---|---|---|---|---|---|---|---|---|---|
| **MINERAL RESOURCES** | Classification | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 | **2013** | 2012 |
| **Main Sulphide Zone**[7] | | Mt | Mt | 4E PGE | 4E PGE | 4E tonnes | 4E tonnes | 4E Moz | 4E Moz |
| | Measured | 23.4 | 9.5 | 3.83 | 4.04 | 89.6 | 38.5 | 2.9 | 1.2 |
| | Indicated | 114.6 | 104.1 | 4.35 | 4.23 | 498.2 | 439.7 | 16.0 | 14.1 |
| | **Measured and Indicated**[8] | **138.1** | **113.6** | **4.26** | **4.21** | **587.8** | **478.2** | **18.9** | **15.4** |
| | Inferred (in LOM Plan) | 0.0 | 0.3 | 3.48 | 3.32 | 0.1 | 1.0 | 0.0 | 0.0 |
| | Inferred (ex. LOM Plan) | 45.1 | 72.3 | 4.64 | 4.58 | 208.9 | 330.8 | 6.7 | 10.6 |
| | **Total Inferred** | **45.1** | **72.6** | **4.64** | **4.57** | **209.0** | **331.8** | **6.7** | **10.7** |

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Tonnes are quoted as dry metric tonnes.
4E PGE is the sum of Platinum, Palladium, Rhodium and Gold grades in grammes per tonne (g/t).
Contained Metal is presented in metric tonnes and million troy ounces (Moz).

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) **Merensky Reef and UG2 Reef:** The Mineral Resources are estimated over a practical minimum mining width suitable for the deposit known as the 'Resource Cut'. The 'Resource Cut' width takes cognisance of the mining method and geotechnical aspects in the hanging wall or footwall of the reef.
The Mineral Resource tonnage and 4E ounce content increased due to the incorporation of the eastern part of the Ga-Phasha project (100% attributable to AAPL for 2013) into Twickenham Mine as a result of the execution of the Atlatsa refinancing transaction.
A decrease of Mineral Resources occurred at Magazynskraal due to disposal of this project.

(2) **Merensky Reef:** Additionally at Twickenham an advanced 'Resource Cut' evaluation strategy has been applied, together with new drilling information resulted in an increase in Mineral Resources. Due to economic assumptions previously reported Ore Reserves at some Rustenburg mines (Khuseleka, Thembelani, Khomanani) have been reallocated back to Mineral Resources.

(3) **UG2 Reef:** Due to economic assumptions previously reported Ore Reserves at the Rustenburg mines (Khuseleka, Thembelani, Khomanani, Siphumelele 1 and Siphumelele 2 – School of Mines) as well as at Tumela and Union mines have been reallocated back to Mineral Resources.

(4) **Platreef:** A 1.0g/t (4E PGE) cut-off is used to define Platreef Mineral Resources. As a result of conversion of Mineral Resources to Ore Reserves, the Platreef Resources decreased. No Mineral Resources applicable to underground mining have been included. However, stockpile material is included which comprises calc-silicate and oxidised material with a cut-off grade of greater than 3g/t (5.9 Mt / 0.6 Moz). Due to the successful execution of the Atlatsa refinancing transaction, 100% of Boikgantsho is now attributable to Anglo American Platinum Limited (AAPL) and the southern portion of the Boikgantsho project has now been incorporated into the latest Mogalakwena pit design.
Remaining Boikgantsho Mineral Resources are separately tabulated and reported under Platinum – Other 3E Projects.

(5) **Alternative units – All Reefs Measured and Indicated:** Tonnage in million short tons (Mton) and associated grade in troy ounces per short ton (oz/ton) for 2013 is:
Measured and Indicated – 3,085.2 Mton (2012: 2,759.5 Mton)
Measured and Indicated – 0.125 oz/ton (2012: 0.121 oz/ton)

(6) **Tailings:** Operating tailings dams are not evaluated and therefore not reported as part of the Mineral Resources. At Rustenburg, Amandelbult and Union mines, dormant dams have been evaluated and the tailing forms part of the Mineral Resource statement.

(7) **Main Sulphide Zone:** The Mineral Resources tonnage and 4E ounce content decreases slightly due to new information. Oxidised material is not considered. Anglo American Platinum currently has an effective 100% interest in Southridge Limited, subject to the finalisation of the indigenisation agreement.

(8) **Alternative units – Main Sulphide Zone Measured and Indicated:** Tonnage in million short tons (Mton) and associated grade in troy ounces per short ton (oz/ton) for 2013 is:
Measured and Indicated – 152.2 Mton (2012: 125.2 Mton)
Measured and Indicated – 0.124 oz/ton (2012: 0.123 oz/ton)

# PLATINUM GROUP METALS

estimates as at 31 December 2013

| Platinum – Other 3E Projects MINERAL RESOURCES | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Contained Metal 2013 | Contained Metal 2012 | Contained Metal 2013 | Contained Metal 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **South Africa** | | Mt | Mt | 3E PGE | 3E PGE | 3E tonnes | 3E tonnes | 3E Moz | 3E Moz |
| Boikgantsho[1] | Measured | – | – | – | – | – | – | – | – |
| Platreef | Indicated | 45.5 | 37.0 | 1.22 | 1.30 | 55.4 | 47.9 | 1.8 | 1.5 |
| | **Measured and Indicated** | **45.5** | **37.0** | **1.22** | **1.30** | **55.4** | **47.9** | **1.8** | **1.5** |
| | Inferred | 3.3 | 1.8 | 1.14 | 1.14 | 3.8 | 2.1 | 0.1 | 0.1 |
| | | | | 3E PGE | 3E PGE | | | | |
| Sheba's Ridge[2] | Measured | 28.0 | 28.0 | 0.88 | 0.88 | 24.6 | 24.6 | 0.8 | 0.8 |
| | Indicated | 34.0 | 34.0 | 0.85 | 0.85 | 29.1 | 29.1 | 0.9 | 0.9 |
| | **Measured and Indicated** | **62.0** | **62.0** | **0.87** | **0.87** | **53.6** | **53.6** | **1.7** | **1.7** |
| | Inferred | 149.9 | 149.9 | 0.96 | 0.96 | 144.5 | 144.5 | 4.6 | 4.6 |
| **Brazil** | | | | 3E PGE | 3E PGE | | | | |
| Pedra Branca[3] | Inferred | 6.6 | 6.6 | 2.27 | 2.27 | 15.0 | 15.0 | 0.5 | 0.5 |

Tonnes are quoted as dry metric tonnes.
3E PGE is the sum of Platinum, Palladium and Gold grades in grammes per tonne (g/t).
Contained Metal is presented in metric tonnes and million troy ounces (Moz).

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) **Boikgantsho:** Anglo American Platinum Limited now holds an attributable interest of 100% of the Boikgantsho project. The increase in Mineral Resources is therefore due to the acquisition of Atlatsa's attributable interest in the project.
A cut-off grade of 1g/t (3E PGE) is applied for resource definition.

(2) **Sheba's Ridge:** Anglo American Platinum Limited holds an attributable interest of 35% of the Joint Venture between Anglo American Platinum Limited, Aquarius Platinum and the South African Industrial Development Corporation (IDC). A cut-off grade of 0.5g/t (3E PGE) is applied for resource definition.

(3) **Pedra Branca:** Anglo American Platinum Limited holds an attributable interest of 51% of the Joint Venture with Solitario Resources & Royalty.
A cut-off of 0.7g/t (3E PGE) is applied for resource definition.

The following operations and projects contributed to the combined 2013 Ore Reserve and Mineral Resource estimates stated per reef (excluding Other 3E Projects):

| Operations: | Reef Types | Mining Method | AAPL % | Mine Life | Total Ore Reserves (4E Moz) |
|---|---|---|---|---|---|
| Bafokeng Rasimone Platinum Mine (BRPM) | MR/UG2 | UG | 33% | 27 | 5.2 |
| Bathopele Mine▪ | UG2 | UG | 100% | 14 | 3.8 |
| Bokoni Platinum Mine | MR/UG2 | UG | 49% | 26+ | 5.7 |
| Dishaba Mine | MR/UG2 | UG | 100% | 27+ | 16.3 |
| Khuseleka Mine▪ | MR/UG2 | UG | 100% | 4 | 0.8 |
| Kroondal and Marikana Platinum Mine | UG2 | UG & OC | 50% | 9 | 3.5 |
| Modikwa Platinum Mine | MR/UG2 | UG | 50% | 21 | 4.4 |
| Mogalakwena Mine | PR | OP | 100% | 27+ | 141.6 |
| Mototolo Platinum Mine | UG2 | UG | 50% | 5* | 0.9 |
| Pandora | UG2 | UG | 42.5% | 26 | 1.0 |
| Siphumelele 1, 2 (School of Mines) and 3 Mines▪ | MR/UG2 | UG | 100% | 28+ | 2.9 |
| Thembelani Mine▪ | MR/UG2 | UG | 100% | 16 | 2.7 |
| Tumela Mine | MR/UG2 | UG | 100% | 15 | 6.2 |
| Twickenham Platinum Mine | MR/UG2 | UG | 100% | 20 | 4.9 |
| Union North Mine | MR/UG2 | UG | 85% | 18 | 2.5 |
| Union South Mine | MR/UG2 | UG | 85% | 26 | 4.4 |
| Unki Mine | MSZ | UG | 100% | 30 | 6.0 |

| Projects: | | % |
|---|---|---|
| Der Brochen Project | MR/UG2 | 100% |
| Other Exploration Projects (portions of Driekop and at Rustenburg) | MR/UG2 | 37.5% to 100% |
| Rustenburg – Non-Mine Projects | MR/UG2 | 100% |

Reef Types: MR = Merensky Reef, UG2 = UG2 Reef, PR = Platreef, MSZ = Main Sulphide Zone
Mining method: OC = Open Cut, OP = Open Pit, UG = Underground
AAPL % = Anglo American Platinum Limited attributable interest
Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only, considering the combined MR and UG2 production where applicable within the current Mining Right plus any anticipated extension to the Mining Right for which an application has been submitted and where there is reasonable expectation that this extension to be granted.
+Mine Life truncated to the last year of current Mining Right
* Only five years of Ore Reserves are declared as per Glencore-Xstrata policy
▪ Rustenburg Mines

Ga-Phasha project previously reported has now been split and incorporated into Bokoni and Twickenham mines.
Khomanani excluded from Operations table as no Ore Reserves are reported for 2013.
Anglo American Platinum Limited attributable portion of Magazynskraal project has been fully disposed of during 2013.

Changes in the Mine Life are due to AAPL conforming to the AA plc Mine Life calculation methodology, changes in economic assumptions and AAPL strategic review.

Information was provided by the Joint Venture partners for the following operations and projects:
Operations – BRPM, Bokoni, Kroondal, Marikana, Modikwa, Mototolo, Pandora (only Ore Reserve information for BRPM and Modikwa)
3E Projects – Boikgantsho, Pedra Branca, Sheba's Ridge
4E Projects – Der Brochen, Other Exploration Projects, Rustenburg – Non-Mine Projects

Audits related to the generation of the Ore Reserve and Mineral Resource estimates were carried out by independent consultants during 2013 at the following operations:
Bathopele, Dishaba, Mogalakwena, Siphumelele 1, Thembelani, Twickenham and Unki mines.

# DIAMONDS

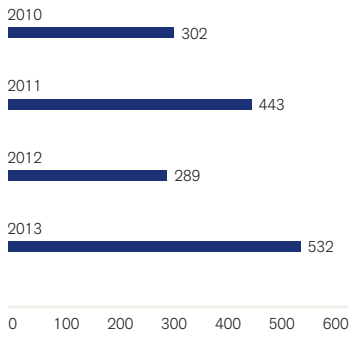
De Beers is the world's leading diamond company and generates approximately one third of the world's rough diamond production, by value, from its operations in Botswana, South Africa, Namibia and Canada.

The largest diamond jewellery market is the US, followed by China, Japan and India.

## FINANCIAL HIGHLIGHTS[1][2]

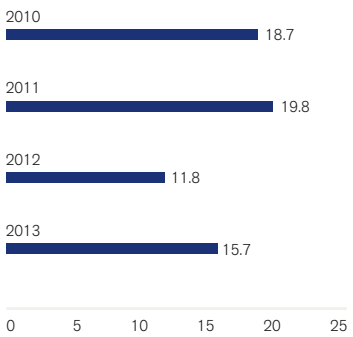
### Underlying earnings

$ m



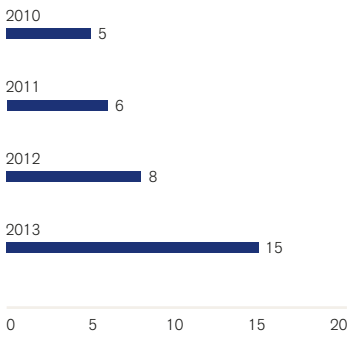

### Operating margin

%



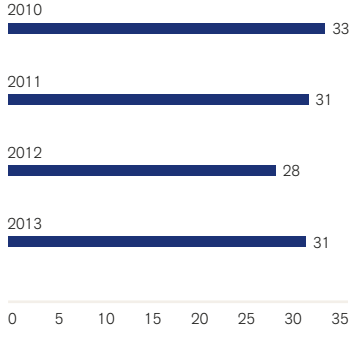

### Share of Group underlying operating profit

%




### Diamonds recovered

(million carats)
100% basis

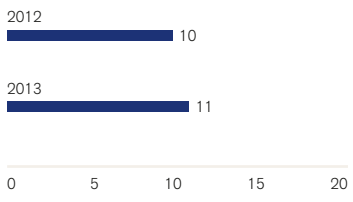



### 2013 De Beers mine production by region

| | million carats |
|---|---|
| Botswana | **22.7** |
| South Africa | **4.7** |
| Canada | **2.0** |
| Namibia | **1.8** |
| **Total** | **31.2** |

### Attributable ROCE[3]

%




(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 2 of the financial statements for details.

(2) Amounts based on the Group's 45% shareholding to 16 August 2012 (except for capital expenditure as defined) and a 100% basis thereafter.

(3) De Beers' 2012 achieved attributable ROCE contains eight months with De Beers as an associate at 45% shareholding, and four months as a fully consolidated entity with shareholding at 85%.

# FINANCIAL DATA

| $ million | 2013 | 2012[1] | 2011 | 2010 |
|---|---|---|---|---|
| **Turnover** | | | | |
| Subsidiaries | **6,315** | 2,353 | – | – |
| Joint ventures | **89** | – | – | – |
| Associates | **–** | 1,675 | 3,320 | 2,644 |
| **Total turnover** | **6,404** | **4,028** | **3,320** | **2,644** |
| **EBITDA** | **1,451** | **712** | **794** | **666** |
| **Depreciation and amortisation** | **448** | **238** | **135** | **171** |
| **Operating profit before special items and remeasurements** | **1,003** | **474** | **659** | **495** |
| Operating special items and remeasurements | **(330)** | (456) | (18) | (29) |
| **Operating profit after special items and remeasurements** | **673** | **18** | **641** | **466** |
| **Net interest, tax and non-controlling interests** | **(471)** | **(185)** | **(216)** | **(193)** |
| **Total underlying earnings** | **532** | **289** | **443** | **302** |
| **Group's associate investment in De Beers[2]** | **n/a** | **n/a** | **2,230** | **1,936** |
| **Net operating assets** | **11,351** | 12,924 | | |
| **Capital expenditure** | **551** | 161 | | |

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements.
(2) Excludes outstanding loans owed by De Beers, including accrued interest, of $301 million in 2011.

# BUSINESS OVERVIEW

**UNDERLYING OPERATING PROFIT**
(2012: $474 m)

**$1,003 m**

**SHARE OF GROUP UNDERLYING OPERATING PROFIT**
(2012: 8%)

**15%**

**UNDERLYING EBITDA**
(2012: $712 m)

**$1,451 m**

## Key financial and non-financial performance indicators

| $ million (unless otherwise stated) | 2013 | 2012[1][2] |
|---|---|---|
| Underlying operating profit | **1,003** | 474 |
| Underlying EBITDA | **1,451** | 712 |
| Capital expenditure | **551** | 161 |
| Share of Group underlying operating profit | **15%** | 8% |
| Attributable return on capital employed[3] | **11%** | 10% |

| Non-financial indicators[4] | 2013 | 2012 |
|---|---|---|
| Number of fatal injuries | **–** | – |
| Lost-time injury frequency rate | **0.19** | 0.32 |
| Total energy consumed in 1,000 GJ | **14,124** | 4,658 |
| Total greenhouse gas emissions in 1,000 tonnes $CO_2e$ | **1,781** | 564 |
| Total water consumed in 1,000 $m^3$ | **74,788** | 23,568 |

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements.
(2) Amounts based on the Group's 45% shareholding to 16 August 2012 (except for capital expenditure as defined) and a 100% basis thereafter.
(3) De Beers' 2012 attributable ROCE contains eight months with De Beers as an associate at 45% shareholding, and four months as a fully consolidated entity with shareholding at 85%.
(4) Historical non-financial data is reported from the date of acquisition.

# **BUSINESS OVERVIEW** continued

De Beers is 85% owned by Anglo American, with the remaining 15% interest held by the Government of the Republic of Botswana (GRB).

De Beers is the world's leading diamond company. Together with its joint venture partners, De Beers produces approximately one-third of the world's rough diamonds, by value, and employs more than 23,000 people (including contractors) around the world.

De Beers operates across key parts of the diamond value chain, including exploration, production, sorting, valuing and selling of rough diamonds. It markets polished diamonds through its proprietary diamond brand, Forevermark. It also has a 50:50 retail joint operation with LVMH Moët Hennessy-Louis Vuitton.

### Mines

De Beers' mines are located in four countries: Botswana, Canada, Namibia and South Africa. All operations are open pit with the exception of an underground mine in Canada, and alluvial and marine mining operations in Namibia.

In Botswana, De Beers' interests are held through Debswana Diamond Company, a 50:50 joint operation with the GRB. Debswana's operations include Jwaneng, one of the world's richest diamond mines; Orapa, among the largest open-pit diamond mines; Letlhakane; and Damtshaa.

In South Africa, De Beers has a 74% interest in De Beers Consolidated Mines (DBCM), with the remaining 26% held by Ponahalo Holdings, a black economic empowerment consortium. DBCM's operations include Venetia, which produces approximately 70% of De Beers' South African diamond production; Voorspoed, a source of large and exotic coloured diamonds; and Kimberley Mines, a tailings processing facility.

In Namibia, De Beers' interests are held through Namdeb Holdings (NH), a 50:50 joint operation with the Government of the Republic of Namibia (GRN). Diamonds are mined on land by Namdeb and at sea by Debmarine Namibia, both wholly owned by NH. Marine mining is performed by a fleet of five mining vessels.

In Canada, De Beers wholly owns its two mining operations: Victor, located in Northern Ontario; and Snap Lake in the Northwest Territories. De Beers also has a 51% interest in the Gahcho Kué project near Snap Lake (with Mountain Province Diamonds holding the other 49%). The project is at an advanced permitting stage. With a mine life of approximately 11 years, Gahcho Kué is expected to mine around 31 million tonnes of ore containing an estimated 48 million carats.

### Rough diamond sales

De Beers sells rough diamonds through two distribution channels: around 90% are sold via long term contract sales to clients (known as Sightholders), with the remainder being sold via regular auctions to the broader industry.

De Beers is also an equal joint operation partner in DTC Botswana (a sorting and valuing business) and in Namibia DTC (a sorting, valuing and sales business) with the GRB and GRN, respectively. These companies facilitate local sales and beneficiation, and are intermediaries in the global selling function.

As part of its long term contract sales, De Beers sorts and values production into around 12,000 different price points. These diamonds are aggregated and sold at 10 Sights (or selling events) each year.

De Beers is a global leader in the use of innovative online systems to auction rough diamonds to small, mid-tier and large manufacturing, retailing and trading businesses.

### Brands

De Beers participates at the consumer end of the value chain through its proprietary diamond brand, Forevermark, and through De Beers Diamond Jewellers.

Diamonds inscribed as Forevermark diamonds provide consumers with confidence that their diamonds are beautiful, rare and responsibly sourced. They are available in carefully selected, authorised jewellers in the major consumer markets around the world, and are supported by a marketing programme which reinforces the 'diamond dream'.

De Beers Diamond Jewellers' high-end retail stores are located in key luxury shopping destinations around the world, including New York, Beijing, Shanghai, Hong Kong, London, Paris, Tokyo and Dubai.

### Supermaterials

Element Six is the global leader in the design, development and production of synthetic diamond supermaterials for a range of industrial applications. It comprises two businesses: Technologies, which is 100% owned by De Beers; and Abrasives, in which De Beers has a 59.8% interest (Umicore SA holds the remaining 40.2%).

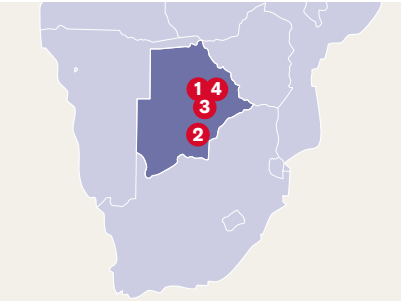
# OUR DIAMOND OPERATIONS

**Key**
- Open cut
- Underground
- Other

## Botswana

Debswana, a 50:50 partnership between De Beers and the Government of the Republic of Botswana, produced 22.7 million carats in 2013. Debswana operates two of the world's most high value mines, Jwaneng and Orapa.

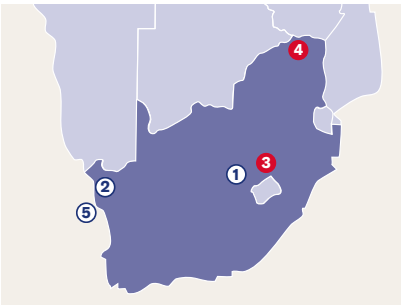
Debswana is consolidated on a 19.2% proportionate basis.




| | | |
|---|---|---|
| 1 | 50% | Orapa |
| 2 | 50% | Jwaneng |
| 3 | 50% | Letlhakane |
| 4 | 50% | Damtshaa |

## South Africa

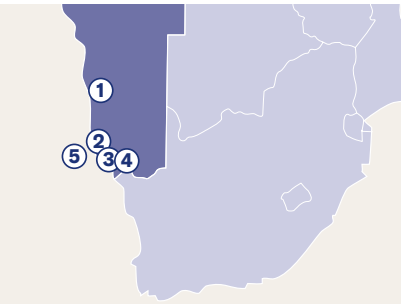
De Beers Consolidated Mines (DBCM) has been an empowered South African company since 2006, with 26% owned by broad based black economic empowerment partner, Ponahalo Holdings. DBCM operates Venetia and Voorspoed and the Kimberley tailings facility. In 2013, DBCM recovered 4.7 million carats.




| | | |
|---|---|---|
| ① | 74% | Kimberley |
| ② | 74% | Namaqualand |
| ③ | 74% | Voorspoed |
| ④ | 74% | Venetia |
| ⑤ | 74% | South African Sea Areas |

## Namibia

Namdeb Holdings (Pty) Limited, a 50:50 partnership between De Beers and the Government of the Republic of Namibia, has historically been a source of high value gemstones. Namdeb Holdings' core business is diamond exploration and mining along the south-western coast and inland areas of the Karas Region. In 2013 Namdeb's production was 1.8 million carats.



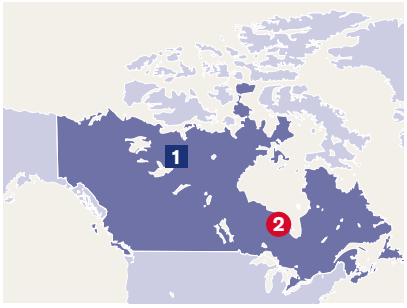

| | | |
|---|---|---|
| ① | 50% | Alluvial contractors |
| ② | 50% | Elizabeth Bay |
| ③ | 50% | Mining Area 1 |
| ④ | 50% | Orange River |
| ⑤ | 50% | Atlantic 1 |

# **OUR DIAMOND OPERATIONS** continued

**Key**
- Open cut
- Underground
- Other

## Canada

Victor mine and Snap Lake mine in Canada are De Beers' first mining ventures outside of the African continent. Victor is located in the James Bay lowlands of northern Ontario, about 90 km west of the First Nation community of Attawapiskat. It is so remote that it can only be accessed by air or seasonal ice road. Snap Lake lies 220 km northeast of Yellowknife and is Canada's first completely underground diamond mine. Both mines were opened in 2008. De Beers Canada is also a joint venture partner with Mountain Province Diamonds in the Gahcho Kué Project in the Northwest Territories, currently in the permitting phase. Combined output for 2013 was 2.0 million carats.




1 100% Snap Lake
2 100% Victor

## United Kingdom/Ireland

De Beers Diamond Jewellers (DBDJ) is an independently managed jewellery retail joint venture with Moët Hennessy Louis Vuitton SA. Globally, the DBDJ network consists of 45 stores across 17 countries. The store network is now spread across North America (9), Europe (8), Middle East (3), East Asia (16), Central Asia (1) and Japan (9).

Element Six (E6) is an industrial diamond supermaterials business, supplying diverse global markets such as oil and gas, mining, construction, automotive, aerospace, defence, electronics, semiconductor and general engineering. Part of the De Beers Group of Companies, E6 is an independently managed company with primary manufacturing facilities in Ireland, China, Germany, Sweden, and South Africa.


① Element Six (E6) (Ireland)
② De Beers Diamond Jewellers
③ 100% De Beers UK Ltd

# INDUSTRY OVERVIEW

Around 60% of the world's diamonds, by value, originate from south and central Africa, with significant sources also found in Russia, Australia and Canada.

Most diamonds come from the mining of kimberlite deposits. Another important source of gem diamonds, however, has been secondary alluvial and marine deposits formed by the weathering of primary kimberlites and the subsequent deposition of released diamonds in rivers and beach gravels.

Rough diamonds are broadly classified either as gem or industrial quality, with gem being overwhelmingly (approximately 99%) the larger of the two markets, by value. Retail jewellery accounts for the majority of the world market for gem diamonds, where aspects such as size, colour, shape and clarity have a large impact on valuation.

## Markets

Despite global macro-economic uncertainty, diamond jewellery sales increased in local currency terms in all major diamond markets, except India. In India, challenging economic conditions and a devaluation of the rupee resulted in a decline in demand. The US market posted positive growth, with a generally strong holiday season in the fourth quarter. China continued to show positive growth rates, but at levels consistent with slower economic development.

Although the De Beers rough price index increased slightly in the first half of the year, a combination of weaker polished prices, high levels of stock in the cutting centres and tightening liquidity resulted in some of this increase being reversed in the second half. The price decrease, together with an increase in polished sales, saw the rough market stabilise and start to improve toward the end of the year.

# MARKET INFORMATION

## 2013 Gem diamond production by country

Total 148 million carats

| | % |
|---|---|
| Russia | 25 |
| DRC | 18 |
| Botswana | 16 |
| Rest of world | 14 |
| Australia | 8 |
| Canada | 7 |
| South Africa | 6 |
| Angola | 6 |

**Source:** De Beers

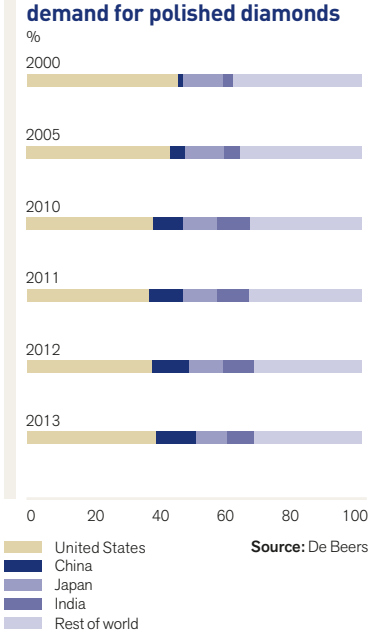
## 2013 Estimated consumer demand for polished diamonds

US$ polished wholesale prices

| | % |
|---|---|
| United States | 39 |
| Rest of world | 24 |
| China | 12 |
| Japan | 9 |
| India | 8 |
| Gulf countries | 8 |

**Source:** De Beers

## Evolution of global consumer demand for polished diamonds




**Source:** De Beers

# STRATEGY

De Beers' strategic vision is to unlock the full economic value of its leadership position across the diamond pipeline in a safe and sustainable manner.

De Beers is a demand-driven business, with a clear understanding that consumer desire is the primary source of value for its diamonds. With growth in demand for diamonds expected to outstrip production growth in the medium to long term, the company aims to maximise the value of every carat mined, sorted and sold. To achieve this objective, De Beers focuses on optimising the value of its mining assets, selling to selected leading Sightholders and offering consumers the integrity and confidence of its brands.

### Safety and sustainable development strategy

Safety remains the top priority for De Beers, and the company continues to strive for enhanced safety performance through the roll-out of an integrated improvement plan. Its emphasis is on leadership and engagement, operational risk, and incident and performance management.

De Beers' sustainable development activities span the diamond pipeline, and are an integral part of the company's business model. Upstream (exploration and mining), this includes ensuring that it does no harm to either employees or communities, minimising the impact on the environment, and contributing to conservation.

De Beers also works in partnership with host governments and other stakeholders to support long term and sustainable economic development through local and indigenous procurement, enterprise development, social investment and beneficiation.

De Beers supports the development of value-adding downstream activities in producer countries. In late 2013, De Beers completed the migration of its London-based sales operations to Gaborone, Botswana. Agreed in 2011, it forms part of a 10 year sales agreement between De Beers and the GRB for the sorting, valuing and sale of Debswana's diamond production. The relocation will bolster De Beers' long term beneficiation activities in southern Africa, helping establish the region as a world-leading midstream (rough diamond sorting, valuing and sales) diamond centre.

De Beers also supports initiatives to drive best practice throughout the diamond pipeline. These include the Kimberley Process Certification Scheme, an inter-governmental initiative that seeks to eliminate conflict diamonds from the global supply chain. It also includes the De Beers Best Practice Principles, a bespoke ethical, environmental and social assurance programme that covers more than 300,000 diamond sector workers across the world. In addition, the Forevermark brand offers consumers a clear, responsible sourcing promise.

### Projects

In Botswana, infrastructure construction at Debswana's Jwaneng Cut-8 project is complete. Cut-8 will provide access to an estimated 96 million tonnes of ore to be treated, containing approximately 113 million carats of mainly high quality diamonds, and extend the life of one of the world's richest diamond mines to at least 2028.[1]

In South Africa, the first blast took place in September 2013 for the construction of an underground mine beneath the open pit at Venetia. With capital investment of $2 billion, this represents De Beers' largest ever investment in South Africa. Underground mine production is expected to start in 2021 and will extend the life of the mine to beyond 2040. The life of mine plan will treat approximately 129 million tonnes of ore, containing an estimated 94 million carats.[2]

In Canada, the Mackenzie Valley Land and Water Board approved a pioneer Land Use Permit for Gahcho Kué, which allows land-based site works to commence in preparation for deliveries planned for the 2014 winter road season.

(1) Scheduled Inferred Resources (below 401 metres) included in the Cut-8 estimates constitute 77% (86.7 Mct) of the estimated carats. Not all Inferred Resources may be upgraded to Ore Reserves, even after additional drilling. The numbers given are scheduled tonnes and carats as per the 2013 Life-of-Mine plan.

(2) The current mining rights expire in 2038; Venetia mine will apply to extend the mining rights at the appropriate time in the future. Scheduled Inferred Resources constitute 28% (26.3 Mct) of the estimated carats. Not all Inferred Resources may be upgraded to Ore Reserves, even after additional drilling. The numbers given are scheduled tonnes and carats as per the 2013 Life-of-Mine plan.

# PROJECT PIPELINE – KEY PROJECTS

## Jwaneng's Cut-8 (approved)

**Overall capex: $3 bn**

**Country**
Botswana

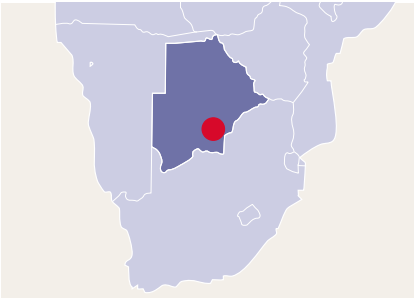
**Ownership**
50%

**Replacement production**
~10 million carats pa

**Full project capex**
$3 bn

**First production**
2018

The construction of the infrastructure at Jwaneng's Cut-8 project is now complete. Cut-8 will provide access to approximately 113 million carats of mainly high quality diamonds from approximately 96 million tonnes mined (from Indicated (23%) and Inferred (77%) Resources), and extend the life of the world's richest diamond mine to at least 2028.



## Venetia Underground Project (approved)

**Overall capex: ~$2 bn**

**Country**
South Africa

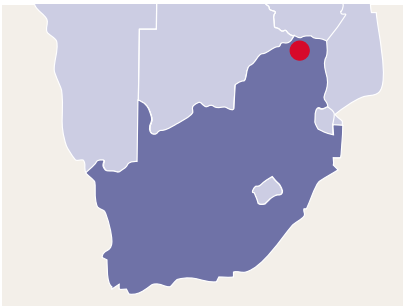
**Ownership**
74%

**Replacement production**
approx. 4 million carats pa

**Full project capex**
~$2 bn

**First production**
2024

The Venetia Underground Project commenced in September 2013. De Beers will invest approximately $2 billion to build the new underground mine, which will extend the life of the resource beyond 2040 and replace the open pit as South Africa's largest diamond mine. The projected life of mine plan will treat approximately 129 million tonnes of ore, containing an estimated 94 million carats.



## Gahcho Kué (unapproved)

**Overall capex: TBD**

**Country**
Canada

**Ownership**
51%

**Production**
TBD

**Full project capex**
TBD

**First production**
TBD

The joint De Beers and Mountain Province Diamond greenfield Gahcho Kué project is located in Canada. In December 2013, the Mackenzie Valley Land and Water Board approved a pioneer Land Use Permit for Gahcho Kué. The pioneer Land Use Permit allows land-based site works to commence in preparation for deliveries planned for the 2014 winter road season.

The Gahcho Kué Project consists of a cluster of four diamondiferous kimberlites, three of which have a probable mineral reserve of 31.3 million tonnes grading 1.57 carats per tonne for a total diamond content of 49 million carats.

# DIAMONDS RECOVERED

## Botswana

Debswana (50% owned by De Beers)

| Carats ('000) | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Orapa | **11,375** | 11,089 | 11,158 | 9,527 |
| Letlhakane | **682** | 764 | 1,091 | 1,221 |
| Jwaneng | **10,386** | 8,172 | 10,641 | 11,470 |
| Damtshaa | **264** | 191 | – | – |
| **Total** | **22,707** | **20,216** | **22,890** | **22,218** |

## South Africa

De Beers Consolidated Mines (74% owned by De Beers)

| Carats ('000) | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Finsch Mine | **–** | – | 938 | 1,583 |
| Kimberley mines and contractors | **815** | 755 | 778 | 823 |
| Namaqualand mines and contractors | **–** | – | – | 97 |
| Venetia | **3,192** | 3,066 | 3,147 | 4,288 |
| Voorspoed | **717** | 611 | 580 | 732 |
| South African Sea Areas | **–** | – | – | 33 |
| **Total** | **4,724** | **4,432** | **5,443** | **7,556** |

## Namibia

Namdeb Holdings (50% owned by De Beers)

| Carats ('000) | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Namdeb | **602** | 559 | 345 | 492 |
| De Beers Marine Namibia | **1,160** | 1,108 | 990 | 980 |
| **Total** | **1,762** | **1,667** | **1,335** | **1,472** |

## Canada

| Carats ('000) | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Victor | **654** | 690 | 779 | 826 |
| Snap Lake | **1,312** | 870 | 881 | 925 |
| **Total** | **1,966** | **1,560** | **1,660** | **1,751** |
| | | | | |
| **Grand total** | **31,159** | **27,875** | **31,328** | **32,997** |

# DIAMONDS

estimates as at 31 December 2013

## DE BEERS CANADA

The Diamond Reserve and Diamond Resource estimates were compiled in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves. The figures reported represent 100% of the Diamond Reserves and Diamond Resources. Diamond Resources are quoted as inclusive of those used to calculate Diamond Reserves and must not be added to the Diamond Reserves. Rounding of figures may cause computational discrepancies. The mines, located in Canada, are operated under De Beers Canada Incorporated.

| De Beers Canada – Operations DIAMOND RESERVES | Attributable % | LOM | BCO (mm) | Classification | Treated Tonnes 2013 | Treated Tonnes 2012 | Recovered Grade 2013 | Recovered Grade 2012 | Saleable Carats 2013 | Saleable Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| **Snap Lake (UG)**[1] | 85.0 | 15 | 1.14 | | | | | | | |
| Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 5.6 | 1.6 | 119.8 | 123.1 | 6.7 | 2.0 |
| | | | | **Total** | **5.6** | **1.6** | **119.8** | **123.1** | **6.7** | **2.0** |
| **Victor (OP)**[2] | 85.0 | 5 | 1.50 | | | | cpht | cpht | | |
| Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 9.3 | 12.1 | 18.3 | 19.4 | 1.7 | 2.3 |
| | | | | **Total** | **9.3** | **12.1** | **18.3** | **19.4** | **1.7** | **2.3** |
| **De Beers Canada** | 85.0 | | multiple | | | | cpht | cpht | | |
| TOTAL Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 14.9 | 13.7 | 56.4 | 31.7 | 8.4 | 4.3 |
| | | | | **Total** | **14.9** | **13.7** | **56.4** | **31.7** | **8.4** | **4.3** |

| De Beers Canada – Operations DIAMOND RESOURCES | Attributable % | BCO (mm) | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Carats 2013 | Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| **Snap Lake (UG)**[1] | 85.0 | 1.14 | | | | | | | |
| Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 9.0 | 2.5 | 178.9 | 189.3 | 16.1 | 4.7 |
| | | | **Measured and Indicated** | **9.0** | **2.5** | **178.9** | **189.3** | **16.1** | **4.7** |
| | | | Inferred | 15.8 | 23.1 | 173.3 | 176.5 | 27.3 | 40.9 |
| **Victor (OP)**[2] | 85.0 | 1.50 | | | | cpht | cpht | | |
| Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 9.7 | 12.9 | 18.7 | 19.3 | 1.8 | 2.5 |
| | | | **Measured and Indicated** | **9.7** | **12.9** | **18.7** | **19.3** | **1.8** | **2.5** |
| | | | Inferred | 17.3 | 17.9 | 22.6 | 22.2 | 3.9 | 4.0 |
| **De Beers Canada** | 85.0 | multiple | | | | cpht | cpht | | |
| TOTAL Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 18.7 | 15.4 | 96.1 | 46.9 | 17.9 | 7.2 |
| | | | **Measured and Indicated** | **18.7** | **15.4** | **96.1** | **46.9** | **17.9** | **7.2** |
| | | | Inferred | 33.0 | 41.1 | 94.5 | 109.2 | 31.2 | 44.8 |

DIAMOND RESOURCES INCLUDE DIAMOND RESERVES.

| De Beers Canada – Projects DIAMOND RESERVES | Attributable % | LOM | BCO (mm) | Classification | Treated Tonnes 2013 | Treated Tonnes 2012 | Recovered Grade 2013 | Recovered Grade 2012 | Saleable Carats 2013 | Saleable Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| **Gahcho Kué (OP)**[3] | 43.4 | 11 | 1.00 | | | | | | | |
| Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 31.0 | 31.0 | 153.7 | 153.7 | 47.6 | 47.6 |
| | | | | **Total** | **31.0** | **31.0** | **153.7** | **153.7** | **47.6** | **47.6** |

| De Beers Canada – Projects DIAMOND RESOURCES | Attributable % | BCO (mm) | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Carats 2013 | Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| **Gahcho Kué (OP)**[3] | 43.4 | 1.00 | | | | | | | |
| Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 34.2 | 30.2 | 162.3 | 163.9 | 55.6 | 49.6 |
| | | | **Measured and Indicated** | **34.2** | **30.2** | **162.3** | **163.9** | **55.6** | **49.6** |
| | | | Inferred | 11.5 | 6.0 | 142.5 | 168.9 | 16.3 | 10.1 |

DIAMOND RESOURCES INCLUDE DIAMOND RESERVES.

Mining method: OP = Open Pit, UG = Underground.
LOM = Life of Mine (years) is based on scheduled Probable Reserves including Indicated and some Inferred Resources considered for Life of Mine planning.
Reported Diamond Reserves/Resources are based on a Bottom Cut Off (BCO) which refers to the bottom screen size aperture and varies between 1.00mm and 3.00mm (nominal square mesh).
Unless stated otherwise tonnage is quoted as dry metric tonnes. Estimates of Diamond Reserve tonnes reflect the tonnage to be treated.
Recovered Grade is quoted as carats per hundred metric tonnes (cpht).

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) **Snap Lake:** The increase in reserves is due to reclassification of a portion of Inferred Resources to Indicated Resources based on additional information from mining and underground drilling. The decrease in LOM is due to the mining rate increasing and a re-assessment of the economic outline of the ore body that resulted in the exclusion of blocks which are no longer economic. Indicated Resources are continuously developed from information gained from underground footwall drilling ahead of the mining face, resulting in an at least 18-month rolling Probable Reserve. Reserve development beyond 18 months is considered impractical due to technical and cost considerations.

(2) **Victor:** The decrease is primarily due to production as well as refinement of the geological model.
The Stockpile Resource estimates at a 1.50 mm BCO of 25 k¢ (0.2 Mt at 13.2 cpht) Indicated Resource are excluded from the table.
Tango Extension Pipe is reported as part of the Victor Resource and comprises 3.0M¢ in 13.4 Mt at a grade of 22.9 cpht (BCO is 1.50mm).

(3) **Gahcho Kué:** The increase in resources is due to completion of a deep drilling campaign at the Tuzo pipe.
The project approval is subject to the successful conclusion of permitting and regulatory approvals.
Gahcho Kué is a 51:49% Joint Venture between De Beers Canada Inc. and Mountain Province Diamonds Inc.

# DIAMONDS

estimates as at 31 December 2013

## DE BEERS CONSOLIDATED MINES

The Diamond Reserve and Diamond 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 Diamond Reserves and Diamond Resources. Diamond Resources are quoted as inclusive of those used to calculate Diamond Reserves and must not be added to the Diamond Reserves. Rounding of figures may cause computational discrepancies. The mines, located in South Africa, are operated under De Beers Consolidated Mines Proprietary Limited (DBCM). DBCM is indirectly owned, through DBCM Holdings, by De Beers Société Anonyme (74%) and its broad based black economic empowerment partner, Ponahalo Investments Proprietary Limited (26%).

| De Beers Consolidated Mines – Operations<br>DIAMOND RESERVES | Attributable % | LOM | BCO (mm) | Classification | Treated Tonnes 2013 | Treated Tonnes 2012 | Recovered Grade 2013 | Recovered Grade 2012 | Saleable Carats 2013 | Saleable Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Venetia**[1] | 62.9 | 31 | 1.00 | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| Kimberlite (OP)[2] | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 31.3 | 33.6 | 96.3 | 97.5 | 30.1 | 32.8 |
| | | | | **Total** | **31.3** | **33.6** | **96.3** | **97.5** | **30.1** | **32.8** |
| Kimberlite (UG)[3] | | | | Proved | – | – | – | – | – | – |
| Life Extension Project | | | | Probable | 91.3 | 91.4 | 74.2 | 76.5 | 67.7 | 70.0 |
| | | | | **Total** | **91.3** | **91.4** | **74.2** | **76.5** | **67.7** | **70.0** |
| **De Beers Consolidated Mines** | 62.9 | | 1.00 | | | | cpht | cpht | | |
| TOTAL Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 122.6 | 125.0 | 79.8 | 82.2 | 97.9 | 102.7 |
| | | | | **Total** | **122.6** | **125.0** | **79.8** | **82.2** | **97.9** | **102.7** |

| De Beers Consolidated Mines – Operations<br>DIAMOND RESOURCES | Attributable % | BCO (mm) | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Carats 2013 | Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Namaqualand (OC)**[4] | 62.9 | multiple[3] | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| Beach and Fluvial Placers | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 19.3 | 19.3 | 10.9 | 10.9 | 2.1 | 2.1 |
| | | | **Measured and Indicated** | **19.3** | **19.3** | **10.9** | **10.9** | **2.1** | **2.1** |
| | | | Inferred | 70.8 | 70.8 | 4.8 | 4.8 | 3.4 | 3.4 |
| **Venetia** | 62.9 | 1.00 | | | | cpht | cpht | | |
| Kimberlite (OP)[2] | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 32.3 | 34.2 | 103.4 | 103.5 | 33.4 | 35.4 |
| | | | **Measured and Indicated** | **32.3** | **34.2** | **103.4** | **103.5** | **33.4** | **35.4** |
| | | | Inferred | 27.9 | 29.6 | 17.5 | 18.1 | 4.9 | 5.4 |
| Kimberlite (UG) | | | Measured | – | – | – | – | – | – |
| Life Extension Project | | | Indicated | 108.0 | 109.9 | 87.8 | 86.9 | 94.8 | 95.5 |
| | | | **Measured and Indicated** | **108.0** | **109.9** | **87.8** | **86.9** | **94.8** | **95.5** |
| | | | Inferred | 69.9 | 70.1 | 85.5 | 88.1 | 59.8 | 61.8 |
| **Voorspoed (OP)**[5] | 62.9 | 1.47 | | | | cpht | cpht | | |
| Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | – | – | – | – | – | – |
| | | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | | Inferred | 33.0 | 37.9 | 21.9 | 21.6 | 7.2 | 8.2 |
| **De Beers Consolidated Mines** | 62.9 | multiple | | | | cpht | cpht | | |
| TOTAL Kimberlite, Beach and Placer | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 159.5 | 163.3 | 81.7 | 81.4 | 130.3 | 133.0 |
| | | | **Measured and Indicated** | **159.5** | **163.3** | **81.7** | **81.4** | **130.3** | **133.0** |
| | | | Inferred | 201.6 | 208.4 | 37.3 | 37.8 | 75.3 | 78.7 |

DIAMOND RESOURCES INCLUDE DIAMOND RESERVES.

| De Beers Consolidated Mines – Tailings Operations<br>DIAMOND RESOURCES | Attributable % | BCO (mm) | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Carats 2013 | Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Kimberley Mines**[6] | 62.9 | 1.15 | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| Tailings Mineral Resource | | | Measured | – | – | – | – | – | – |
| | | | Indicated | – | – | – | – | – | – |
| | | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | | Inferred | 32.1 | 38.2 | 12.1 | 12.2 | 3.9 | 4.7 |

Mining method: OP = Open Pit, UG = Underground.
LOM = Life of Mine (years) is based on scheduled Probable Reserves including Indicated and some Inferred Resources considered for Life of Mine planning.
Reported Diamond Reserves/Resources are based on a Bottom Cut Off (BCO) which refers to the bottom screen size aperture and varies between 1.00mm and 3.00mm (nominal square mesh).
Unless stated otherwise tonnage is quoted as dry metric tonnes. Estimates of Diamond Reserve tonnes reflect the tonnage to be treated.
Recovered Grade is quoted as carats per hundred metric tonnes (cpht).

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) **Venetia:** The LOM is stated as 31 years which reflects the full duration of the current Venetia consolidated OP and UG Life of Mine Plan.
(2) **Venetia (OP):** The Life of Mine plan includes the K01, K02 and K03 pipes. The 2014 mine plan includes a significant portion of Inferred Resources. The Old Recovery Tailings Resource estimate at a 1.00 mm BCO of 2.5 M¢ (0.1 Mt at 3844.6 cpht) Inferred Resource is excluded from the table.
(3) **Venetia (UG):** The reserves decrease due to a change in the mine design for the K02 pipe which transfers material to the open pit portion of the mine.
(4) **Namaqualand:** Bottom screen cut off details for Indicated and Inferred Resource estimates are as follows:
1.00 mm BCO: Indicated – 1.1 M¢ (5.3 Mt at 20.9 cpht); Inferred – 2.2 M¢ (28.7 Mt at 7.6 cpht)
1.15 mm BCO: Indicated – 1.0 M¢ (13.9 Mt at 7.0 cpht); Inferred – 0.9 M¢ (41.6 Mt at 2.3 cpht)
1.47 mm BCO: Indicated – 20 k¢ (0.2 Mt at 13.0 cpht); Inferred – 0.3 M¢ (0.5 Mt at 60.2 cpht)
The sale of the Namaqualand Mines to the Trans Hex Group is in progress and expected to conclude in 2014.
(5) **Voorspoed:** The change is due to production. The Mining Licence was approved on 10 October 2006 and construction commenced in the same month after the mine being dormant for nine decades. Mining is entirely based on Inferred Resources due to the uncertainty associated with current geoscientific knowledge. Some studies to improve resource confidence were completed late in 2013.
(6) **Kimberley Mines:** Kimberley Mines Central Treatment Plant (CTP) was initially established to treat ore from both tailings resources and underground mines. Subsequent to the conclusion of the sale of the underground operations to Petra Diamonds in May 2010, only tailings resources are being treated. The Stockpile estimates at a 1.15mm BCO of 37 k¢ (299 kt at 12.4 cpht) Inferred Resource are excluded from the table.

# DIAMONDS

estimates as at 31 December 2013

## DEBSWANA DIAMOND COMPANY

The Diamond Reserve and Diamond 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 Diamond Reserves and Diamond Resources. Diamond Resources are quoted as inclusive of those used to calculate Diamond Reserves and must not be added to the Diamond Reserves. Rounding of figures may cause computational discrepancies. In Botswana the mines are owned in equal share by De Beers Société Anonyme and the Government of the Republic of Botswana through the Debswana Diamond Company joint venture.

| Debswana – Operations DIAMOND RESERVES | Attributable % | LOM | BCO (mm) | Classification | Treated Tonnes 2013 | Treated Tonnes 2012 | Recovered Grade 2013 | Recovered Grade 2012 | Saleable Carats 2013 | Saleable Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Damtshaa (OP)**[1] | 42.5 | 19 | 1.65 | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 25.0 | 25.0 | 16.6 | 16.6 | 4.1 | 4.1 |
| | | | | **Total** | **25.0** | **25.0** | **16.6** | **16.6** | **4.1** | **4.1** |
| **Jwaneng (OP)**[2] | 42.5 | 18 | 1.47 | | | | cpht | cpht | | |
| Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 61.8 | 70.1 | 125.2 | 126.0 | 77.3 | 88.3 |
| | | | | **Total** | **61.8** | **70.1** | **125.2** | **126.0** | **77.3** | **88.3** |
| **Letlhakane (OP)**[3] | 42.5 | 4 | 1.65 | | | | cpht | cpht | | |
| Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 3.2 | 4.7 | 19.9 | 16.9 | 0.6 | 0.8 |
| | | | | **Total** | **3.2** | **4.7** | **19.9** | **16.9** | **0.6** | **0.8** |
| **Orapa (OP)**[4] | 42.5 | 16 | 1.65 | | | | cpht | cpht | | |
| Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 140.3 | 146.1 | 63.8 | 58.7 | 89.6 | 85.7 |
| | | | | **Total** | **140.3** | **146.1** | **63.8** | **58.7** | **89.6** | **85.7** |
| **Debswana Diamond Company** | 42.5 | | multiple | | | | cpht | cpht | | |
| TOTAL Kimberlite | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 230.3 | 245.8 | 74.6 | 72.8 | 171.7 | 179.0 |
| | | | | **Total** | **230.3** | **245.8** | **74.6** | **72.8** | **171.7** | **179.0** |

| Debswana – Operations DIAMOND RESOURCES | Attributable % | BCO (mm) | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Carats 2013 | Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Damtshaa (OP)**[1] | 42.5 | 1.65 | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 29.3 | 29.3 | 21.5 | 21.5 | 6.3 | 6.3 |
| | | | **Measured and Indicated** | **29.3** | **29.3** | **21.5** | **21.5** | **6.3** | **6.3** |
| | | | Inferred | 20.2 | 20.5 | 24.3 | 23.6 | 4.9 | 4.8 |
| **Jwaneng (OP)**[2] | 42.5 | 1.47 | | | | cpht | cpht | | |
| Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 61.8 | 70.1 | 119.5 | 120.4 | 73.8 | 84.3 |
| | | | **Measured and Indicated** | **61.8** | **70.1** | **119.5** | **120.4** | **73.8** | **84.3** |
| | | | Inferred | 258.6 | 259.9 | 104.1 | 103.5 | 269.3 | 269.1 |
| **Letlhakane (OP)**[3] | 42.5 | 1.65 | | | | cpht | cpht | | |
| Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 15.3 | 27.4 | 28.4 | 28.6 | 4.3 | 7.8 |
| | | | **Measured and Indicated** | **15.3** | **27.4** | **28.4** | **28.6** | **4.3** | **7.8** |
| | | | Inferred | 3.2 | 8.3 | 17.0 | 27.2 | 0.6 | 2.2 |
| **Orapa (OP)**[4] | 42.5 | 1.65 | | | | cpht | cpht | | |
| Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 155.5 | 167.3 | 70.9 | 71.2 | 110.3 | 119.1 |
| | | | **Measured and Indicated** | **155.5** | **167.3** | **70.9** | **71.2** | **110.3** | **119.1** |
| | | | Inferred | 349.7 | 349.8 | 72.5 | 72.5 | 253.4 | 253.5 |
| **Debswana Diamond Company** | 42.5 | multiple | | | | cpht | cpht | | |
| TOTAL Kimberlite | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 261.9 | 294.1 | 74.4 | 74.0 | 194.8 | 217.6 |
| | | | **Measured and Indicated** | **261.9** | **294.1** | **74.4** | **74.0** | **194.8** | **217.6** |
| | | | Inferred | 631.7 | 638.5 | 83.6 | 83.0 | 528.2 | 529.7 |

DIAMOND RESOURCES INCLUDE DIAMOND RESERVES.

Mining method: OP = Open Pit, UG = Underground.
LOM = Life of Mine (years) is based on scheduled Probable Reserves including Indicated and some Inferred Resources considered for Life of Mine planning.
Reported Diamond Reserves/Resources are based on a Bottom Cut Off (BCO) which refers to the bottom screen size aperture and varies between 1.00mm and 3.00mm (nominal square mesh).
Unless stated otherwise tonnage is quoted as dry metric tonnes. Estimates of Diamond Reserve tonnes reflect the tonnage to be treated.
Recovered Grade is quoted as carats per hundred metric tonnes (cpht).

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) **Damtshaa:** The increase in the Life of Mine is due to the inclusion of additional Inferred Resources in the mine plan. Higher grade Inferred Resources from the BK/12 Kimberlite are mined for the first five years before including Probable Reserves from BK/9. The BK/9 and BK/12 Stockpile Inferred Resource estimates at a 1.65mm BCO of 0.3 M¢ (1.9 Mt at13.4 cpht) are excluded from the table.

(2) **Jwaneng:** The decrease is primarily due to production. The 2013 Life of Mine Plan includes the Cut 8 estimates of 96 Mt of ore to be treated containing an estimated 113 M¢ (North, Centre and South pipes excluding the 4th pipe which is mined as part of waste stripping and stockpiled). Scheduled Inferred Resources (below 401m) included in the Cut 8 estimates constitute 77% (86.7 M¢) of the estimated carats. The Jwaneng Resource Extension Project (JREP) is expected to increase the resource confidence at depth and upgrade a significant portion of Inferred Resources to Indicated. The DK/2 Stockpile estimates at a 1.47mm BCO, consisting of 1.1 M¢ (0.8 Mt at 138.6 cpht) Indicated Resources and 4.4 M¢ (10.0 Mt at 43.7 cpht) Inferred Resources are excluded from the table.

(3) **Letlhakane:** The decrease in the Kimberlite resources is due to depletion. Higher anticipated plant recoveries result in the slightly higher TMR reserve grade than resource grade. DK/1 and DK/2 Stockpile estimates at a 1.65mm BCO of 0.6 M¢ (3.5 Mt at 16.9 cpht) Inferred Resource are excluded from the table.

(4) **Orapa:** The decrease in treated tonnes is due to production. The decrease in LOM tonnes reflects the temporary exclusion of Cut 3 pending further studies incorporating additional information from the Orapa Resource Extension Program (OREP) which is expected to increase resource confidence at depth resulting in an upgrade of a large portion of Inferred Resources to Indicated. The increase in saleable carats is due to reduced plant losses (improved plant factors) and mine design changes. The AK/1 Stockpile estimates at a1.65mm BCO of 6.2 M¢ (13.6 Mt at 45.7 cpht) Inferred Resource are excluded from the table.

Audits related to the generation of the Ore Reserve and Mineral Resource estimates were carried out by independent consultants during 2013 at the following operation: Orapa.

# DIAMONDS

estimates as at 31 December 2013

| Debswana – Operations DIAMOND RESOURCES | Attributable % | BCO (mm) | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Carats 2013 | Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Jwaneng** | 42.5 | 1.47 | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| Tailings Mineral Resource | | | Measured | – | – | – | – | – | – |
| | | | Indicated | – | – | – | – | – | – |
| | | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | | Inferred | 37.0 | – | 45.9 | – | 17.0 | – |
| **Orapa** | 42.5 | 1.65 | | | | cpht | cpht | | |
| Tailings Mineral Resource | | | Measured | – | – | – | – | – | – |
| | | | Indicated | – | – | – | – | – | – |
| | | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | | Inferred | 147.8 | – | 58.2 | – | 86.1 | – |
| **Debswana Diamond Company** | 42.5 | multiple | | | | cpht | cpht | | |
| TOTAL Tailings Mineral Resource | | | Measured | – | – | – | – | – | – |
| | | | Indicated | – | – | – | – | – | – |
| | | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | | Inferred | 184.9 | – | 55.8 | – | 103.1 | – |

| Debswana – Projects DIAMOND RESERVES | Attributable % | LOM | BCO (mm) | Classification | Treated Tonnes 2013 | Treated Tonnes 2012 | Recovered Grade 2013 | Recovered Grade 2012 | Saleable Carats 2013 | Saleable Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Letlhakane**[3] | 42.5 | 27 | 1.15 | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| Tailings Mineral Resources | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 34.9 | – | 25.4 | – | 8.9 | – |
| | | | | **Total** | **34.9** | **–** | **25.4** | **–** | **8.9** | **–** |

| Debswana – Projects DIAMOND RESOURCES | Attributable % | BCO (mm) | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Carats 2013 | Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Letlhakane**[3] | 42.5 | 1.15 | | Mt | Mt | cpht | cpht | M¢ | M¢ |
| Tailings Mineral Resources | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 34.9 | – | 24.8 | – | 8.6 | – |
| | | | **Measured and Indicated** | **34.9** | **–** | **24.8** | **–** | **8.6** | **–** |
| | | | Inferred | 49.6 | – | 27.1 | – | 13.4 | – |

DIAMOND RESOURCES INCLUDE DIAMOND RESERVES.

LOM = Life of Mine (years) is based on scheduled Probable Reserves including Indicated and some Inferred Resources considered for Life of Mine planning.
Reported Diamond Reserves/Resources are based on a Bottom Cut Off (BCO) which refers to the bottom screen size aperture and varies between 1.00mm and 3.00mm (nominal square mesh).
Unless stated otherwise tonnage is quoted as dry metric tonnes. Estimates of Diamond Reserve tonnes reflect the tonnage to be treated.
Recovered Grade is quoted as carats per hundred metric tonnes (cpht).

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.

# DIAMONDS

estimates as at 31 December 2013

## NAMDEB HOLDINGS

The Diamond Reserve and Diamond 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 Diamond Reserves and Diamond Resources. Diamond Resources are quoted as inclusive of those used to calculate Diamond Reserves and must not be added to the Diamond Reserves. Rounding of figures may cause computational discrepancies. As of 1 October 2011 Namdeb Holdings (Pty) Ltd (NDBH), a 50/50 joint venture between De Beers Société Anonyme and the Government of the Republic of Namibia, holds the licences for both the land and sea operations. In addition, NDBH holds 100% ownership of the operating companies, Namdeb Diamond Corporation (Pty) Ltd and De Beers Marine Namibia (Pty) Ltd.

| Namdeb Holdings – Terrestrial Operations<br>DIAMOND RESERVES | Attributable % | LOM | BCO (mm) | Classification | Treated Tonnes 2013 | Treated Tonnes 2012 | Recovered Grade 2013 | Recovered Grade 2012 | Saleable Carats 2013 | Saleable Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Elizabeth Bay (OC)**[1] | 42.5 | 5 | 1.40 | | kt | kt | cpht | cpht | k¢ | k¢ |
| Aeolian and Marine | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 1,076 | 1,808 | 13.01 | 12.78 | 140 | 231 |
| | | | | **Total** | **1,076** | **1,808** | **13.01** | **12.78** | **140** | **231** |
| **Mining Area 1 (OC)**[2] | 42.5 | 10 | 2.00 | | | | cpht | cpht | | |
| Beaches | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 3,124 | 1,023 | 0.51 | 7.26 | 16 | 74 |
| | | | | **Total** | **3,124** | **1,023** | **0.51** | **7.26** | **16** | **74** |
| **Orange River (OC)**[3] | 42.5 | 10 | 3.00 | | | | cpht | cpht | | |
| Fluvial Placers | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 36,711 | 34,994 | 0.95 | 1.03 | 349 | 359 |
| | | | | **Total** | **36,711** | **34,994** | **0.95** | **1.03** | **349** | **359** |
| **Namdeb Holdings** | 42.5 | | multiple | | | | cpht | cpht | | |
| TOTAL Terrestrial | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 40,911 | 37,825 | 1.23 | 1.76 | 505 | 664 |
| | | | | **Total** | **40,911** | **37,825** | **1.23** | **1.76** | **505** | **664** |

| Namdeb Holdings – Offshore Operations<br>DIAMOND RESERVES | Attributable % | LOM | BCO (mm) | Classification | Area 2013 | Area 2012 | Recovered Grade 2013 | Recovered Grade 2012 | Saleable Carats 2013 | Saleable Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Atlantic 1 (MM)**[4] | 42.5 | 15 | 1.47 | | k m$^2$ | k m$^2$ | cpm$^2$ | cpm$^2$ | k¢ | k¢ |
| Marine Placer | | | | Proved | – | – | – | – | – | – |
| | | | | Probable | 69,642 | 57,033 | 0.08 | 0.09 | 5,504 | 4,935 |
| | | | | **Total** | **69,642** | **57,033** | **0.08** | **0.09** | **5,504** | **4,935** |

| Namdeb Holdings – Terrestrial Operations<br>DIAMOND RESOURCES | Attributable % | BCO (mm) | Classification | Tonnes 2013 | Tonnes 2012 | Grade 2013 | Grade 2012 | Carats 2013 | Carats 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Bogenfels (OC)**[5] | 42.5 | multiple[2] | | kt | kt | cpht | cpht | k¢ | k¢ |
| Pocket Beach and Deflation | | | Measured | – | – | – | – | – | – |
| | | | Indicated | – | – | – | – | – | – |
| | | | **Measured and Indicated** | **–** | **–** | **–** | **–** | **–** | **–** |
| | | | Inferred | 10,955 | 10,955 | 6.75 | 6.75 | 740 | 740 |
| **Douglas Bay (OC)** | 42.5 | 1.40 | | | | cpht | cpht | | |
| Aeolian and Deflation | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 2,269 | 1,502 | 7.05 | 7.39 | 160 | 111 |
| | | | **Measured and Indicated** | **2,269** | **1,502** | **7.05** | **7.39** | **160** | **111** |
| | | | Inferred | 127 | 1,959 | 0.79 | 2.40 | 1 | 47 |
| **Elizabeth Bay (OC)** | 42.5 | 1.40 | | | | cpht | cpht | | |
| Aeolian, Marine and Deflation | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 2,491 | 4,718 | 11.20 | 11.62 | 279 | 548 |
| | | | **Measured and Indicated** | **2,491** | **4,718** | **11.20** | **11.62** | **279** | **548** |
| | | | Inferred | 29,032 | 54,034 | 7.88 | 4.12 | 2,289 | 2,224 |
| **Mining Area 1 (OC)**[2] | 42.5 | 2.00 | | | | cpht | cpht | | |
| Beaches | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 21,270 | 17,597 | 0.81 | 1.01 | 172 | 178 |
| | | | **Measured and Indicated** | **21,270** | **17,597** | **0.81** | **1.01** | **172** | **178** |
| | | | Inferred | 283,369 | 281,564 | 1.18 | 1.09 | 3,344 | 3,082 |
| **Orange River (OC)** | 42.5 | 3.00 | | | | cpht | cpht | | |
| Fluvial Placers | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 93,347 | 109,725 | 0.54 | 0.50 | 503 | 544 |
| | | | **Measured and Indicated** | **93,347** | **109,725** | **0.54** | **0.50** | **503** | **544** |
| | | | Inferred | 45,658 | 44,997 | 0.35 | 0.35 | 162 | 157 |
| **Namdeb Holdings** | 42.5 | multiple | | | | cpht | cpht | | |
| TOTAL Terrestrial | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 119,377 | 133,542 | 0.93 | 1.03 | 1,114 | 1,381 |
| | | | **Measured and Indicated** | **119,377** | **133,542** | **0.93** | **1.03** | **1,114** | **1,381** |
| | | | Inferred | 369,141 | 393,509 | 1.77 | 1.59 | 6,536 | 6,250 |

DIAMOND RESOURCES INCLUDE DIAMOND RESERVES.

# DIAMONDS

estimates as at 31 December 2013

| Namdeb Holdings – Offshore Operations<br>DIAMOND RESOURCES | Attributable % | BCO (mm) | Classification | Area<br>2013 | Area<br>2012 | Grade<br>2013 | Grade<br>2012 | Carats<br>2013 | Carats<br>2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Atlantic 1 (MM)**[4] | 42.5 | 1.47 | | k m² | k m² | cpm² | cpm² | k¢ | k¢ |
| Marine | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 126,801 | 114,190 | 0.09 | 0.09 | 11,349 | 10,773 |
| | | | **Measured and Indicated** | **126,801** | **114,190** | **0.09** | **0.09** | **11,349** | **10,773** |
| | | | Inferred | 1,042,516 | 1,028,119 | 0.09 | 0.09 | 90,044 | 89,637 |
| **Midwater (MM)**[6] | 42.5 | 2.00 | | | | cpm² | cpm² | | |
| Aeolian, Fluvial and Marine | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 2,533 | 1,339 | 0.19 | 0.25 | 492 | 330 |
| | | | **Measured and Indicated** | **2,533** | **1,339** | **0.19** | **0.25** | **492** | **330** |
| | | | Inferred | 12,720 | 11,336 | 0.07 | 0.09 | 930 | 1,031 |
| **Namdeb Holdings** | 42.5 | multiple | | | | cpm² | cpm² | | |
| TOTAL Offshore | | | Measured | – | – | – | – | – | – |
| | | | Indicated | 129,334 | 115,529 | 0.09 | 0.10 | 11,841 | 11,103 |
| | | | **Measured and Indicated** | **129,334** | **115,529** | **0.09** | **0.10** | **11,841** | **11,103** |
| | | | Inferred | 1,055,236 | 1,039,455 | 0.09 | 0.09 | 90,974 | 90,668 |

DIAMOND RESOURCES INCLUDE DIAMOND RESERVES.

Mining method: OC = Open Cast, MM = Marine Mining.
LOM = Life of Mine (years) is based on scheduled Probable Reserves including Indicated and some Inferred Resources considered for Life of Mine planning.
Reported Diamond Reserves/Resources are based on a Bottom Cut Off (BCO) which refers to the bottom screen size aperture and varies between 1.00mm and 3.00mm (nominal square mesh).
Unless stated otherwise tonnage is quoted as dry metric tonnes. Estimates of Diamond Reserve tonnes reflect the tonnage to be treated.
Recovered Grade is quoted as carats per hundred metric tonnes (cpht) or as carats per square meter (cpm²). k m² = thousand square metres.

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) **Elizabeth Bay:** The decrease is primarily due to production.
(2) **Mining Area 1:** The increase in treated tonnes is due to inclusion of lower grade material included in the 2013 Life of Mine Plan as a result of geological contact changes and a resource model update. The decrease in grade (and carats) is due to depletion of high grade material, the inclusion of the lower grade material and the exclusion of high grade material currently situated under mine infrastructure.
Incremental Inferred Resource development is dependent on beach accretion for drilling and sampling. Beach accretion is a process through which an existing beach is built seaward to extend into areas previously submerged by sea water. The accretion is accomplished by sand build-up derived from current mining and dredging activities. The Overburden Stockpile estimates at a 2.00mm BCO of 33 k¢ (9,227 kt at 0.36 cpht) Inferred Resource, the DMS and Recovery Tailings Resource estimates at a 2.00mm BCO of 751 k¢ (64,427 kt at 1.17 cpht) Inferred Resource are excluded from the table.
(3) **Orange River:** The mining transition from Daberas to Sendelingsdrif will be completed within the next three years.
(4) **Atlantic 1:** The increase in reserve carats is due to new information allowing conversion of additional resources to reserves and a faster mining rate which allows a lowering of the cut-off grade. Due to the high costs associated with resource development, Indicated Resources are developed on an annual basis, resulting in a 24 month rolling reserve.
(5) **Bogenfels:** Bottom screen cut off details for Inferred Resource estimates are as follows:
1.40 mm BCO: 510 k¢ (7,910 kt at 6.47 cpht);
2.00 mm BCO: 230 k¢ (3,040 kt at 7.50 cpht).
(6) **Midwater:** That part of the offshore component of the Diamond Area No. 1 (DA1) mining license covered by water depths of 30m and more below mean sea-level.

| Operations | LOM Plan (years) | LOM Plan Final Year | Mining Licence Last Year | % Inferred carats in LOM Plan |
|---|---|---|---|---|
| DBCi – Snap Lake | 15 | 2028 | 2021 / 2023 | 66% |
| DBCi – Victor | 5 | 2018 | 2024 | 31% |
| DBCM – Venetia | 31 | 2044 | 2038 | 22% |
| DBCM – Voorspoed | 8 | 2021 | 2023 | 100% |
| DBCM – Kimberly Mines | 5 | 2018 | 2040 | 100% |
| Debswana – Damtshaa | 19 | 2032 | 2029 | 43% |
| Debswana – Jwaneng | 18 | 2031 | 2029 | 64% |
| Debswana – Letlhakane (Kimberlite) | 4 | 2017 | 2029 | 59% |
| Debswana – Orapa | 16 | 2029 | 2029 | 49% |
| Namdeb Terrestrial – Elizabeth Bay | 5 | 2018 | 2020 | 50%* |
| Namdeb Terrestrial – Mining Area 1 | 10 | 2023 | 2020 | 50%* |
| Namdeb Terrestrial – Orange River | 10 | 2023 | 2020 | 50%* |
| Namdeb Offshore – Atlantic 1 | 15 | 2028 | 2020 | 87%** |

* Elizabeth Bay, Mining Area 1 and Orange River are integrated into a single mine plan.
** Assumes that pre-production sampling will upgrade Inferred Resources to Indicated Resources prior to mining.

# OTHER INFORMATION

| Market capitalisation | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|---|
| Anglo American plc | | | | | | | | |
| – $ billion | **30.7** | 42.8 | 48.8 | 69.5 | 58.7 | 30.3 | 82.0 | 75.2 |
| – £ billion | **18.6** | 26.3 | 31.5 | 44.5 | 36.4 | 20.8 | 41.4 | 38.4 |
| – ZAR billion | **323.3** | 363.3 | 394.3 | 460.6 | 433.2 | 288.6 | 562.7 | 525.1 |

Credit ratings – as at 28 February 2014

| | Standard & Poor's | Moody's Investors Service |
|---|---|---|
| Long term | BBB | Baa2[1] |
| Short term | A-2 | P-2 |

| Exchange rates | | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|---|---|
| £/$ | period end | **0.60** | 0.62 | 0.65 | 0.64 | 0.62 | 0.69 | 0.50 | 0.51 |
| | average | **0.64** | 0.63 | 0.62 | 0.65 | 0.64 | 0.54 | 0.50 | 0.54 |
| ZAR/$ | period end | **10.49** | 8.47 | 8.11 | 6.60 | 7.38 | 9.30 | 6.84 | 7.00 |
| | average | **9.65** | 8.21 | 7.26 | 7.32 | 8.41 | 8.27 | 7.05 | 6.77 |

| Ordinary shares prices – period end | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|---|
| Anglo American plc | | | | | | | | |
| – £ per share | **13.20** | 18.94 | 23.51 | 33.10 | 27.11 | 15.46 | 30.80 | 24.91 |
| – ZAR per share | **230.06** | 261.21 | 292.49 | 342.59 | 319.49 | 210.99 | 415.02 | 342.00 |

| Analysis of Anglo American plc ordinary shares | Shares outstanding as at 31 December[2] | Weighted average number of shares in issue |
|---|---|---|
| 2006 | 1,541,653,607 | 1,467,739,208 |
| 2007 | 1,342,911,897 | 1,308,662,275 |
| 2008 | 1,342,919,020 | 1,202,212,347 |
| 2009 | 1,342,927,138 | 1,201,516,878 |
| 2010 | 1,342,932,714 | 1,206,077,713 |
| 2011 | 1,342,967,458 | 1,210,066,850 |
| 2012 | 1,405,459,753 | 1,254,087,210 |
| **2013** | **1,405,465,382** | **1,281,162,112** |

(1) On negative outlook.
(2) Includes treasury shares.

# OTHER ANGLO AMERICAN PUBLICATIONS

- Annual Report 2013
- Ore Reserves and Mineral Resources Report 2013
- Notice of 2014 AGM and Shareholder Information Booklet
- Sustainable Development Report 2013
- Business Unit Sustainable Development Reports (2013)
- Optima – Anglo American's current affairs journal
- Good Citizenship: Business Principles
- The Environment Way
- The Occupational Health Way
- The Projects Way
- The Safety Way
- The Social Way
- The People Development Way
- www.facebook.com/angloamerican
- www.twitter.com/angloamerican
- www.linkedin.com/company/anglo-american
- www.youtube.com/angloamerican
- www.flickr.com/angloamerican
- www.slideshare.com/angloamerican

Financial and sustainable development reports may be found at:
www.angloamerican.com/reportingcentre

If you would like to receive paper copies of Anglo American's publications, please write to:

### Investor Relations

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London SW1Y 5AN
England

Alternatively, publications can be ordered online at:
www.angloamerican.com/siteservices/requestreport

### Charitable partners

This is just a selection of the charities which Anglo American, Anglo American Chairman's Fund and the Anglo American Group Foundation have worked with in 2013:

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