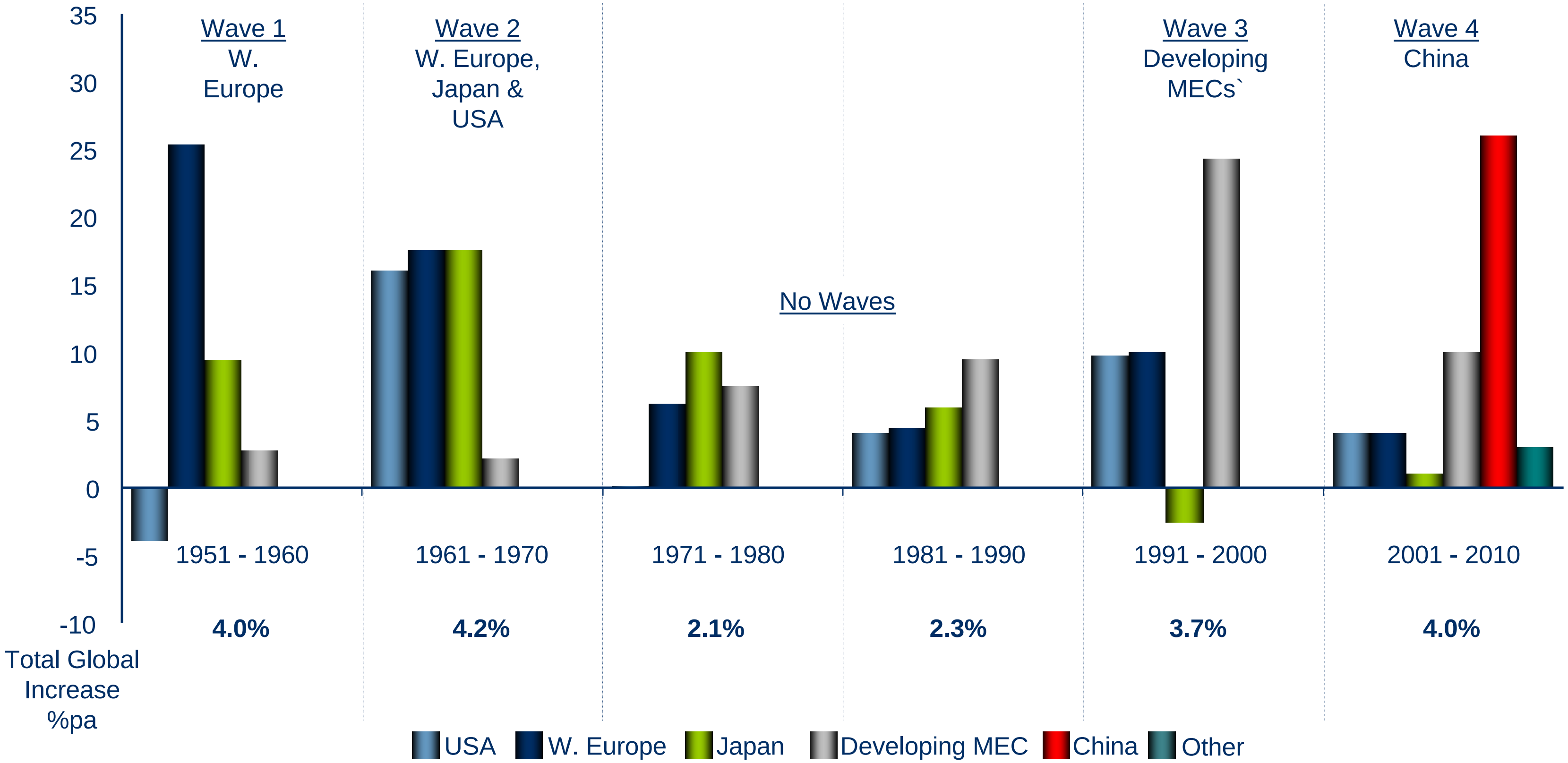
The Longest Wave

Brian Beamish, CEO Anglo Base Metals
Deutsche BRICS conference
13 November 2007

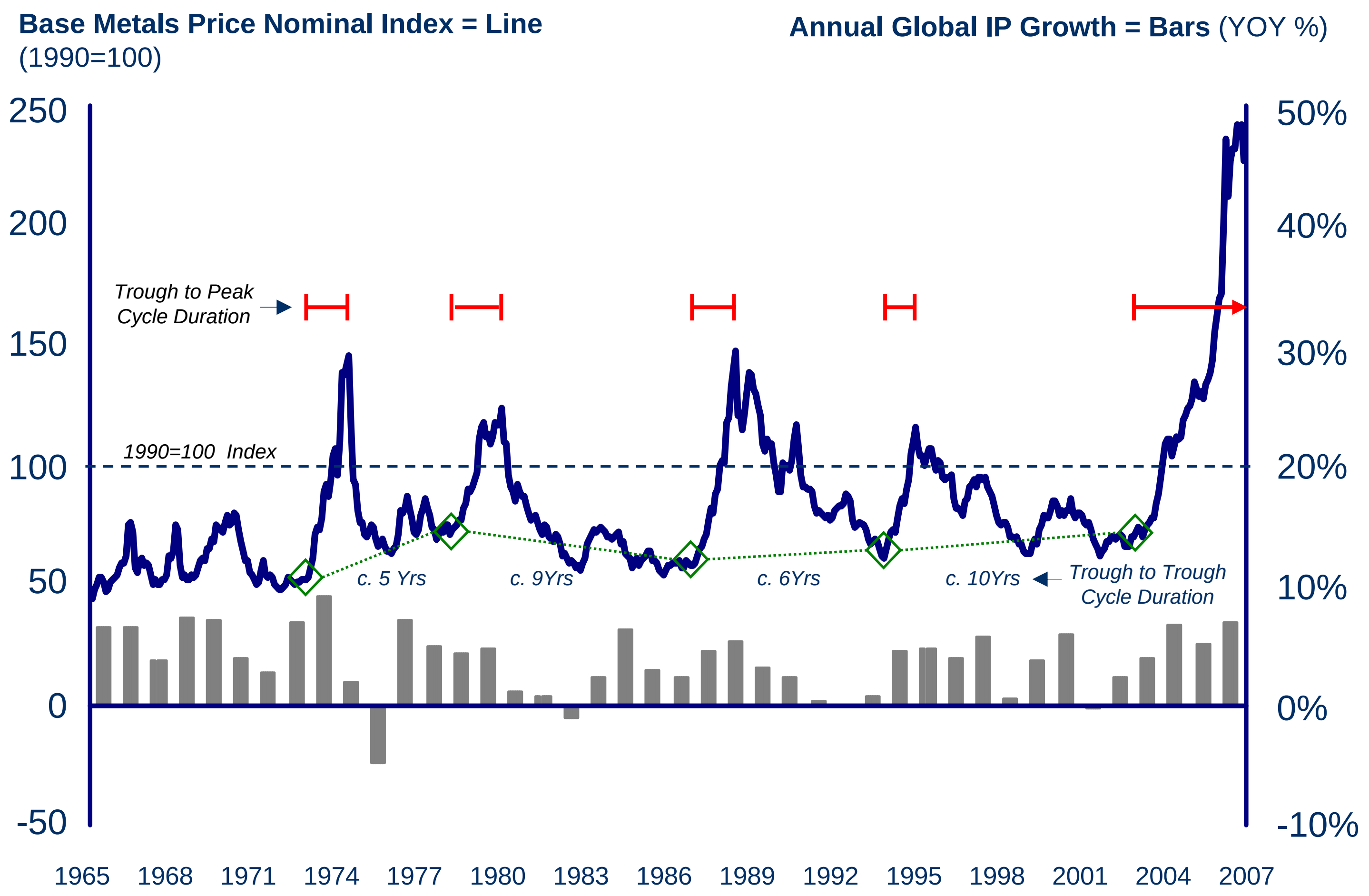
Drivers of Historical Copper Growth Phases

- Historically, major industrialisation phases in Europe, Japan and Korea have driven global copper intensity of use with China being the key driver for the last 5 years

10 Year Increase in Cu Use by Region (%)



Base Metals Demand/Price Cycle



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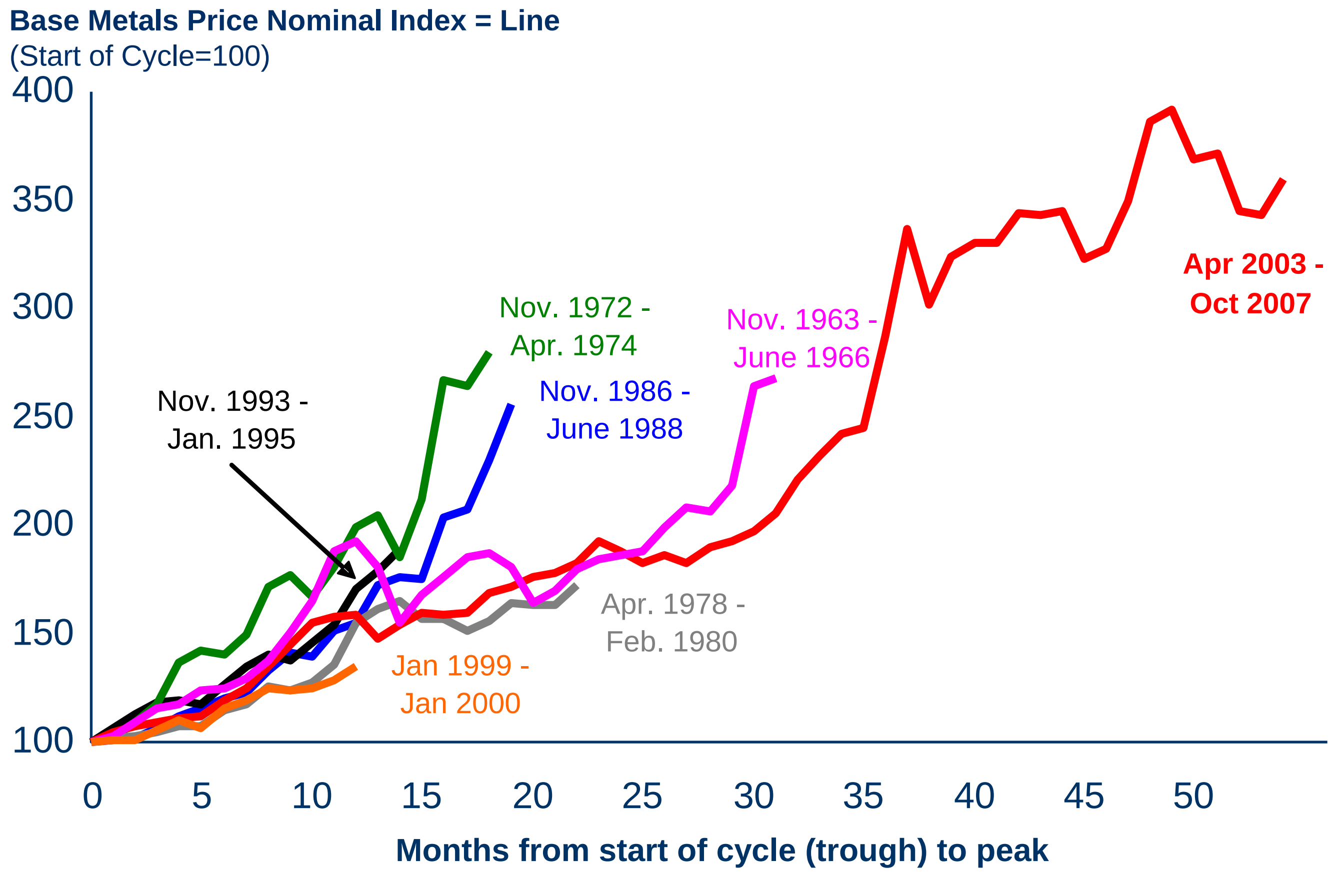
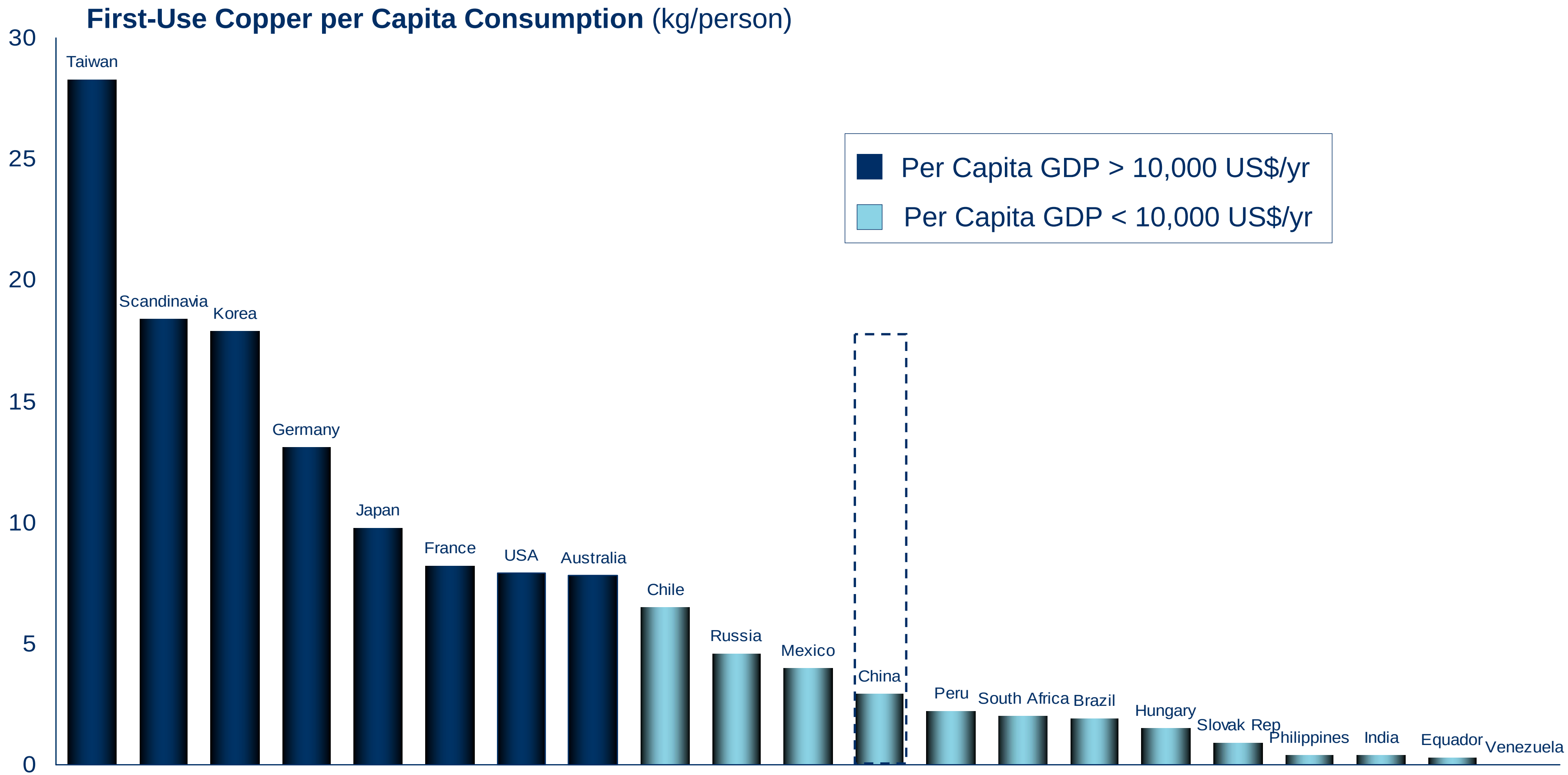
Base Metals Cyclicity

- The current price cycle is unprecedented in duration and especially price gains



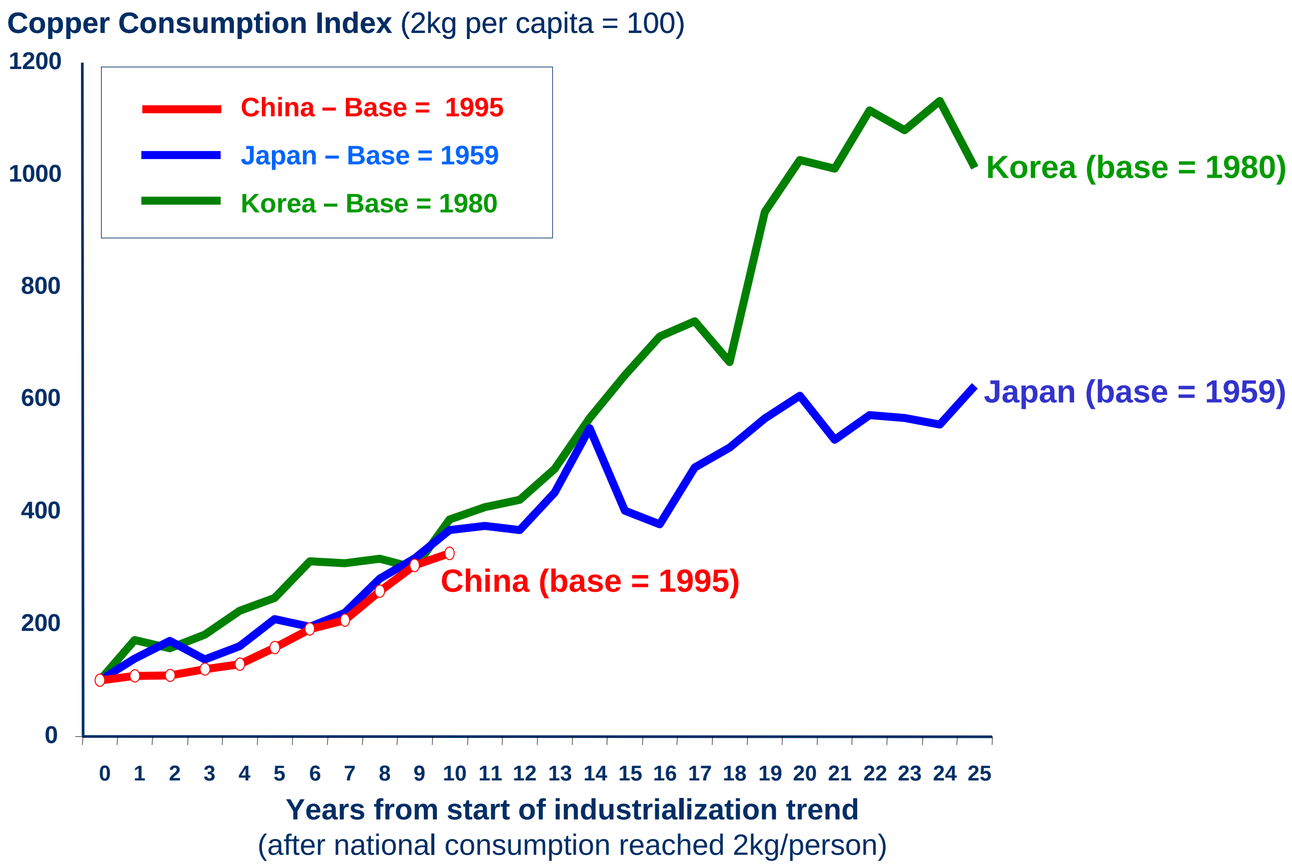
Copper Intensity Long Term Path

- As China industrialises, per capita consumption will increase – key uncertainties are magnitude and timing



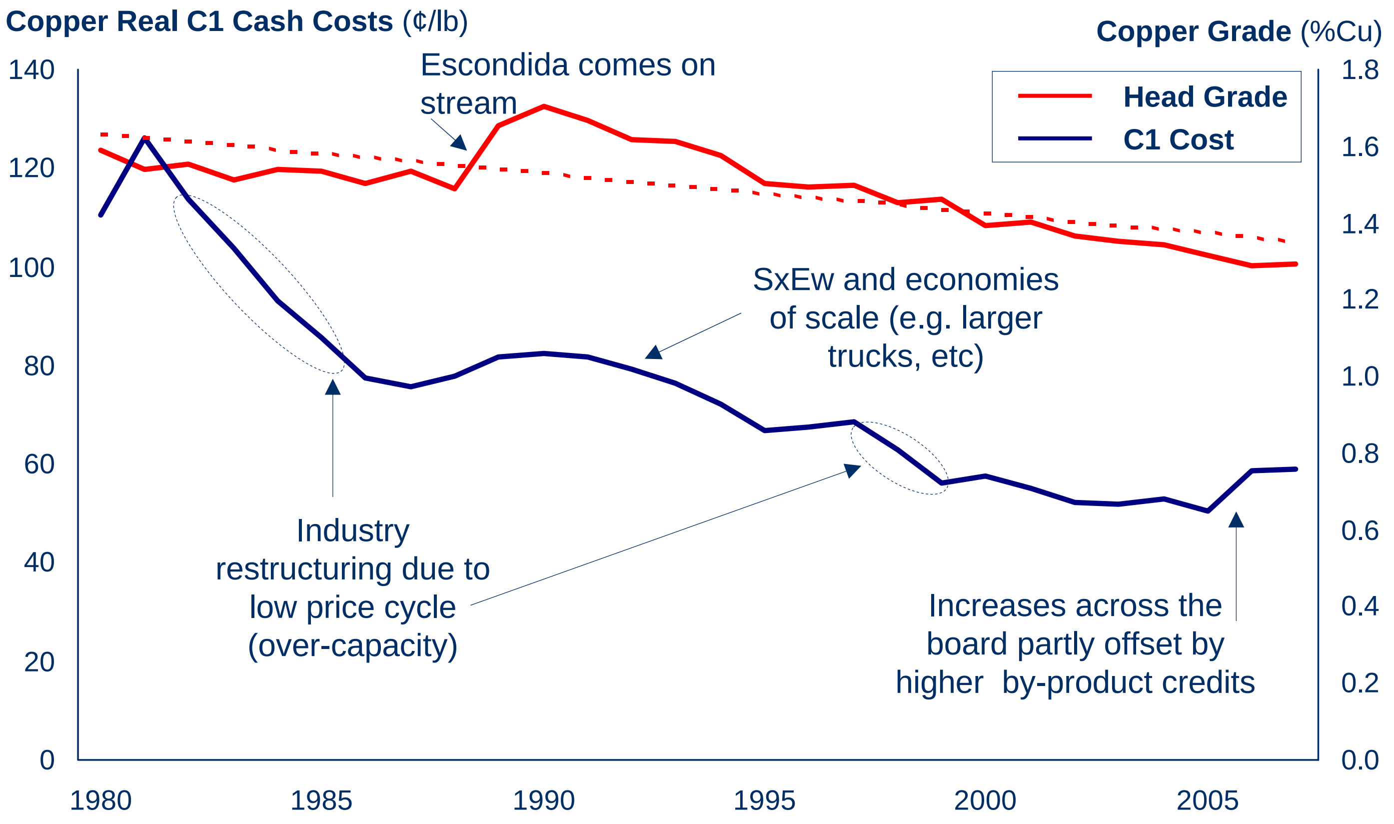
Copper Intensity Path of Growth 'Champions'

- Comparison with previous major copper cycles suggests that China's high level of copper demand growth may continue for several years longer

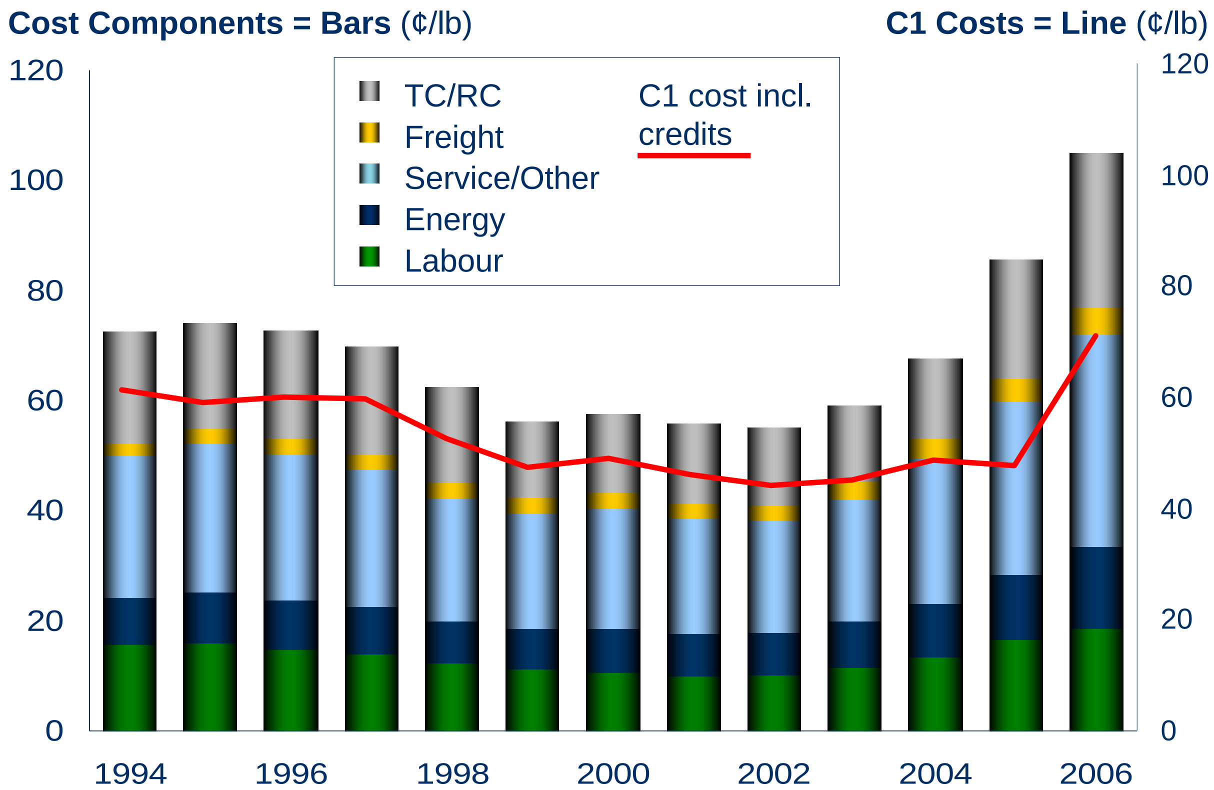


Copper Cost and Price Evolution

- Despite average copper grade decreases, real costs have declined over time



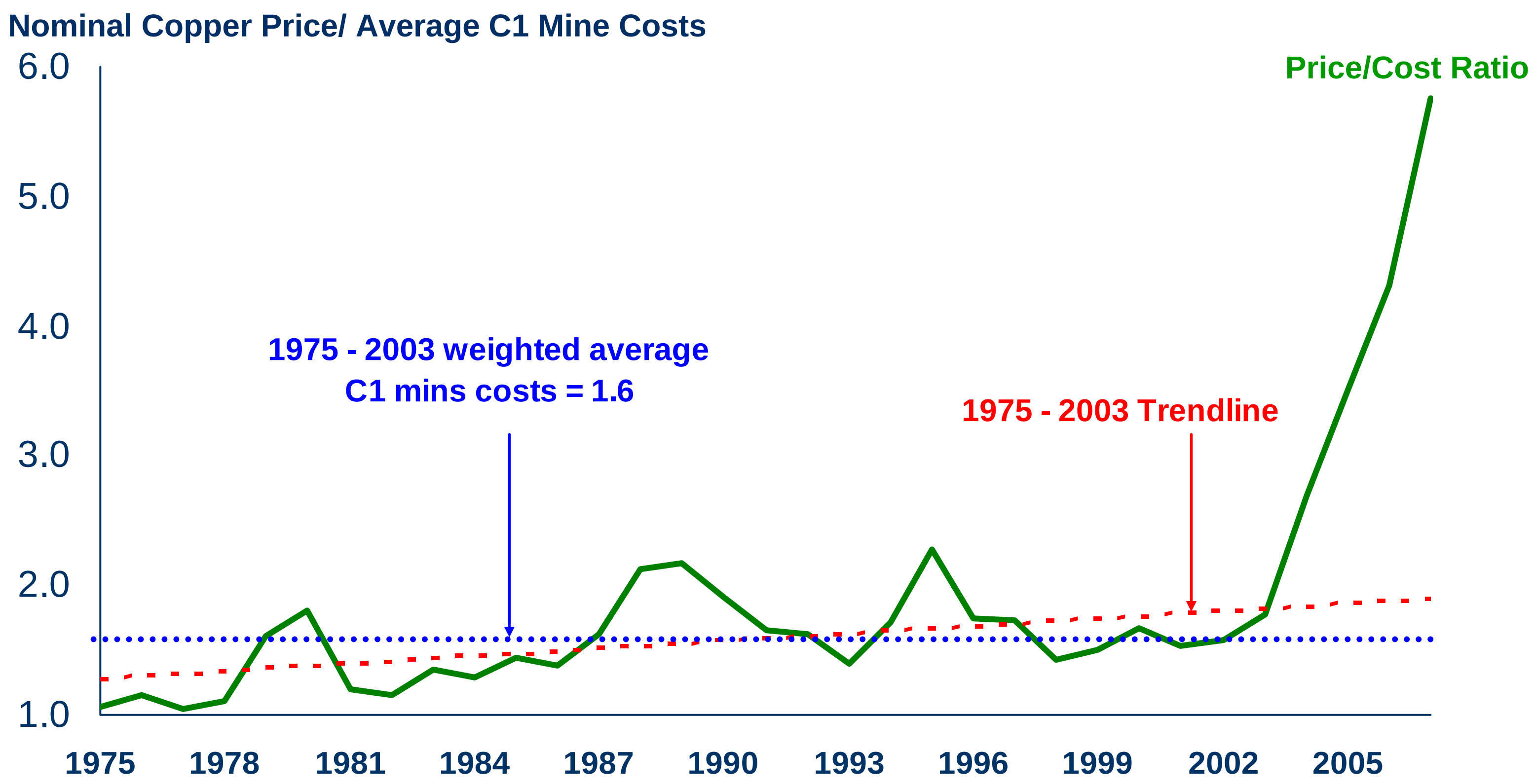
Copper Industry Evolution - Costs



Credits (¢/lb)	-11	-13	-11	-9	-12	-21	-35

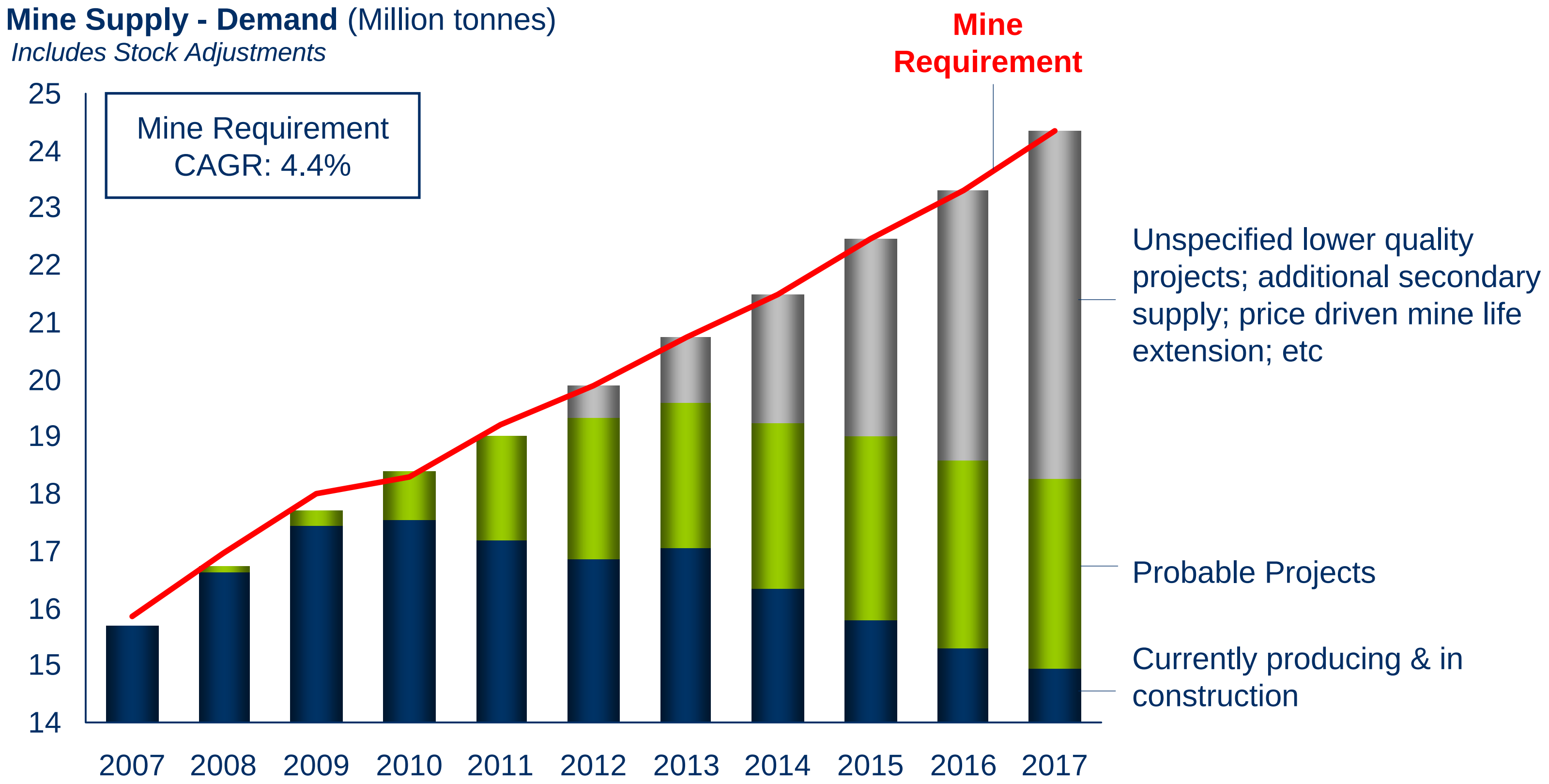
Copper Price & Cash Margins

- Despite average copper grade decreases and prices declining over time, cash margins have been maintained

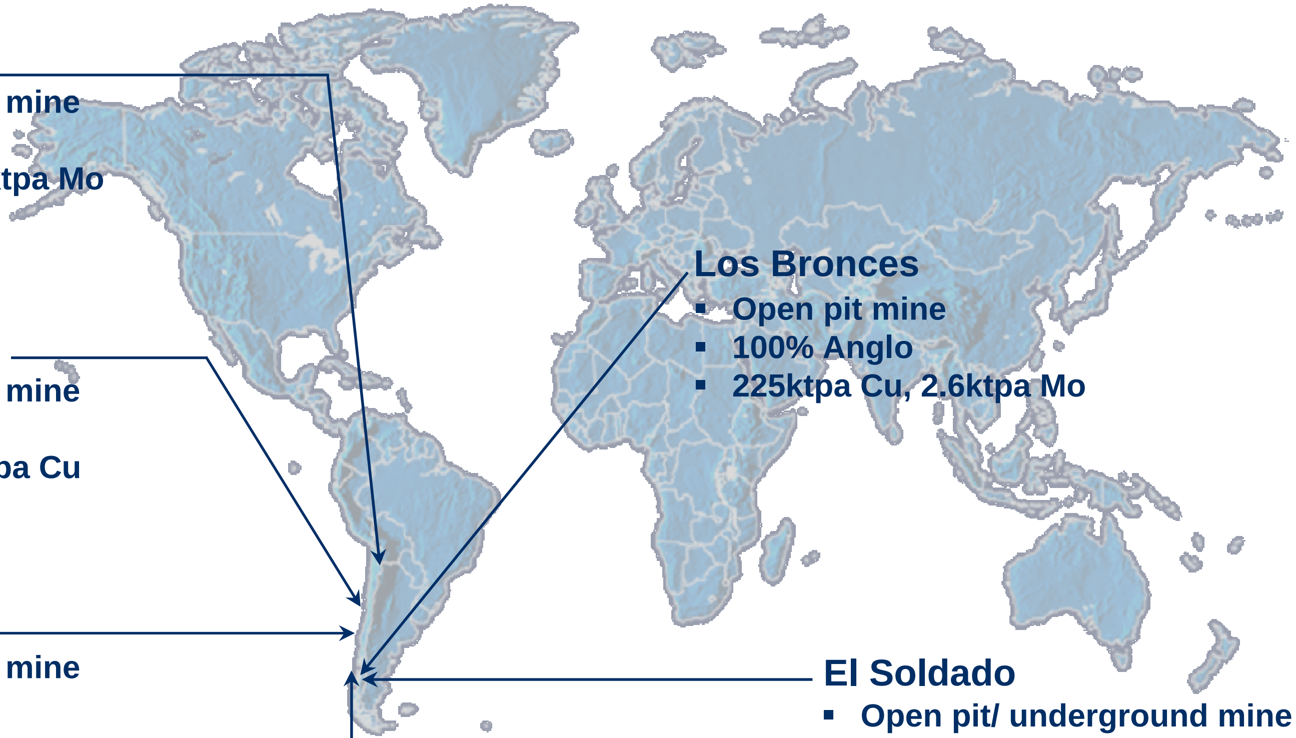


Forecast Mining Demand / Supply

- New projects will have to fill the emerging hypothetical supply gap as existing mines will not meet future demand



Current Footprint



Collahuasi
- Open pit copper mine
- 44% Anglo
- 195ktpa Cu, 1.5ktpa Mo

Mantos Blancos
- Open pit copper mine
- 100% Anglo
- Production 90ktpa Cu

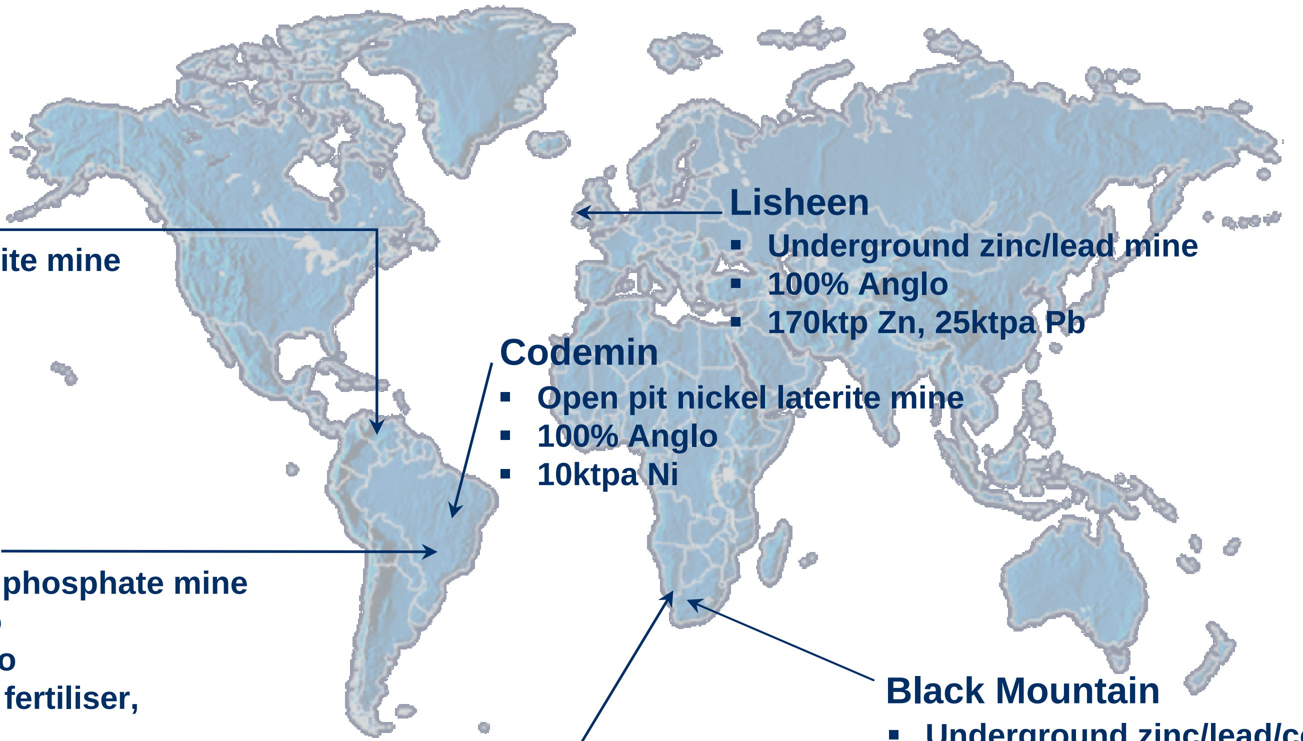
Manto Verde
- Open pit copper mine
- 100% Anglo
- 60ktpa Cu

Los Bronces
- Open pit mine
- 100% Anglo
- 225ktpa Cu, 2.6ktpa Mo

El Soldado
- Open pit/ underground mine
- 100% Anglo
- 70ktpa Cu

Chagres
- Copper flash smelter
- 100% Anglo
- 175ktpa Cu anodes, 500ktpa H_2SO_4

Current Footprint



Loma de Niquel
- Open pit nickel laterite mine
- 91% Anglo
- 17ktpa Ni

Lisheen
- Underground zinc/lead mine
- 100% Anglo
- 170ktp Zn, 25ktpa Pb

Codemin
- Open pit nickel laterite mine
- 100% Anglo
- 10ktpa Ni

Catalão / Copebrás
- Open pit niobium & phosphate mine
- Cataläo 100% Anglo
- Copebrás 73% Anglo
- 4.7ktpa Nb, 910ktpa fertiliser, 1,320ktpa acid

Black Mountain
- Underground zinc/lead/copper mine
- 100% Anglo
- 34ktpa Zn, 50ktpa Pb, 3.4ktpa Cu

Skorpion
- Open pit zinc mine
- 100% Anglo
- 130ktpa Zn

AngloBase Strategy

Our Goals & Ambitions

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

Market Focus

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

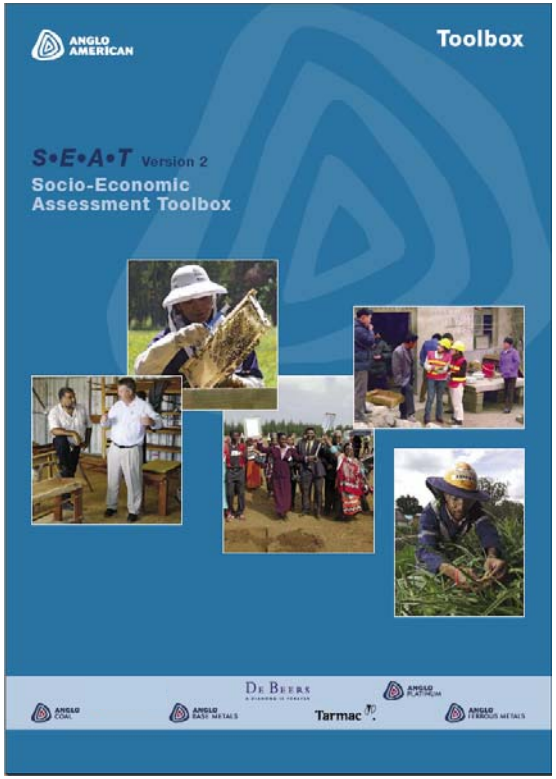
Safety & Sustainable Development

Safety

- Safety has been highlighted as the most important challenge facing Anglo American
- AngloBase is committed to the principles of zero harm and safe production
- Safety is a non-negotiable requirement underpinning every aspect of what we do
- One incident is one too many – building a zero mindset

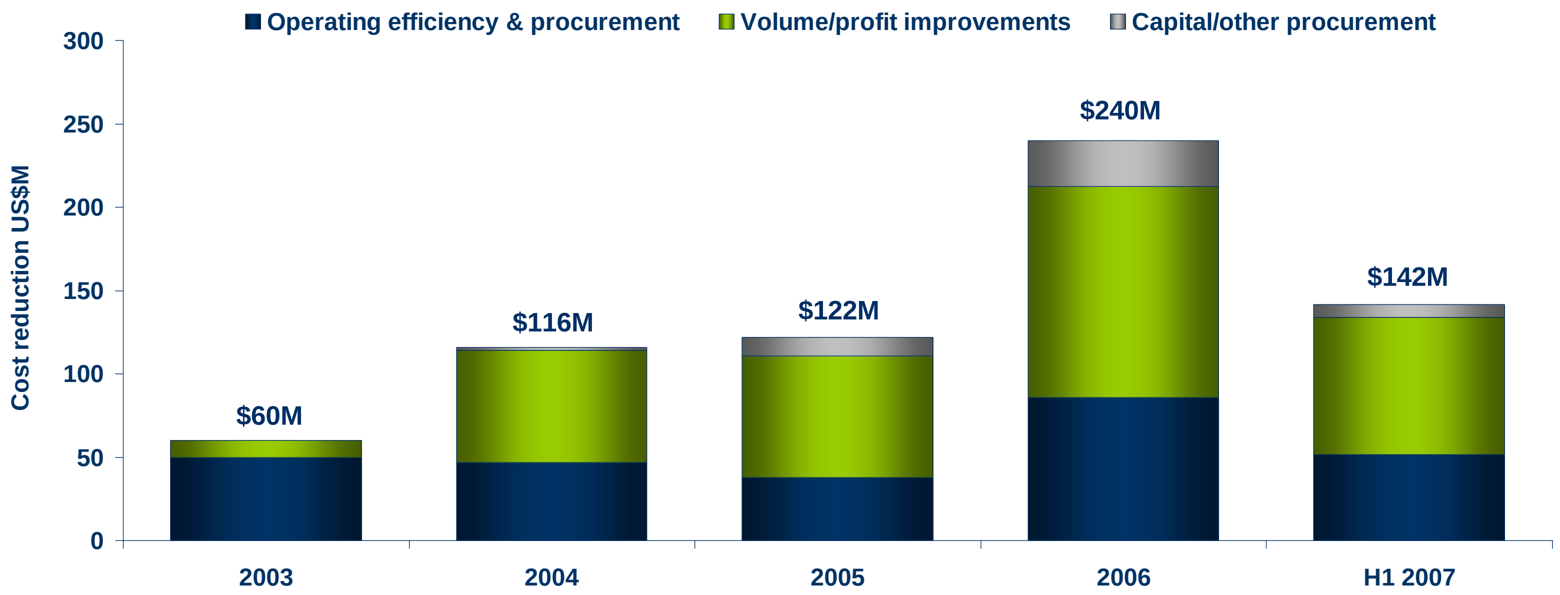
Sustainable Development

- All AngloBase operations have maintained ISO 14001 and OHSAS 18001 certification
- All operations have implemented SEAT and focus is on engaging with our communities and delivering on our commitments to them
- Energy and water – meeting reduction targets remains a challenge but targets of 15% reduction in consumption by 2014
- Biodiversity audits planned for operations in Brazil, Chile & South Africa



Operational Excellence

- Maintain focus on cost reduction and operating efficiencies
- Grow production to meet demand
- Maintain capital discipline



Project Update

Barro Alto

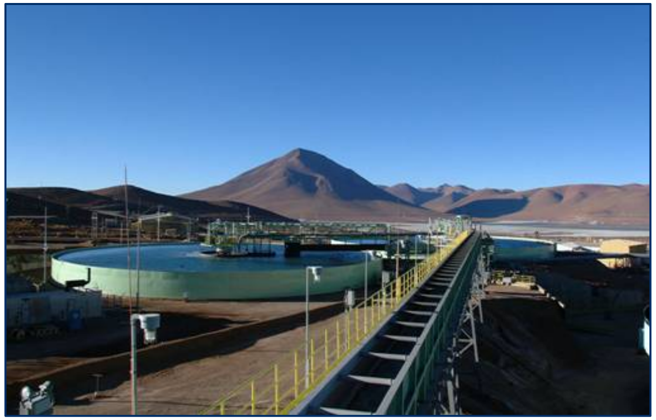
- Production of 36ktpa Ni
- Capital cost $1.2Bn
- Over 50% of the capital committed to date
- First production scheduled for Q1 2010

Los Bronces

- Incremental production of 170ktpa Cu over first 10 years
- Capital cost $1.7bn
- Feasibility study completed H1 2007
- Approval anticipated in 2008

Project Update

Collahuasi



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

Quellaveco

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

Project Update

Gamsberg

- Production 300ktpa Zn over 30 year mine life
- Capital cost $1.5Bn
- Orebody extensions being drilled at Gamsberg East

Jacare

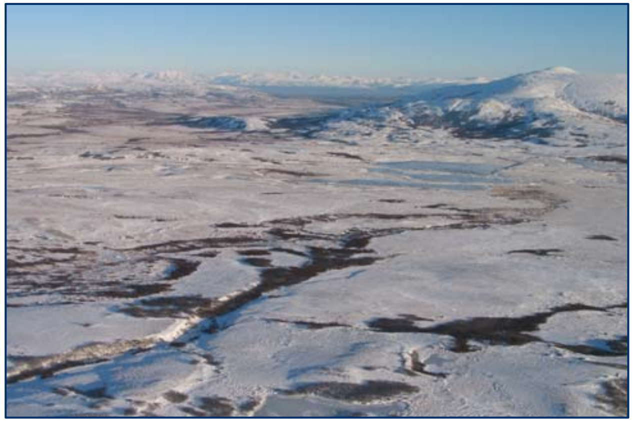
- Licenses acquired in 2000 in central Brazil
- Potential Ni production in excess of Barro Alto
- Capital cost $1.2Bn +
- Drilling on going

Project Update

Michiquillay

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

Pebble

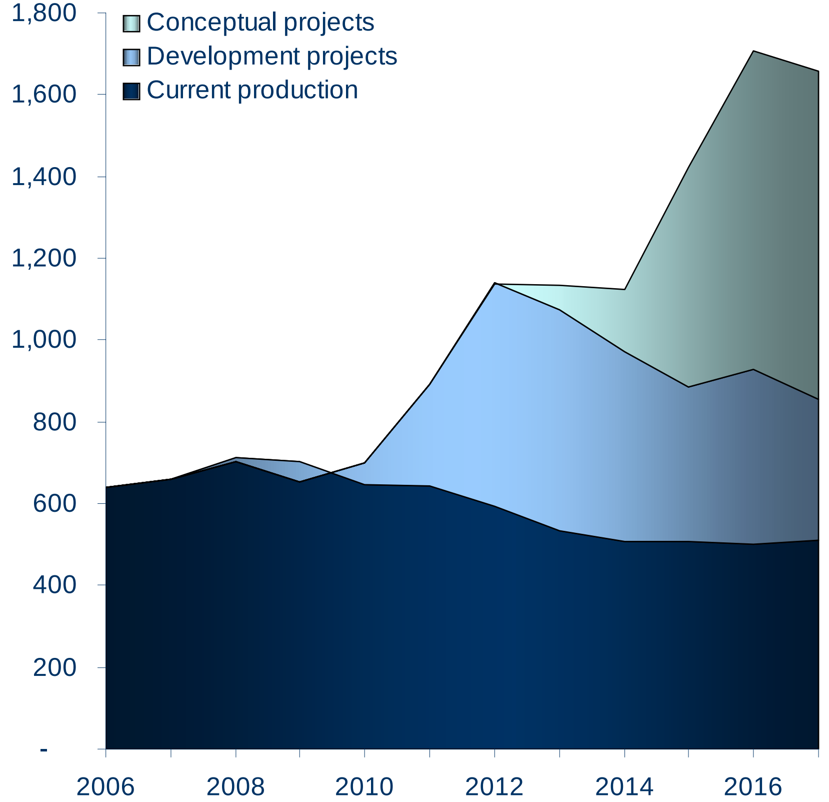


- 50/50 partnership with Northern Dynasty for a staged investment of $1.4Bn
- Potential production levels of over 300ktpa Cu and 500kozpa Au, ramping up from 2015
- Project is not without its challenges – lies in an environmentally sensitive salmon fishing area

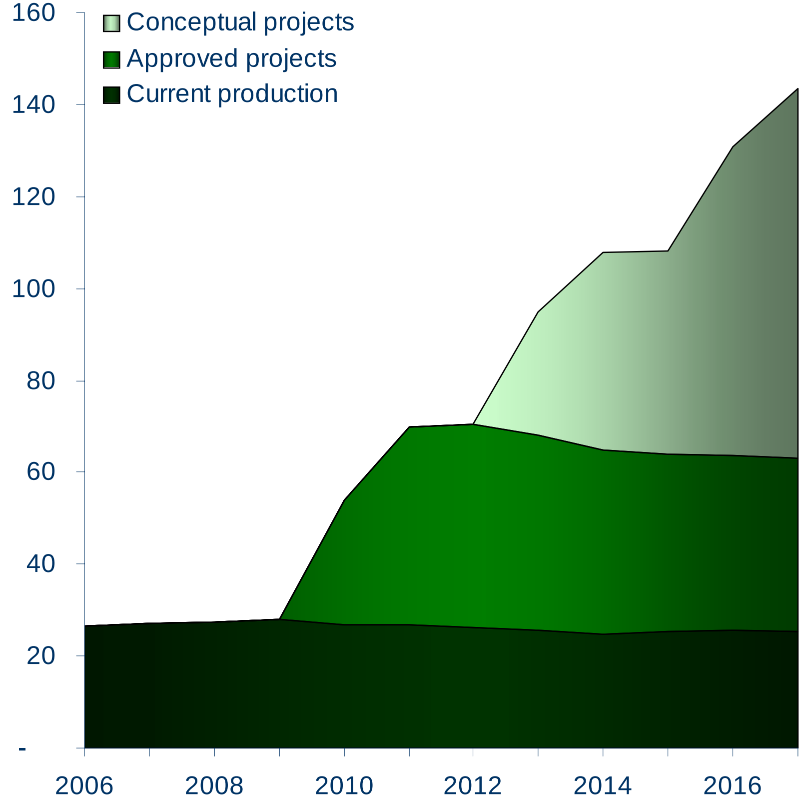
Growth Prospects

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

Copper production (tonnes)



Nickel production (tonnes)



Summary

- We are experiencing an unprecedented wave in the base metals industry; both in terms of strength and duration
- The magnitude of this wave is driven by China and a sluggish industry response
- Prices are anticipated to continue to hold above long term equilibrium levels for some time
- Anglo American is focussing on
  - Safety, sustainable development and operational excellence at existing operations
  - Building and developing one of the most exciting base metals project pipelined in the world
  - Value additive M&A opportunities
- The Base Metals industry is a very exciting place to be!