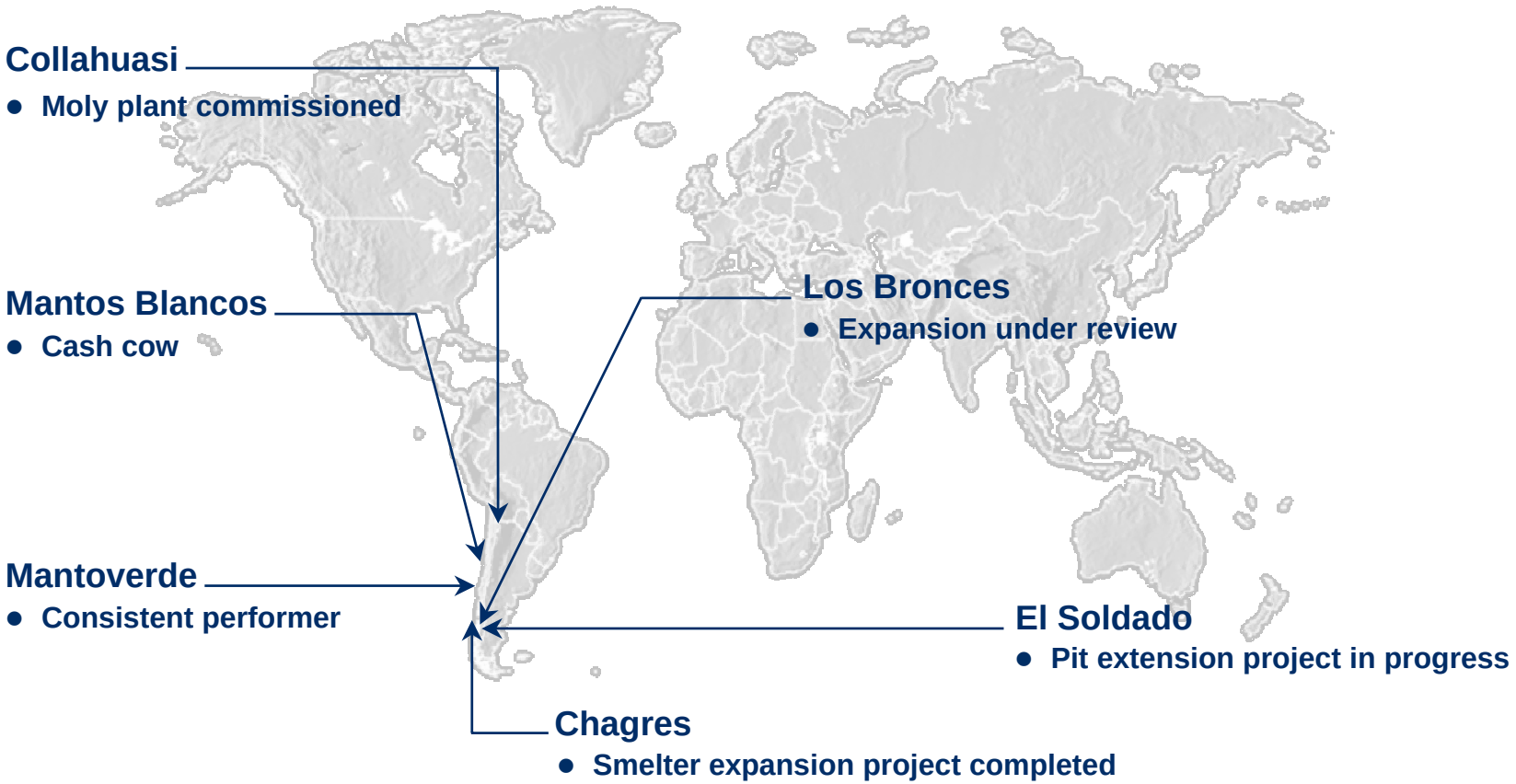
Overview of AngloBase Metals

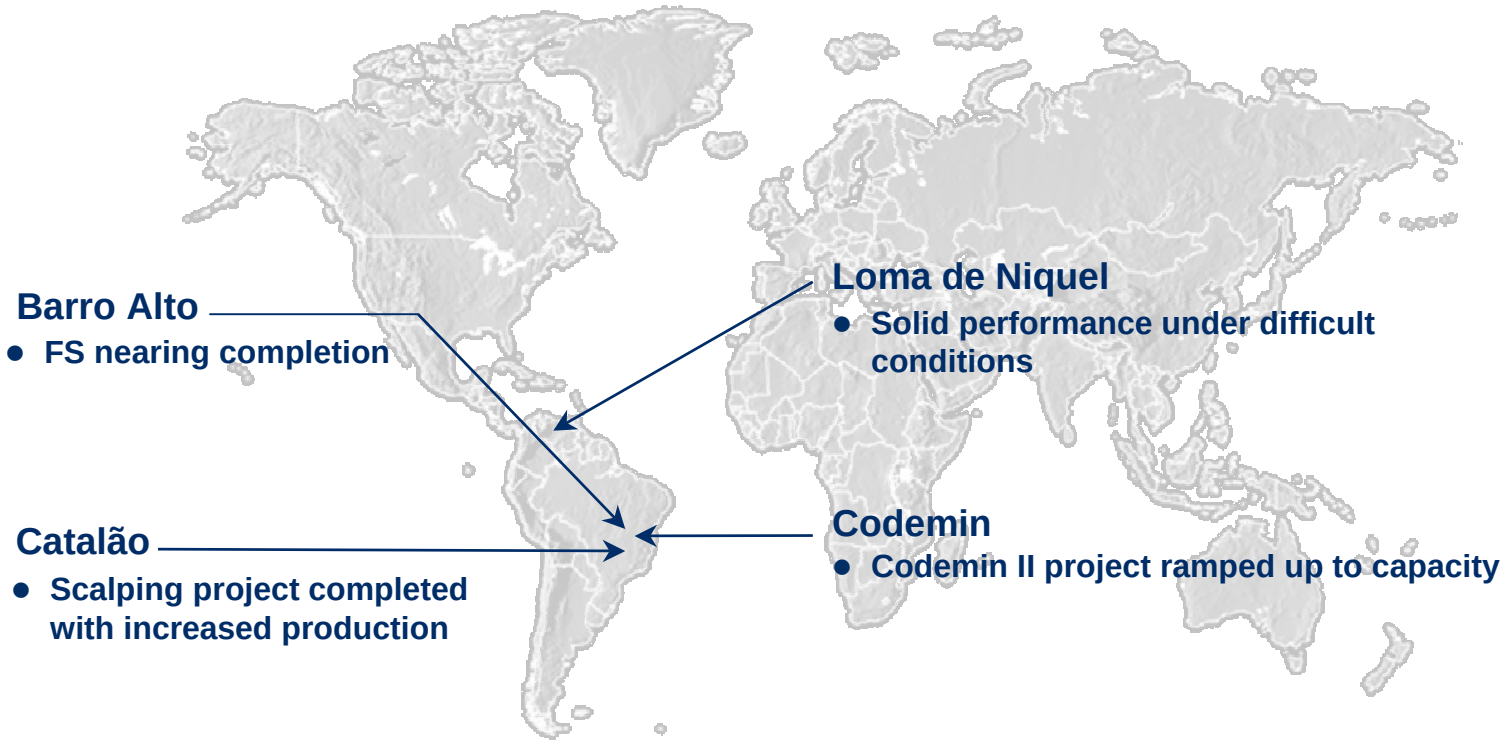
27 March 2006



Copper Assets



Nickel / Niobium Assets



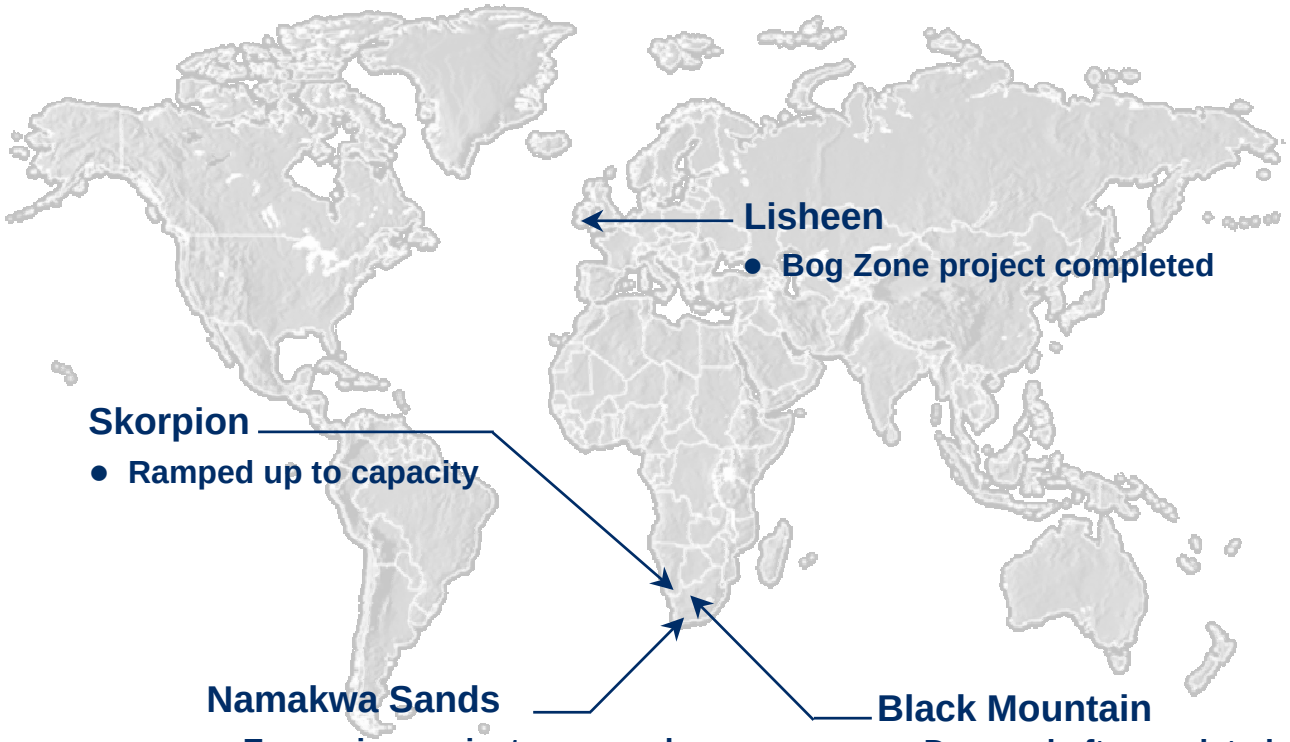
Barro Alto
- FS nearing completion

Loma de Niquel
- Solid performance under difficult conditions

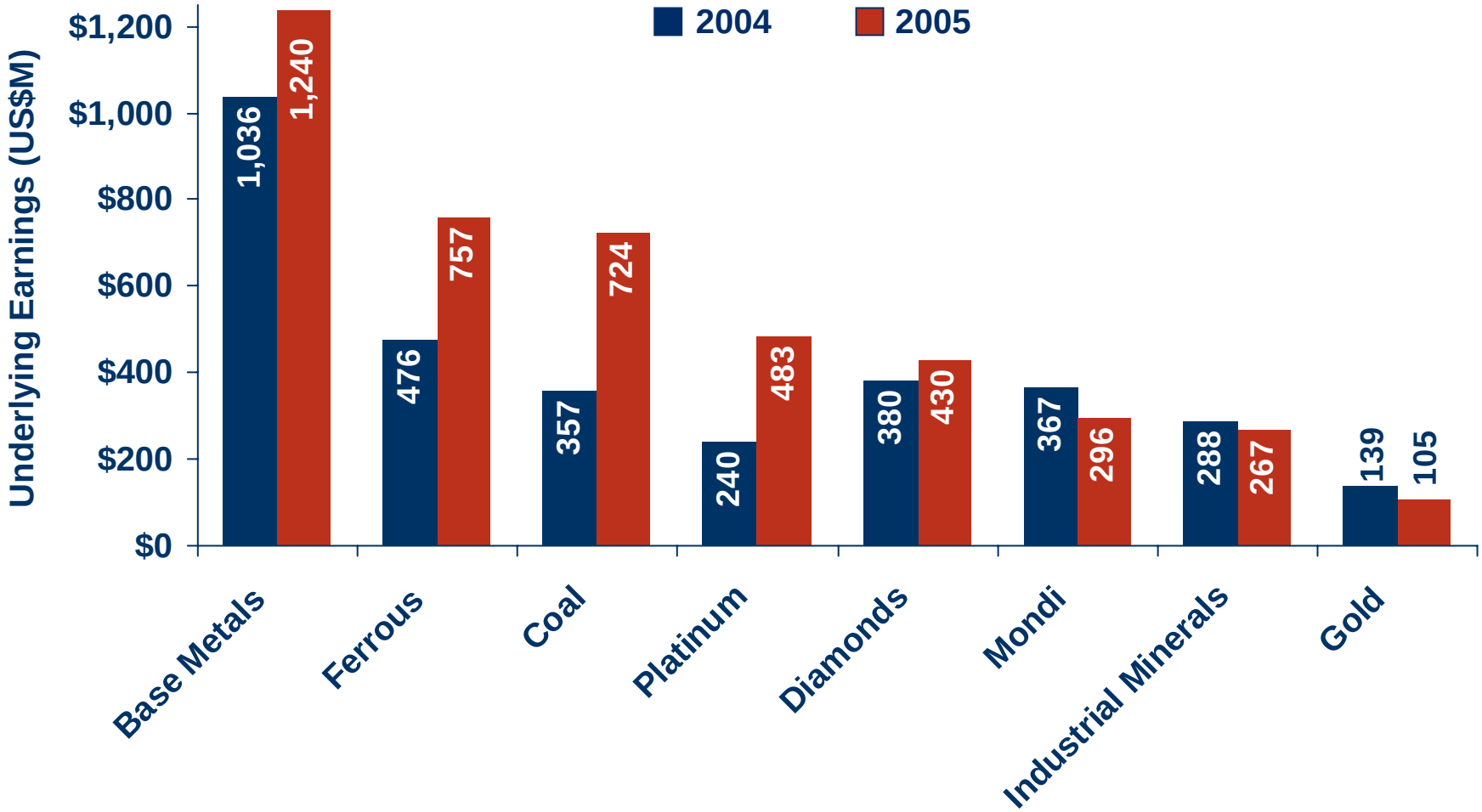
Catalão
- Scalping project completed with increased production

Codemin
- Codemin II project ramped up to capacity

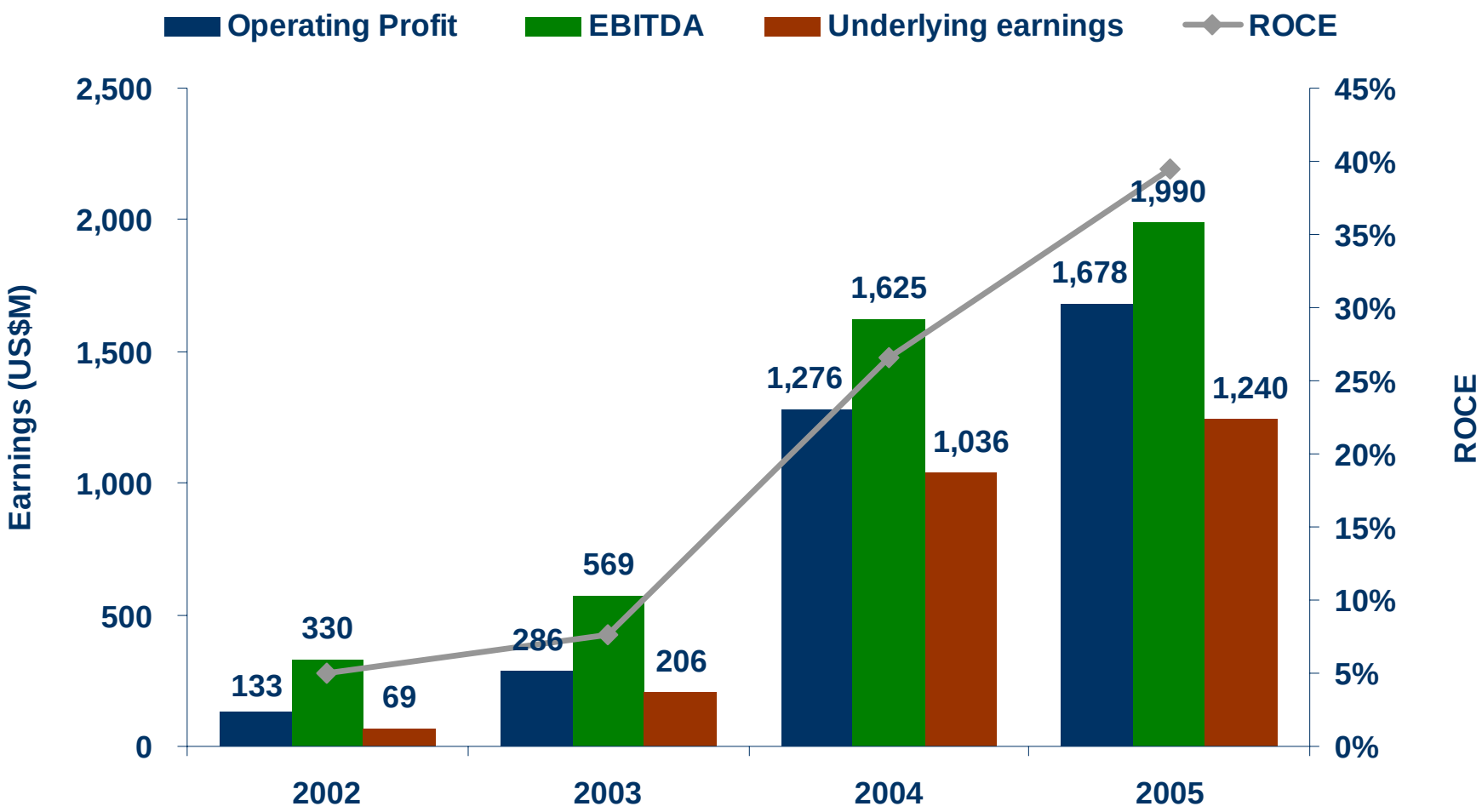
Zinc / Mineral Sands Assets



AAplc Group Results

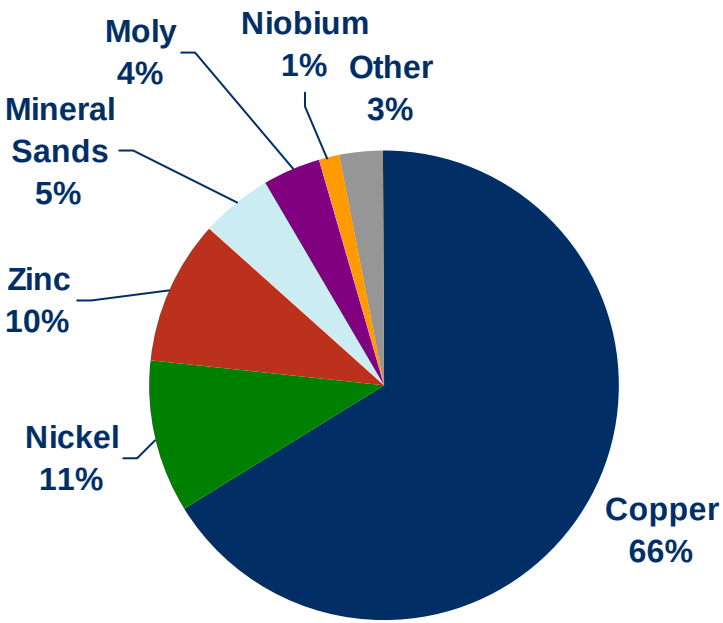


AngloBase Financial Results

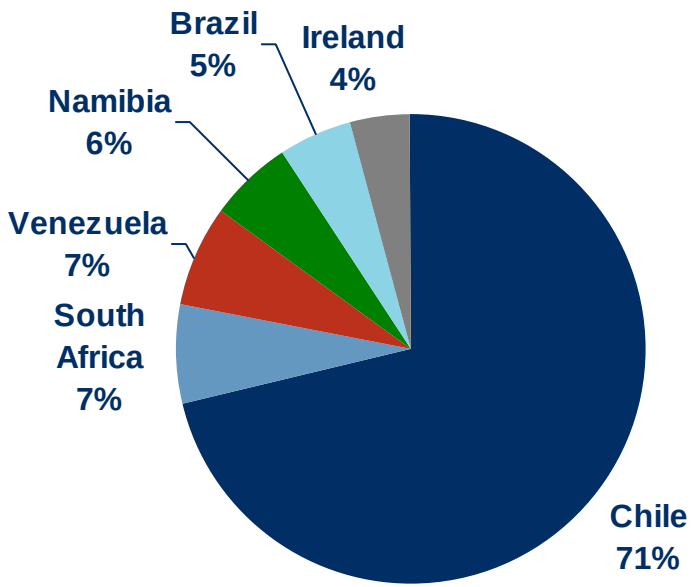


AngloBase Revenue

Revenue by Commodity



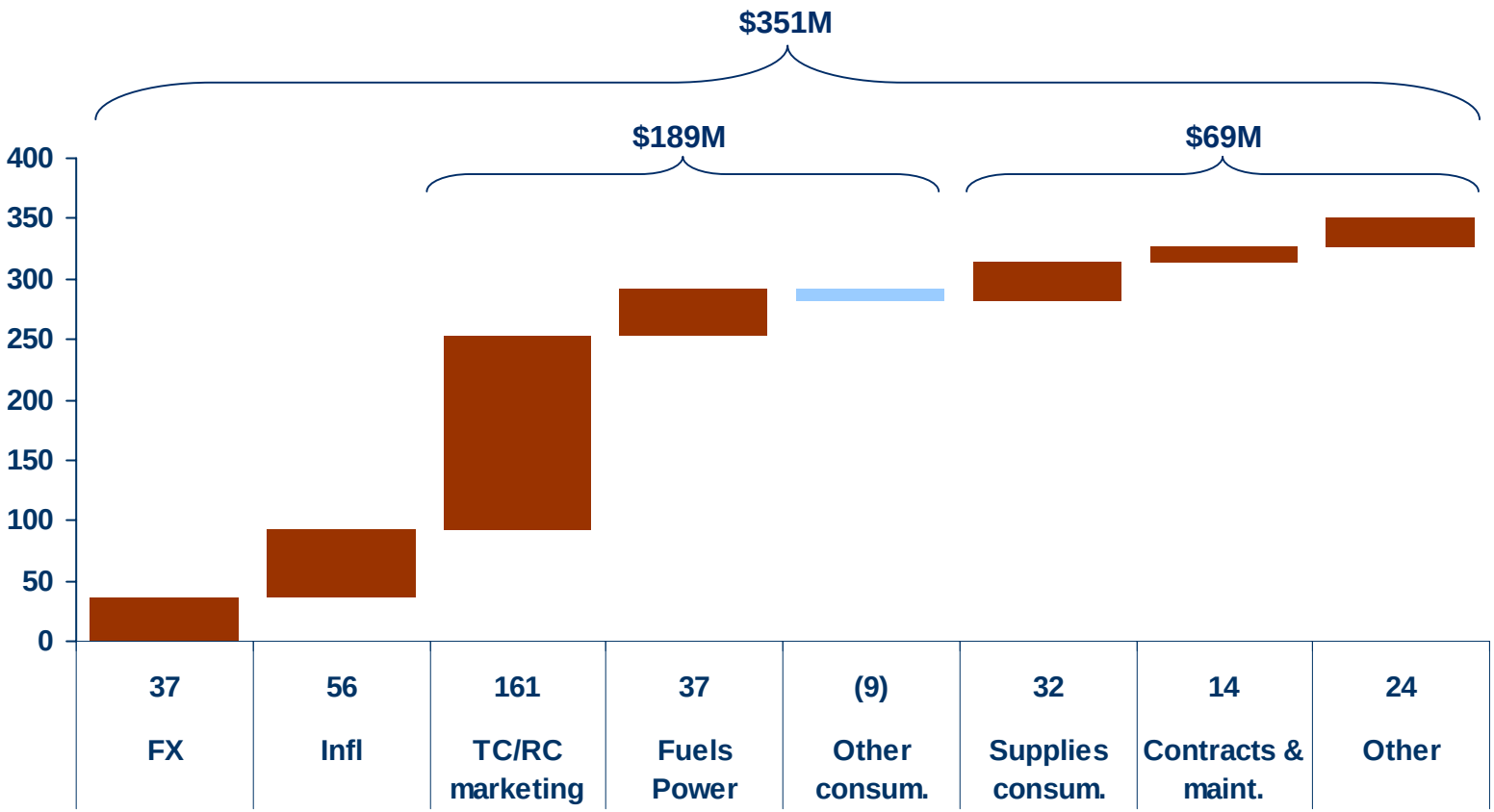
Revenue by Location



Note: Other includes lead, gold, silver and acid

Rising Cost Pressures in 2005

- CI cost savings of $38M limited the increase in direct costs to $69M
- Total increase in costs of $351M over prior year



Focus on Continuous Improvement

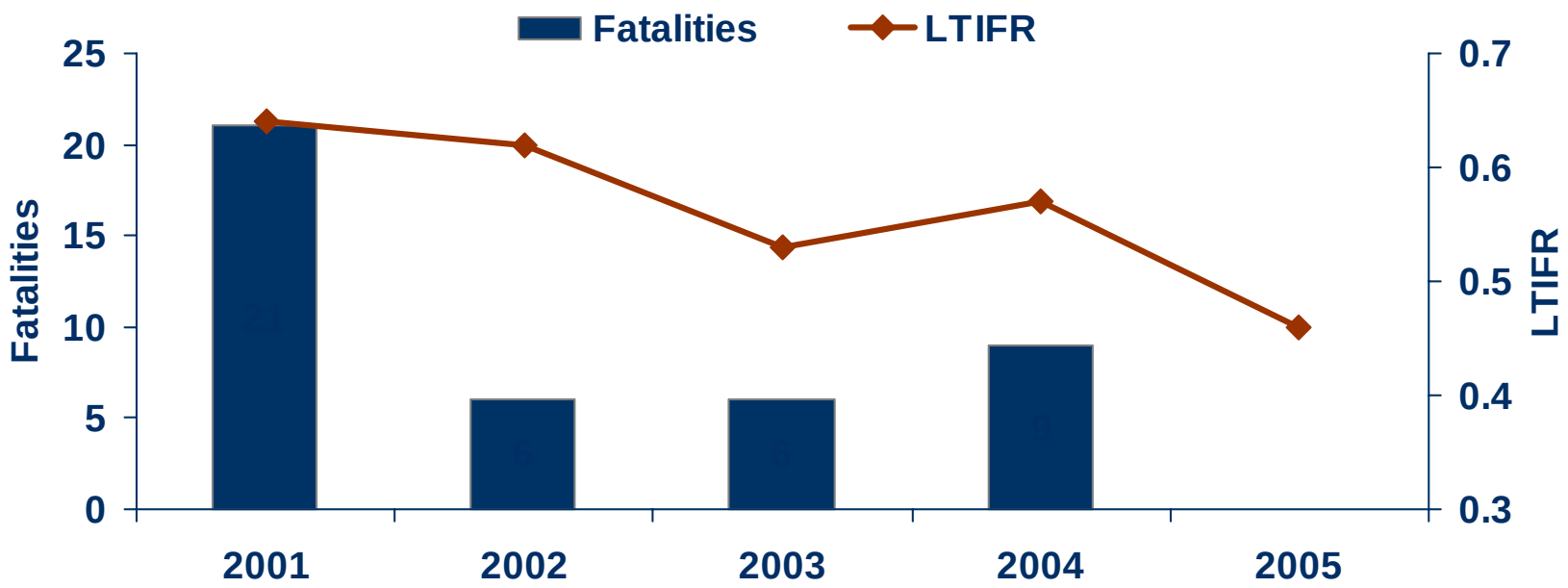
- **Overall objective is to**
  - Develop ingrained culture of Continuous Improvement at all levels across the Division
  - Involve all employees in generation and implementation of improvement ideas

- **How will we get there**
  - Targets and Performance Measurement
  - Recognition
  - Leadership

	Total Cost Savings	Volume/Profit Improvements	Capex/Other Procurement	Total US$M
2002	23	0	-	23
2003	37	11	-	48
2004	47	67	2	116
2005	38	73	11	122

Safety

- **Last fatal incident – 28th September 2004 - 542 days fatality free**
  - Zero mindset
  - Eliminate repeat incidents
  - Simple non-negotiable rules
- **LTIFR – 22% improvement 2004 to 2005**



Sustainable Development

- All operations ISO 14001 certified
- 11 operations OHSAS 18001 certified – Skorpion Q2 2006
- 11 operations have completed SEAT - focus on developing the community forums and integrating SEAT learning into CEPs
- Roll-out of Integrated Risk Management
- Energy, water & CO_2 emissions reduction challenge!
  - Technological reductions
  - On-going incremental improvements and savings, i.e. develop a culture of saving

Delivering Growth

Project Update

- **Codemin II** - **Ramp up achieved in Q1 2005**
- **Collahuasi Moly plant** - **Completed 6 weeks ahead of schedule and under budget**
- **Chagres expansion** - **Refurbishment/expansion shut-down successfully completed within schedule and budget**
- **Skorpion** - **Sustainable ramp up to full production achieved in 2005**
- **Black Mountain Deeps** - **Main shaft completed in Q1 2005. Now accessing higher grade Deeps orebody**
- **El Soldado pit exp.** - **Stripping commenced and on schedule**

Project Pipeline

• Barro Alto	- FS for 33ktpa project to be completed and approval sought during 2006	US$1000M
• Los Bronces	- Potential expansion to over 400ktpa, FS underway for completion in 2007, permit applications in process	US$750M
• Collahuasi	- Potential debottlenecking to increase production by 20%	US$150M
• Quellaveco	- FS completed in 2000 and project placed on hold, awaiting permits etc. Options under review	US$1000M

Project Pipeline

- **Gamsberg** - New discovery at Gamsberg East 40m @ 7.7%Zn and 10g/tAg, further targets to be tested — **US$1000M**

- **Should all the foregoing projects be approved, AngloBase could**
  - Increase nickel production by 120%
  - Increase copper production by 60%
  - Increase zinc production by 80%

- **Ore resources at Collahuasi are sufficient to further double copper production, active exploration programmes for water are in place**

- **Strong greenfield nickel laterite pipeline**
  - Morro Sem Bone
  - Jacare

Track Record of Delivery

• Namakwa (S Africa)	Greenfield Zircon/Ti slag	1995 – US$265M
• Mantoverde (Chile)	Greenfield Cu SX/EW	1997 – US$171M
• Mantos Blancos (Chile)	Brownfield Cu SX/EW	1997 – US$138M
• Collahuasi (Chile)	Greenfield Cu conc./SX/EW	1998 – US$1800M
• Lisheen (Ireland)	Greenfield Zn concentrator	1999 – US$281M
• Namakwa (S Africa)	Brownfield Ti slag smelter	1999 – US$205M
• Loma (Venezuela)	Greenfield FeNi smelter	2001 – US$548M
• Collahuasi (Chile)	Brownfield Cu concentrator	2004 – US$627M
• Skorpion (Namibia)	Greenfield Zn SX/EW	2004 – US$446M

Creating Options for Growth

Options for Growth

Acquisitions

- Intense competition for assets
- AngloBase analysis of targets is ongoing
- Actively seeking new opportunities

Technology

- Targeted programs
  - Dormant deposits
  - Safety & SD
  - New metals
  - New technologies

Exploration

- Focused approach
  - Active in 13 countries, monitoring 6 others
  - Range from mature to new frontier
  - 55% grassroots
- $50M budgeted in 2006 for base metals

Options for Growth – M&A

- Period 2000 – 2004 largely directed at re-structuring the portfolio
- Strong multi-disciplinary Business Development teams
- High scan rate
- High turnover rate : some 10 - 20 valuations ongoing at any particular time ranging from detailed on-site due diligence to desktop studies
- Value accretive deals difficult but well positioned to move quickly as opportunities arise

Options for Growth - Technology

- Available resources worldwide becoming more difficult (i.e. lower grade/higher cost/technically complex)
- AngloBase maintains a team of experienced professionals (Jhb and Santiago) continually looking for technological edge as well as driving operational excellence at existing operations
- The AngloBase technical team is able to call on the AAplc Technical Division (ATD) and Anglo Research (AR) for highly specialized skills maintained at the Centre
- Active program of applied research – venture capital model adopted with toll-gating applied to each initiative
- AngloBase partnering with AR, ATD, universities, technology suppliers and other 3rd parties

Options for Growth - Technology

- Dormant deposit monitoring
- Ore upgrading / ore sorting
- Microwave / radio frequency
- Brine leaching (ARNi)
- Bioleaching
- Comminution
- Energy efficient processing

Options for Growth - New Metals

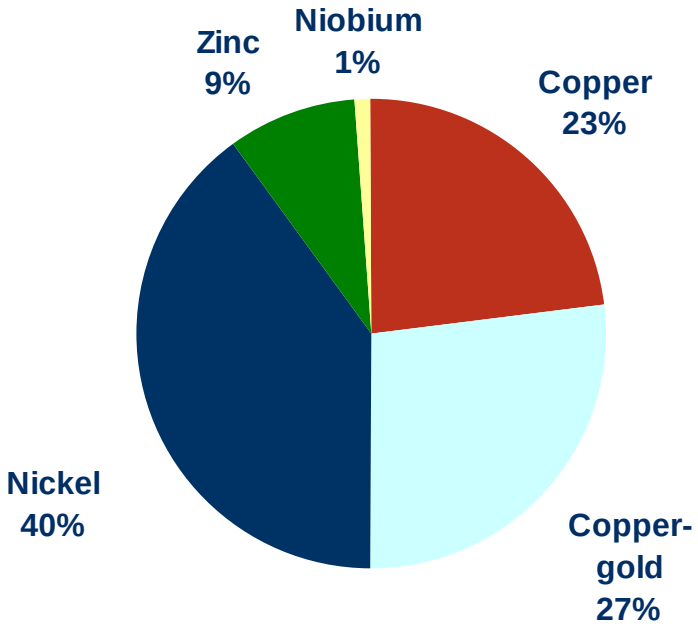
- Anglo Base is developing novel processes for Ti and Mg metal production
- These light metals have significantly superior strength/mass ratios and corrosion resistant compared to Al and many grades of stainless steel
- Current high production costs and security of quality supply are restricting market growth

Options for Growth - Exploration

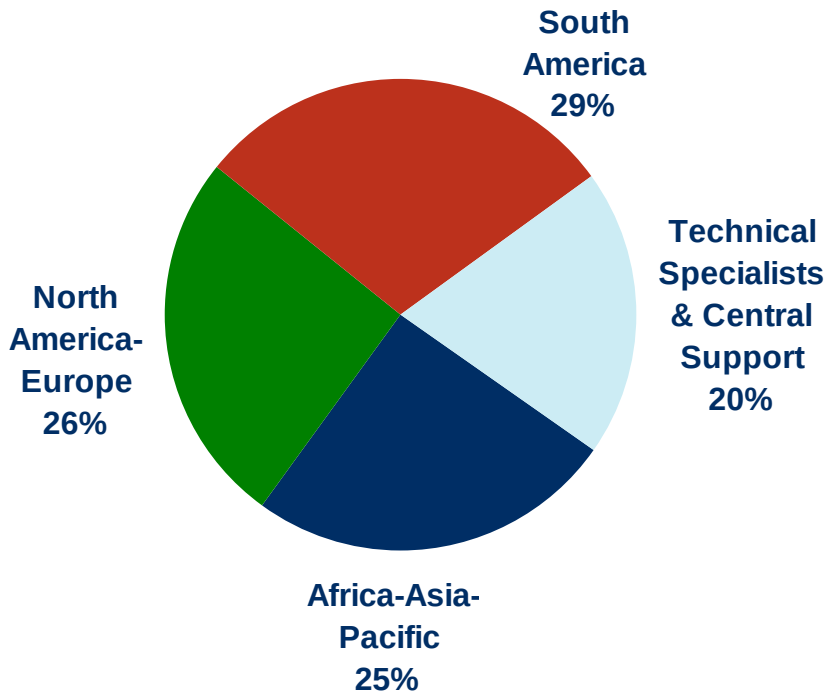
Options for Growth - Exploration

2006 Exploration Expenditure $50M

Spend by Commodity



Spend by Location



Options for Growth - Copper

Recent Successes

- Additional drilled resources in Chile
  - Los Bronces 700Mt @ 0.8% Cu
  - El Soldado 70Mt @ 0.8% Cu
- Further drilling at Boyongan, Philippines to extend known resource of 219Mt @ 0.81% Cu eq
- Initial drilling in Mexico at Baja
  - 31m @ 0.96% Cu

Options for Growth - Nickel

Recent Successes

- **Brazil**
  - Advancing to resource definition at Jacare - estimate 430Mt @ 1.33% Ni
  - Pre-FS study underway at Morro Sem Bone – estimate 47Mt @ 1.76% Ni

- **Canada**
  - Encouraging intersections at West Raglan and Goldbrook
  - Best intersection 7.8m @ 2.2% Ni, 1.5g/t PGMs

Options for Growth – Zinc & Niobium

Recent Successes

- **Economic intersections at Gamsberg East**
  - **40m @ 7.7% Zn, 10g/t Ag**
  - **Further targets to be tested**

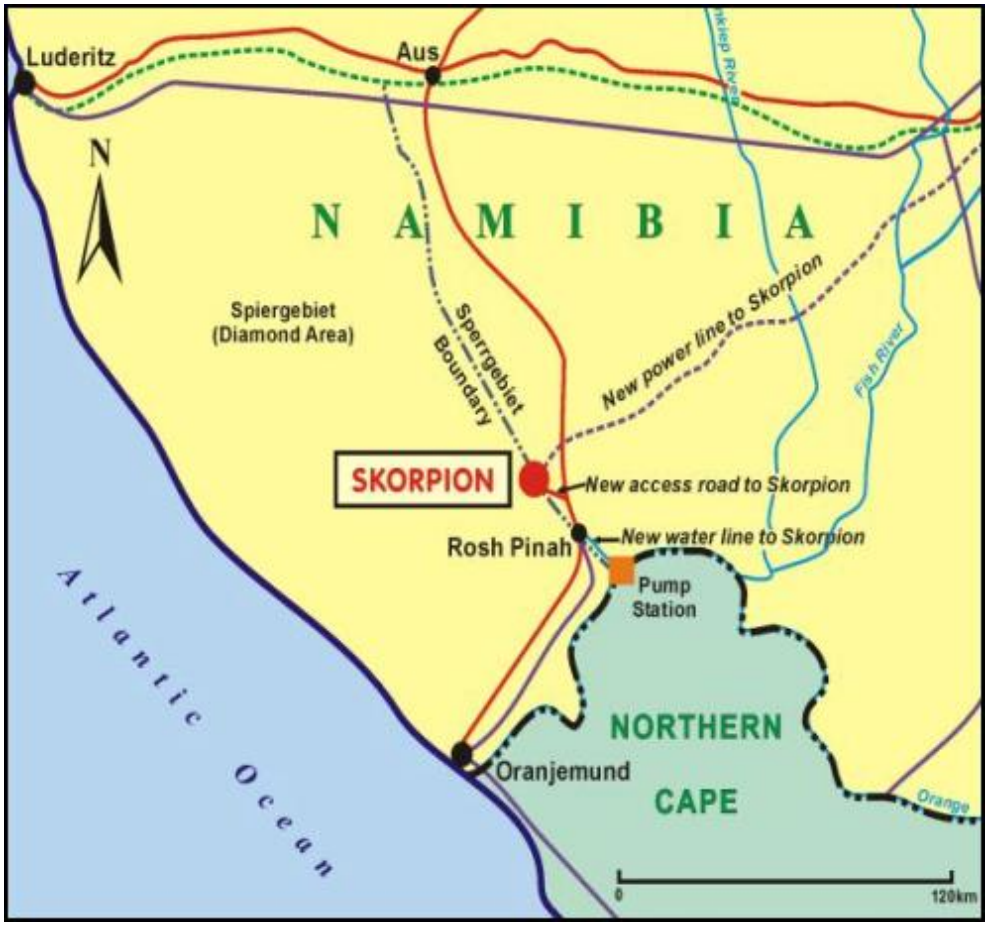
- **Significant resource additions at Catalao, Brazil**
  - **6Mt 1.5% Nb_2O_5**
  - **40Mt @ 11.5% P_2O_5**

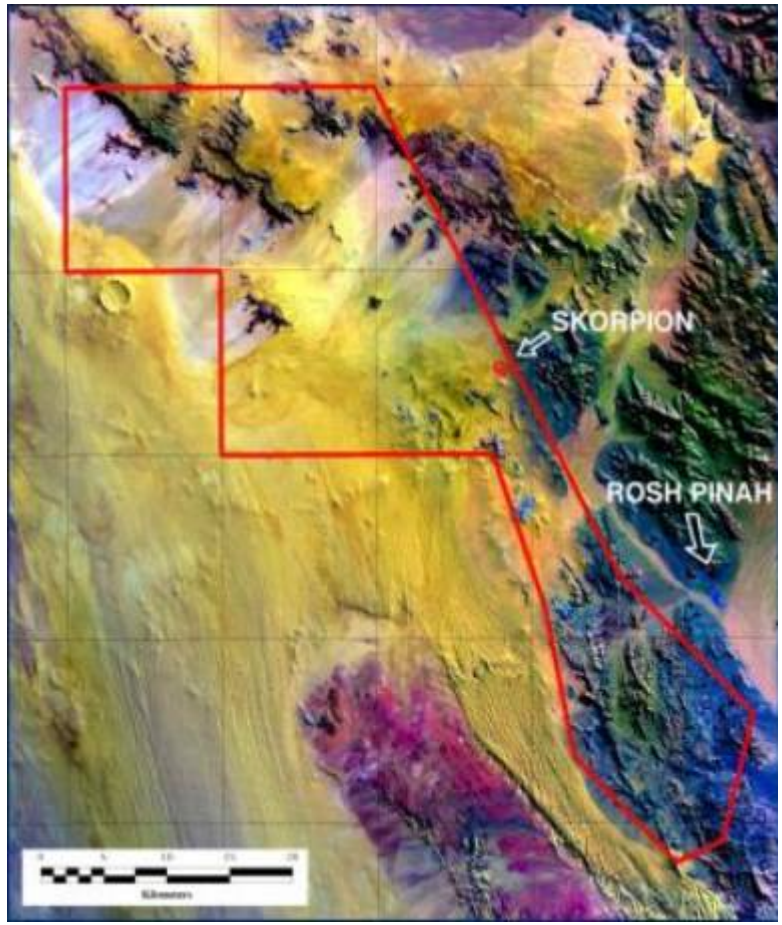
Skorpion Zinc

Overview of Skorpion Zinc

- Zinc oxide/silicate/carbonate deposit
- $450M investment
- Open pit mine
- New technology zinc refinery
- 150ktpa low cost producer with a 15 year LOM

Location


Luderitz
Aus
N
N A M I B I A
Spiergebiet
(Diamond Area)
Sperrgebiet
Boundary
New power line to Skorpion
Fish River
SKORPION
New access road to Skorpion
Rosh Pinah
New water line to Skorpion
Pump
Station
Atlantic Ocean
NORTHERN
CAPE
Oranjemund
Orange
0
120km


SKORPION
ROSH PINAH

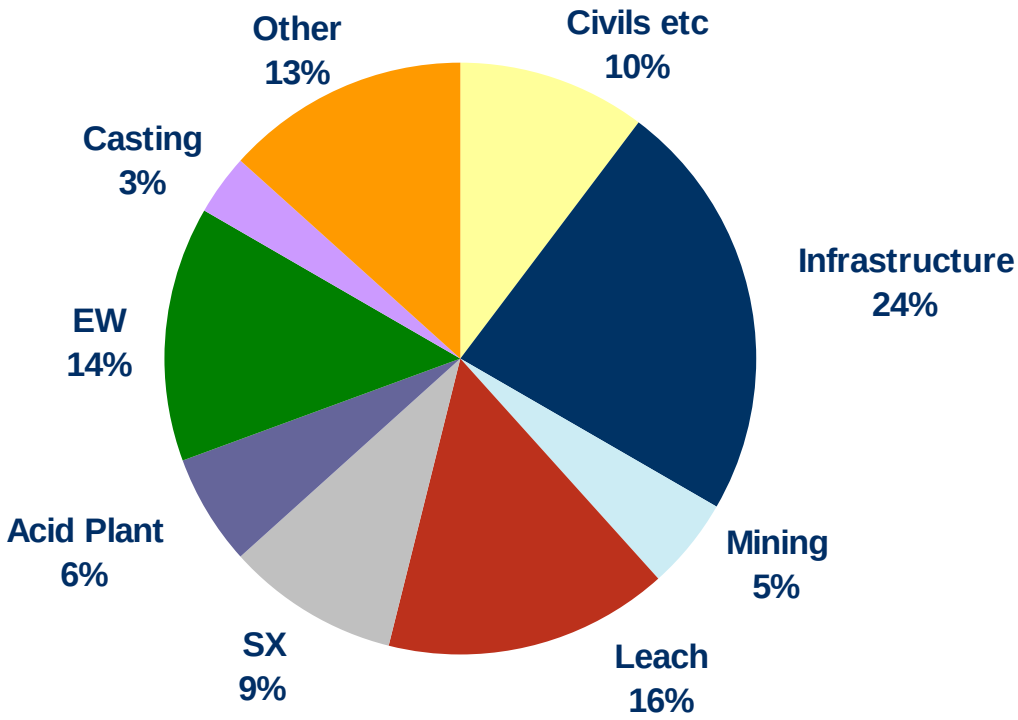
History of the Project

October 2000

February 2003

Capital Cost

- **Total capital cost $454M (N$3,178M)**

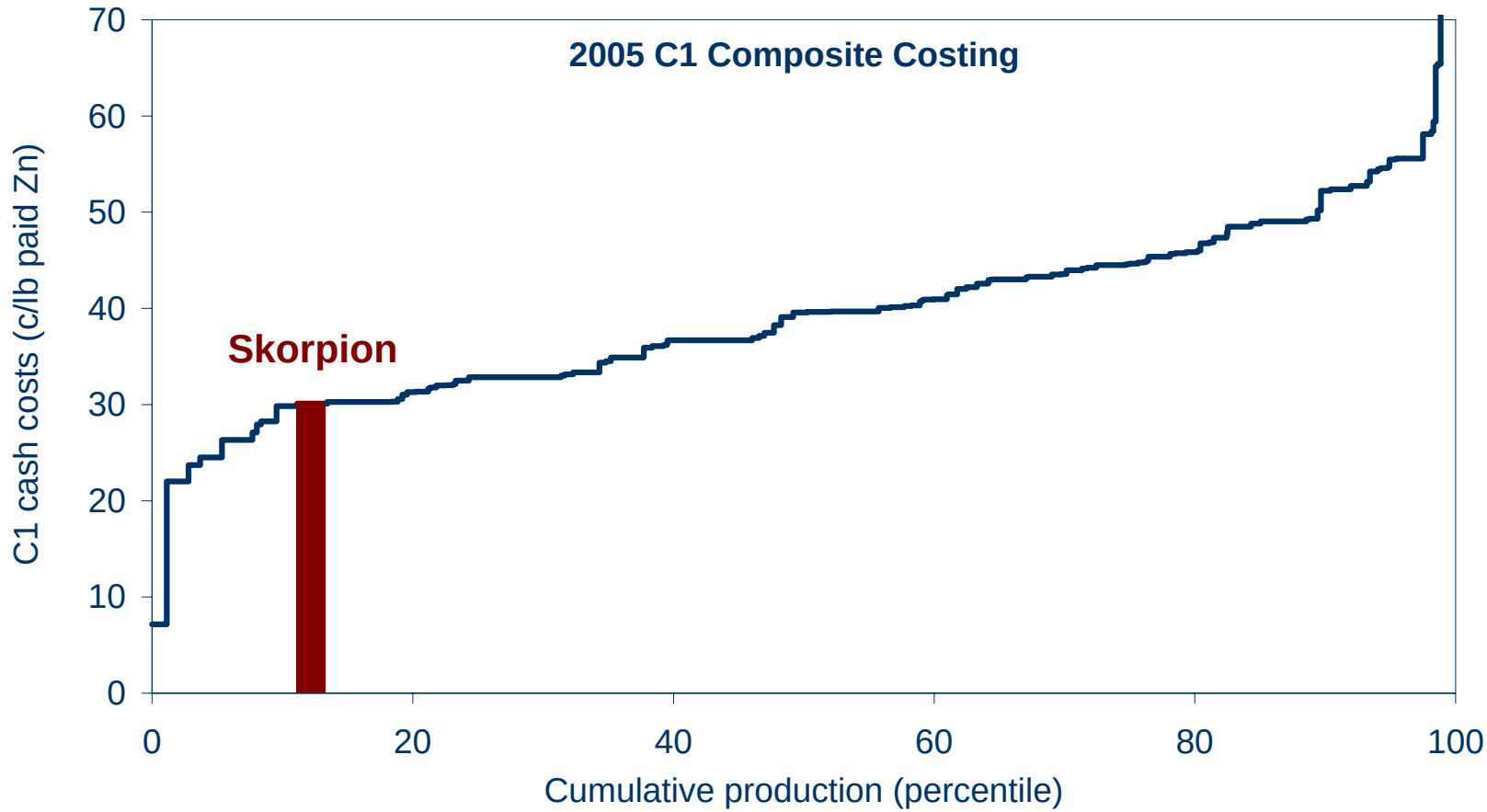


Project Management

- Project team led by owner appointed Project Manager

- Project implementation statistics
  - Safety: LTIFR 0.38
  - Peak manpower strength: 5000
  - 62km of piping
  - 2,100 valves
  - 800 drives
  - 220 tanks
  - 75,000m^3 concrete
  - 6,000t steel

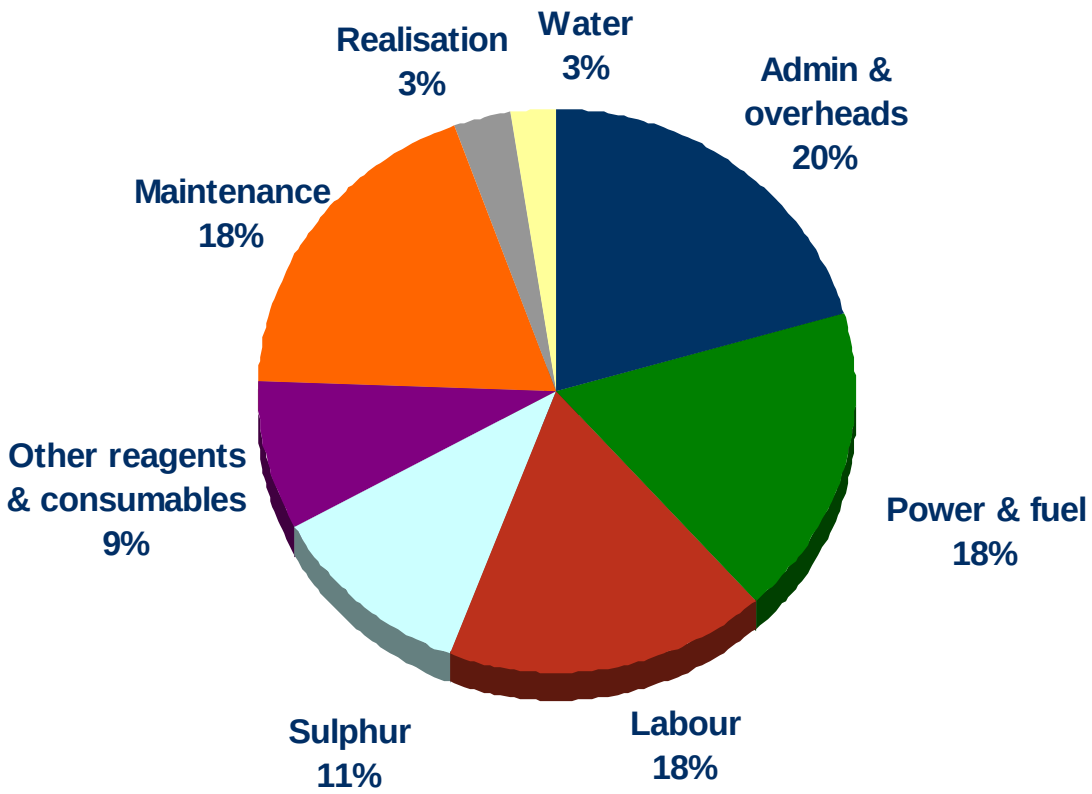
Operating Costs



Source: Brook Hunt (except Skorpion – AngloBase)

Operating Costs

- YTD operating cost (C1) 30.1c/lb Zn



Key Challenges Skorpion Faced

- Complex and variable mineralogy
- Variable ore grades
- Oxide ore could not be processed by flotation process used for conventional sulphides
- Readily leachable by sulphuric acid but
  - Neutralisation could result in formation of silica gel (process fails!)
  - A number of impurities not amenable to chemistry manipulation in leach/neutralisation
  - Acid consuming impurities (carbonates, iron, manganese)
  - Unique solvent extraction technology
- Remote - limited infrastructure
- Skills in Namibia in short supply

Technology Development & Piloting

- Technology partners
  - Tecnicas Reunidas (SX)
  - Umicore Engineering (formerly Union Miniere)
  - Anglo Research Labs
- Previous work all on bench scale
  - Process risk remained high
- Pilot plant built at AR 1999 – 2000
  - Significant process refinements

Technology Development & Piloting

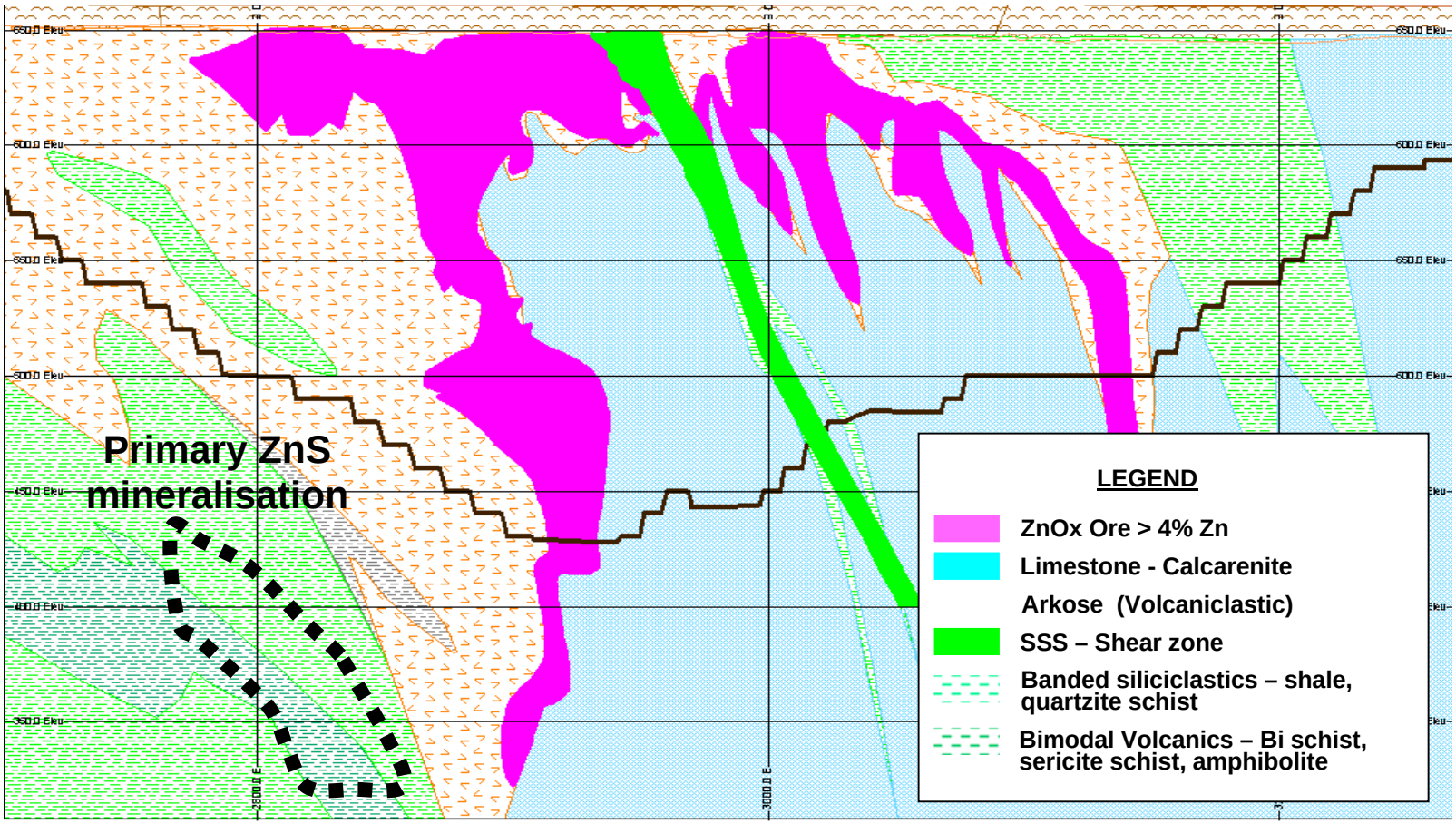
- **Further risk reduction through the construction of a training plant on site**
  - **Better understanding of total process and control**
  - **Further refinements to process design**
  - **Exposure of operating staff to the process**
  - **Development of control philosophies**
  - **Remains available for further process developments**

New Technology for Zinc Processing

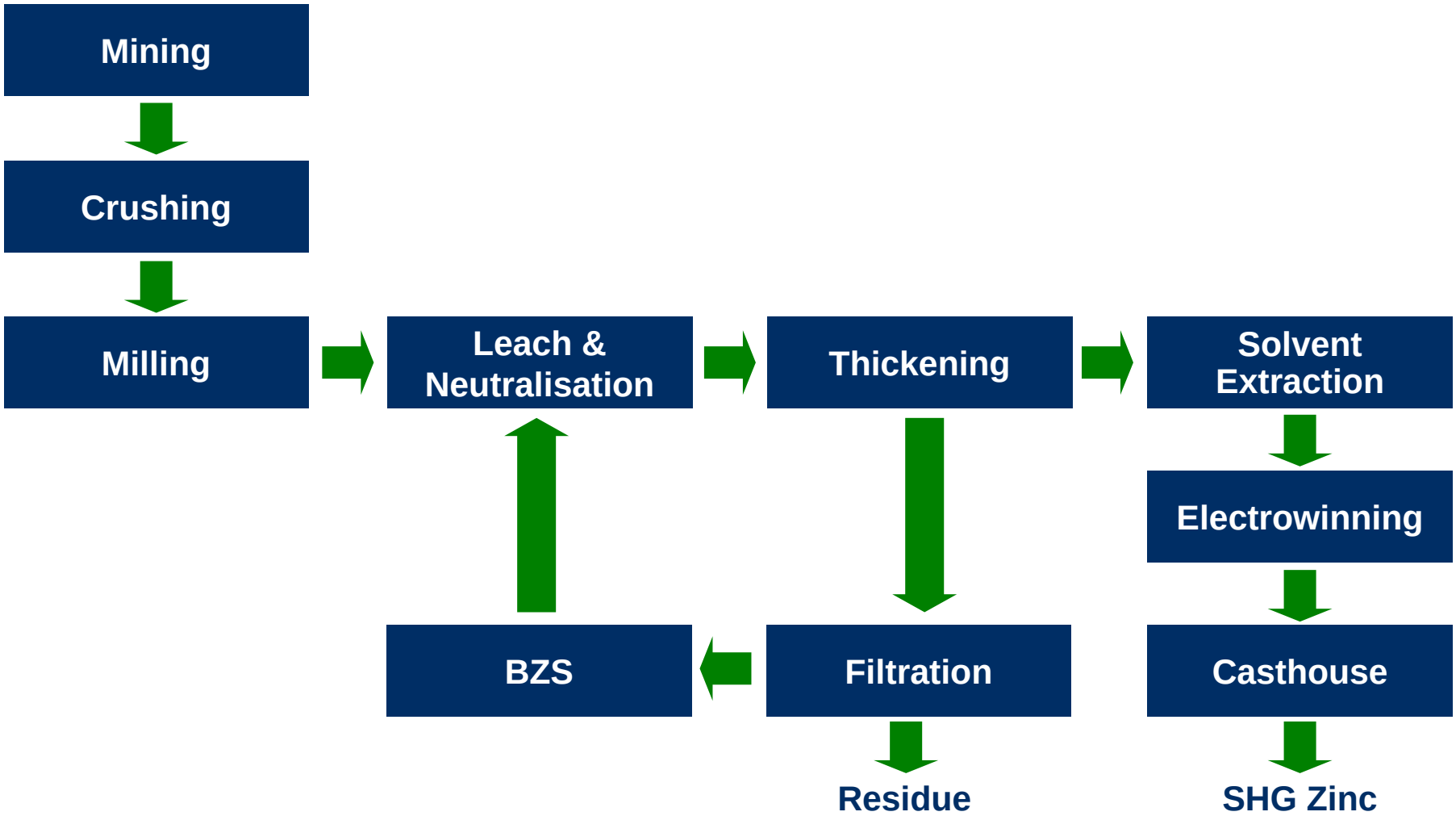
- Mild leaching with sulphuric acid
- Solvent extraction (SX) of zinc (key process)
- Zinc electrowinning/casting to ingot
- SX is an excellent barrier to impurities (core advantage)
- Well researched and piloted
- Well trained operators

Skorpion Geology

- **Reserves: 20Mt @ 11% Zn**



Skorpion Flowsheet



Mining

- Average mining rate
  - 1.5Mtpa ROM ore
  - 7.5Mtpa waste
  - Average strip ratio 5:1
- 10m high benches
- Conventional ANFO explosives
- Limestone also mined from pit for use in refinery
- Outsourced activities
  - Equipment maintenance and repair
  - Fuel and lubricants
  - Explosives
  - Management of tyres

Mining

- NPV Scheduler software used to optimise mining schedule
- 180t class excavators
- 90t payload trucks for hauling
- $6M support fleet

Crushing and Milling

- Crushing
  - Primary (-125mm)
  - Secondary (-12mm)
- Homogenising stockpile
  - Blending for consistent feed to the refinery
- Milling (Ball mills)
  - 100% -500micron

Leaching and Neutralisation

- Dissolution of zinc oxides to zinc sulphate using sulphuric acid
- Neutralisation and precipitation of deleterious elements
  - Strict control of conditions to prevent formation of silica gel
- Pregnant liquor purified with Zn dust to remove copper,cobalt, cadmium and nickel
- High leach efficiencies

Solid Liquid Separation

- Thickeners to recover pregnant liquor solution
- Filtration recovers re-acidified basic zinc sulphate (BZS) for re-processing
- Bleed and effluent treatment to maintain water balance
  - Belt filtrate and PLS
  - Zn precipitated as BZS

Solvent Extraction

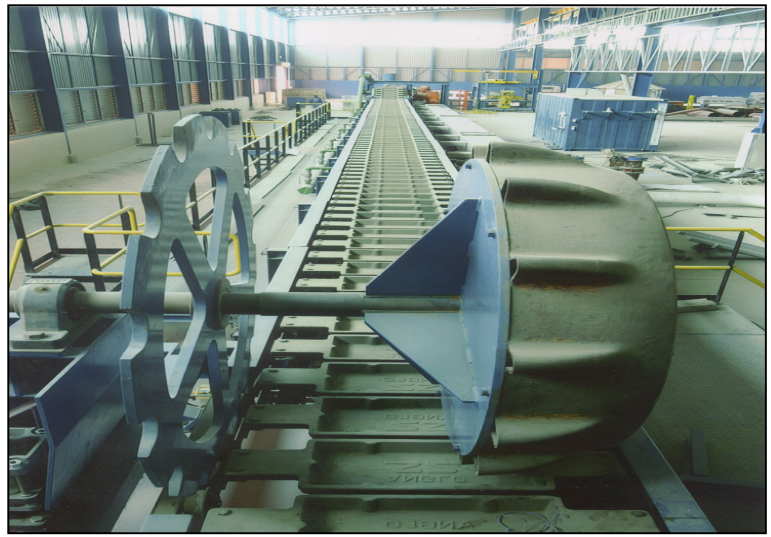
- Ore has high levels of halides
- Solvent extraction process is an effective means to cater for chlorine and other impurities fluorine, calcium, copper
- D2EHPA extractant is used – phosphoric acid based
- Pregnant solution is upgraded in SX from 30g/l to 90g/l in loaded electrolyte
- Extensive research, piloting and training of operators

Electrowinning

- Zinc metal deposited from zinc sulphate solution on 3.6m^2 aluminium cathodes Special care required to keep organics out of electrolyte
- Oxygen released at the anodes combines with H^+ and SO_4^{2-} to form H_2SO_4 which is recycled to SX as spent electrolyte
- High current efficiency and high current density
- Cathodes require no further purification step, SHG quality

Casting

- Cathodes are fed into an induction furnace to produce molten Zn metal for casting
- Designed for ingots: 25kg,1&2t SHG jumbo, 1&2t CGG jumbo
- Alloys an option for the future
- Dross removal
  - Metallic dross recycled to the furnace
  - Oxide dross recycled via the leach



Acid Plant

- Sulphur burning technology
- 1,200tpd 98.5% H_2SO_4 acid
- Emissions well below accepted norms
- Produces steam (1,200tpd) used in the process

Tailings and Effluent Disposal

- 1.5Mtpa tailings produced from vacuum belt filters
- Consists of unleached gangue, gypsum, oxides, hydroxides
- Effluent is disposed in HDPE lined evaporation ponds

Quality Zinc

Elements	ppm
Pb	5 - 10
Al	<1
Cu	< 5
Cd	<1
Sn	<1
Fe	5 - 10
Total impurities	20 - 25

People

Project Phase

- Acute skill shortage in Namibia
- High requirement for expat skilled labour
- Relationship with Namibian Govt. Departments excellent
- Impact of construction industry strike and supplier liquidation

Commissioning Phase

- 600 employees – maximum 50 expats
- Skills development a priority
- Committed to develop Namibians
  - Early selection, recruitment and training
  - Training initiatives, bursaries, etc

People

- Emphasis on skills development
  - Complement of 600 and a target of 50 expats maximum
  - Expect Namibians to progress up the ranks
  - 20 bursars in various tertiary institutions in South Africa
- Investment in training plant
- Training also took place in Belgium, Canada and South Africa
- Mining equipment simulator used during training
- Recruited early
- Rigorous selection to recruit the best
- Requirement for localisation

Sustainable Development

- **Skorpion lies within the Succulent Karoo biome**
  - **Variable weather and fragile desert environment**
  - **On the edge of the “Sperregebiet” – pristine wilderness**

- **How has SD been applied to Skorpion?**
  - **Skorpion project was developed with closure in mind**
  - **Workers are bussed in and out**
  - **Project is managed to protect and minimise impact on biodiversity**
    - **The size of the site was kept to a minimum**
    - **Road infrastructure designed to contain movement within the area**

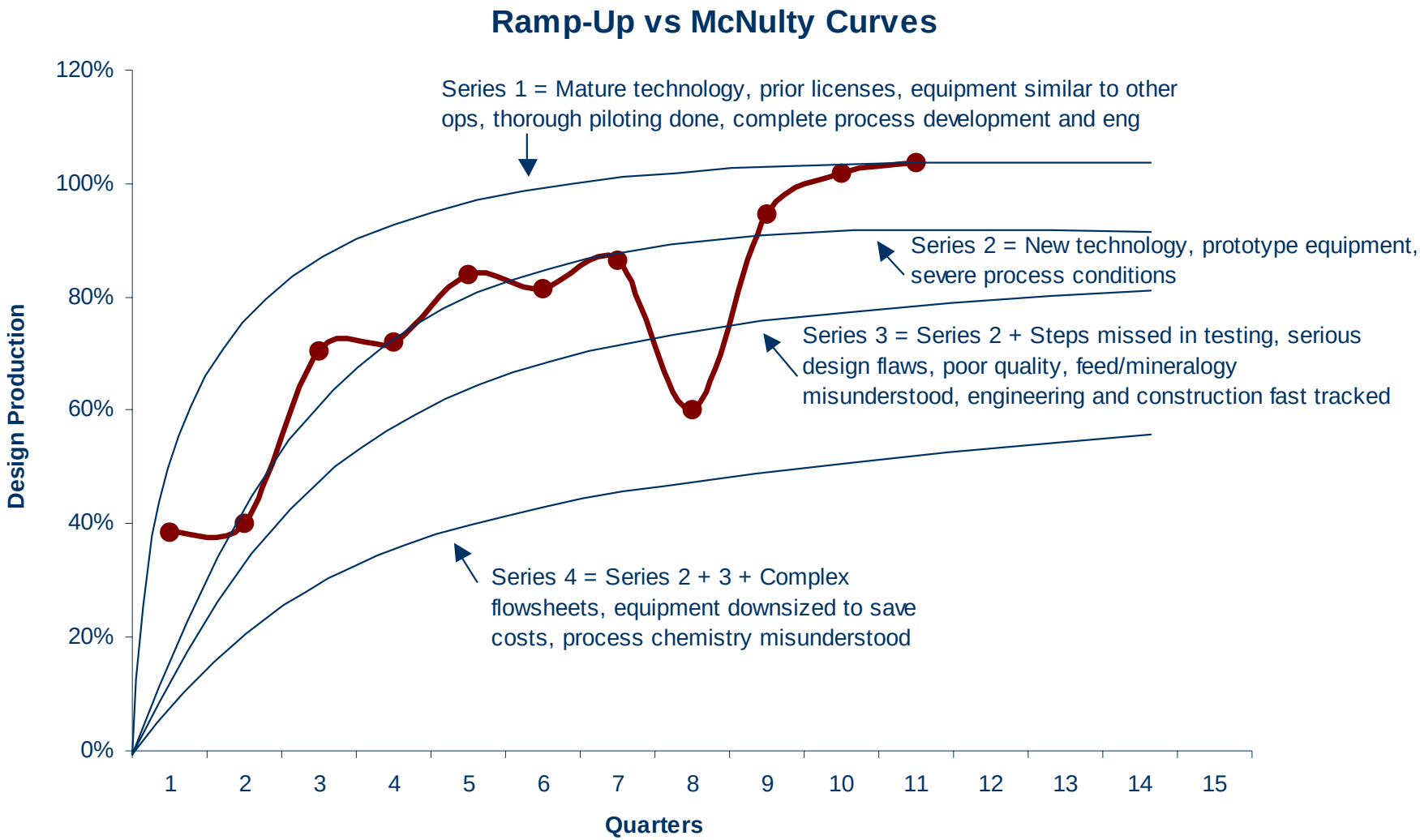
- **Commitment to minimise impact**
  - **Thorough EIA and EMS**
  - **ISO 14000 accreditation**

Summary

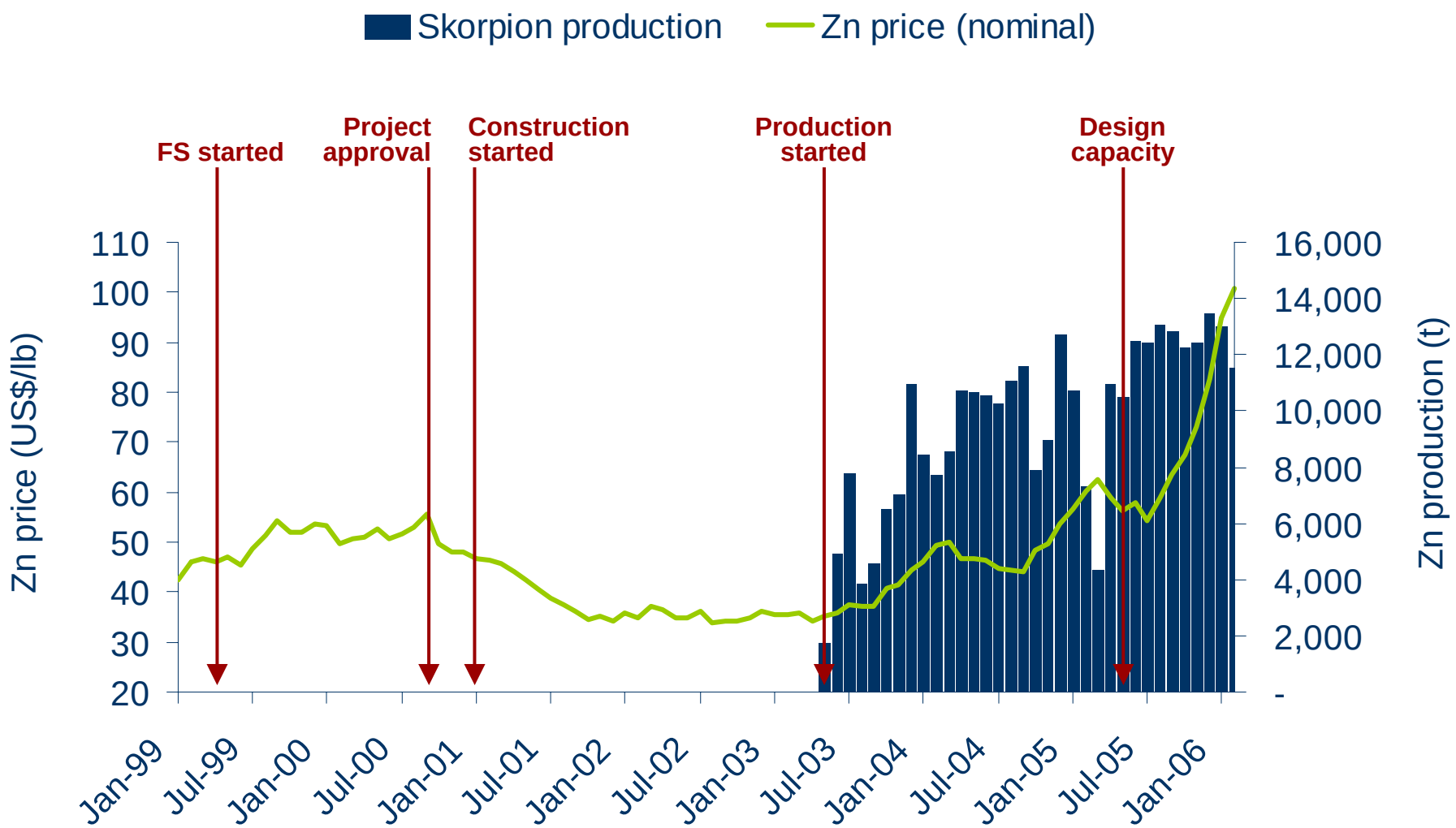
Key Successes

- Skorpion project has ramped up to full capacity
- Technology is working
  - Efficiently controlled chemistry – silica, ferric iron, aluminium
  - Electrolyte purity excellent
- Zinc product exceeds LME specifications
- Skorpion has integrated well into the Namibian context
- Capable well trained team has been developed
- Operating performance in line with expectations

Ramp-Up Profile



Project Timing



Delivery

- Skorpion has been operating at or over design throughput of 150,000 tpa on a consistent basis for 10 months

- At design throughput, a cash cost of 30c/lb is being achieved placing Skorpion at the lowest decile of the industry (and as predicted in the feasibility study)

- Performance 2005

- Zinc production	133,000 tonnes
- Operating profit	US$42M
- Underlying earnings	US$36M
- EBITDA	US$83M