

LOS BRONCES SITE VISIT

PATRICIO CHACANA, HEAD OF OPERATIONS LOS BRONCES



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Alternative Performance Measures

Throughout this presentation a range of financial and non-financial measures are used to assess our performance, including a number of the financial measures that are not defined or specified under IFRS, which are termed ‘Alternative Performance Measures’ (APMs). Management uses these measures to monitor the Group’s financial performance alongside IFRS measures to improve the comparability of information between reporting periods and business units. These APMs should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS. APMs are not uniformly defined by all companies, including those in the Group’s industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies.

OVERVIEW



WHAT YOU WILL SEE AND HEAR

Assets

A world class asset with significant endowment optionality



Capabilities

Our people driving relentlessly to best in class operational performance, innovation and capital discipline



Returns

A highly competitive business with options that provide leverage to a fundamentally attractive commodity



“World class assets and leading capabilities to deliver a world class business”

WHAT YOU WILL SEE AND HEAR

Assets

A world class asset with significant endowment optionality

- 7.4bt of Exclusive Mineral Resources @ 0.60% TCu⁽¹⁾
- Los Bronces Underground offers highly attractive optionality
- Adjacent exploration targets with outstanding further potential

Capabilities

Our people driving relentlessly to best in class operational performance, innovation and capital discipline



Returns

A highly competitive business with options that provide leverage to a fundamentally attractive commodity



“World class assets and leading capabilities to deliver a world class business”

MINE SITE OVERVIEW

Location: 3500 masl, 65 km NE of Santiago



WHAT YOU WILL SEE



LOS BRONCES LEADERSHIP TEAM



Patricio Chacana
*Head of Operations
Los Bronces*



William Henott
*Safety and
Occupational
Health
Manager*



Chris Gentle
*Mine Planning
Manager*



**Andrés
Córdova**
Mine Manager



Jorge Rivera
Plant Manager



**Federico
González Vivo**
*Finance
Manager*



**Gonzalo
Manríquez**
*Infrastructure
and Water
Manager*



**Sebastián
Blanco**
*PMO &
Business
Analysis Supt.*



Safety



Integrity



Innovation



Collaboration



Care and respect



Accountability

LOS BRONCES IN NUMBERS (2018)



1,669
Employees



232
Supervisors



1,893
Permanent contractors

12
Shovels

Electrics 7
Diesel 4
Front Loader 1



9
Drills

Electrics 2
Diesel 7



69
Trucks

KOM 930 56
KOM 960 2
CAT795 11



Key performance metrics (2018F)

TRIFR⁽²⁾

0.75

Mine Movement

~150mt

Copper production

~365kt

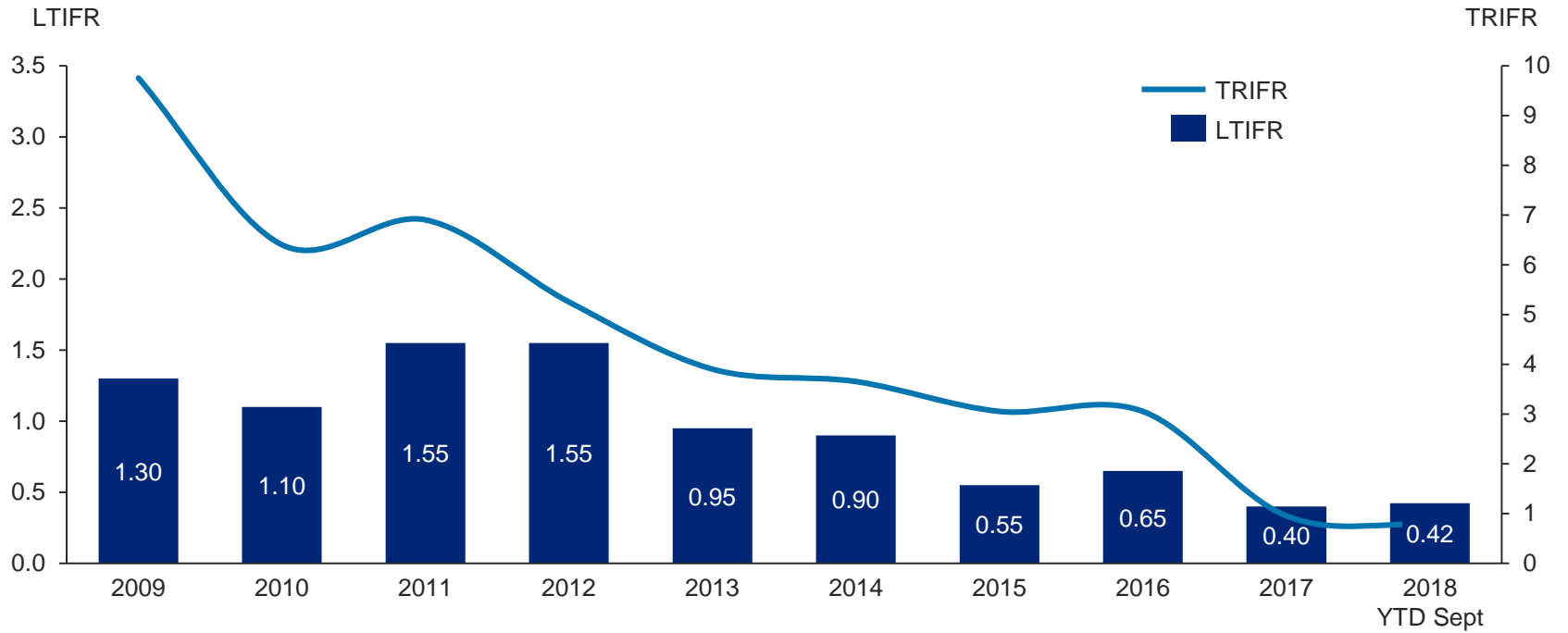
C1 Cost (c/lb)

~150

A TRANSFORMED BUSINESS



SAFETY: OUR JOURNEY TO ZERO HARM

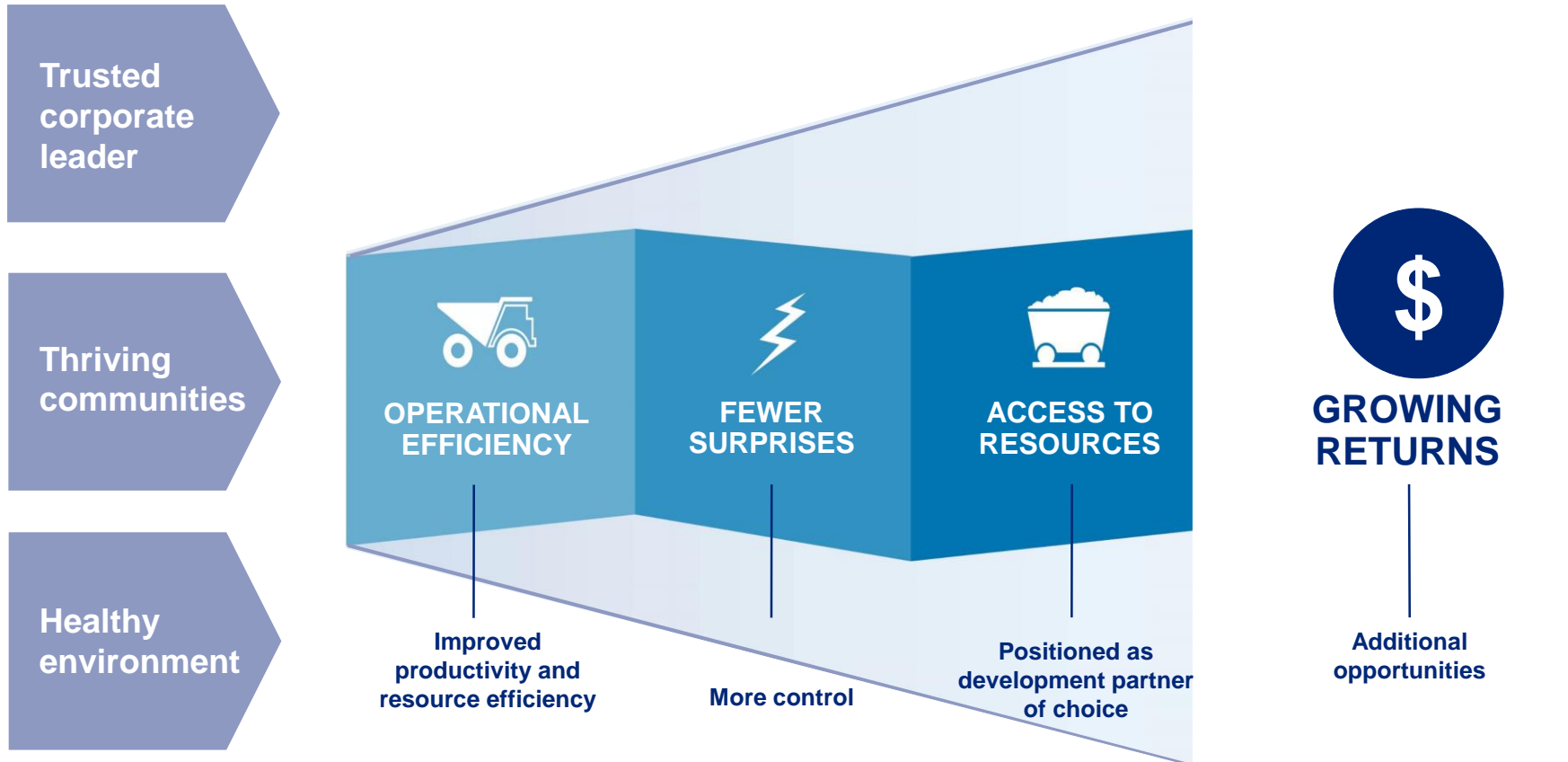


↓ 43%
High Potential Incidents

↓ 62%
Lost Time Incidents

↓ 48%
Total Recordable Cases

SUSTAINABILITY AT THE HEART OF OUR BUSINESS



THRIVING COMMUNITIES: OUR FOCUS AREAS

Education



The challenge: Quality education is one of the major social challenges in Chile

Our vision: All children in host communities to have access to excellent education and training

What are we doing:

- Successful and innovative education model
- Collaboration with the government, NGOs and other private stakeholders
- Connecting communities with students
- Student led community projects that improve community conditions

All schools within our areas of influence reach top 20% of school performance by 2030

Livelihoods



The challenge: Increasing level of skilled employment in our local communities

Our vision: Decent jobs and better economic conditions are a priority for our hosts communities.

What are we doing:

- Employment programme in collaboration with Interamerican Development Bank, local government and other private companies to improve job opportunities
- Highly successful Emerge programme

Full employment in all our host communities

EMERGE: SUCCESSFUL PROGRAMME EXPORTED TO PERU, BRAZIL & BOTSWANA



Using our business expertise to help others...

- Four levels of support designed to help with each stage of growing an emerging business
- Training and mentoring
- Partnership with NGOs
- Agreements with 17 local companies to connect business to local suppliers
- Continued support for three years after the programme

... with results that speak for themselves

75,000+

Entrepreneurs supported since 2016

70%

Increase in sales since 2016



SOY TÉCNICO: CHILEAN GOVERNMENT LOOKING TO REPLICATE

SOY TÉCNICO

'I'm a technician'

APOYO MI COMUNIDAD

'I support my community'

- Soy Técnico, or 'I'm a technician', is a pioneering education programme that seeks to enhance the role of technical-professional education in the development of the country, transforming young people into agents of change that understand the challenges of their environment, and design and implement technical projects
- The programme is highly valued by academia and school communities
- Chilean Government is assessing how to incorporate Soy Técnico learnings into public policy and their own education programmes

19 schools in 13 districts

1,500 students have benefitted

4 strategic partners

11 collaborating entities



ENVIRONMENTAL AND SECTORIAL PERMITTING PROCESS IN CHILE

Overall permitting environment in Chile is managed by a number of agencies...



... maintaining constructive relationships with each agency (and other stakeholders) is fundamental to our strategy

Key areas of focus in the permitting process

Water

Glacier protection

Biodiversity

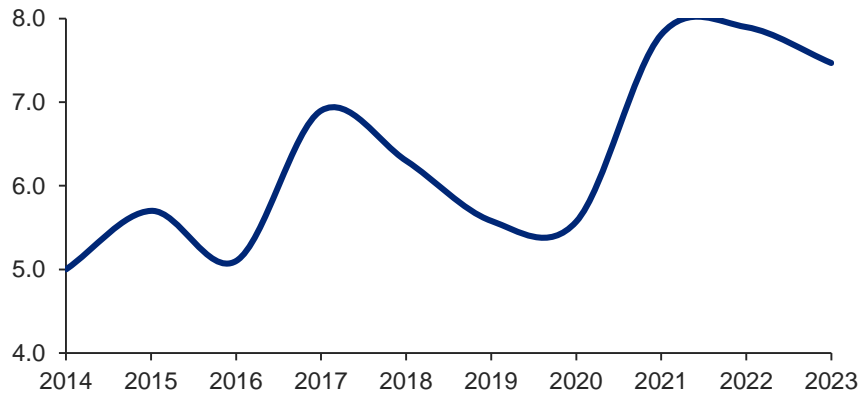
Communities

Climate change

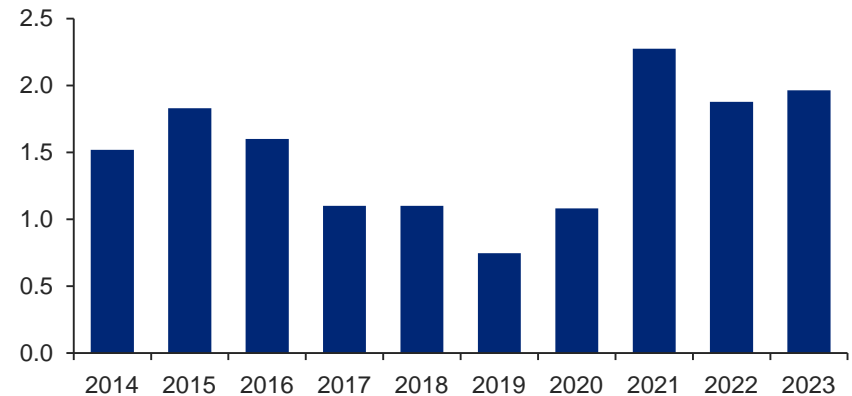
LOS BRONCES IS FACING STRUCTURAL HEADWINDS

We are not immune from industry-wide supply challenges

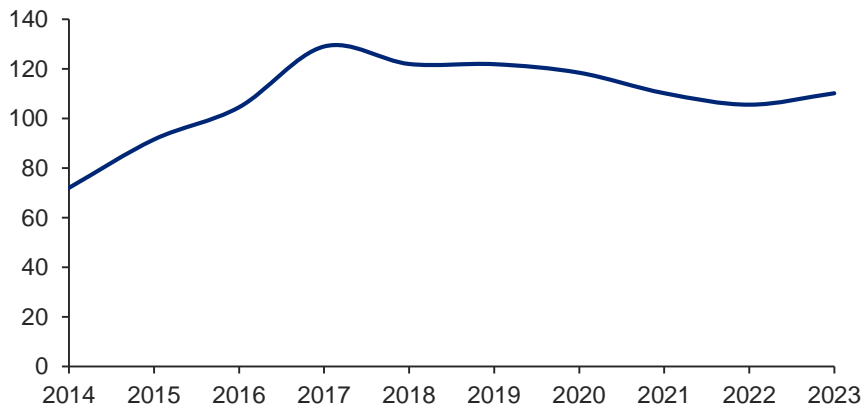
Average haulage distance (km)



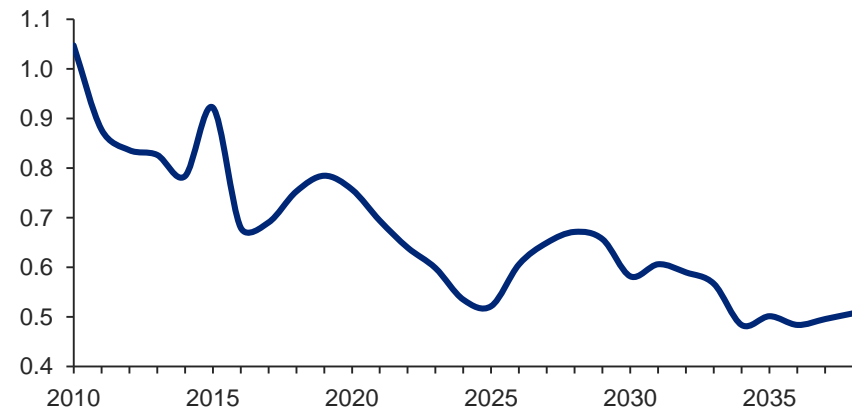
Strip ratio (ore + marginal ore vs. waste mined)



Ore hardness (SPI)

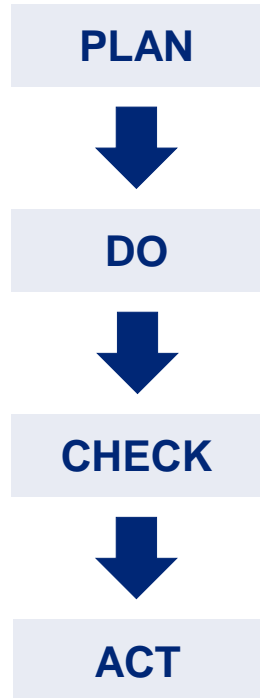
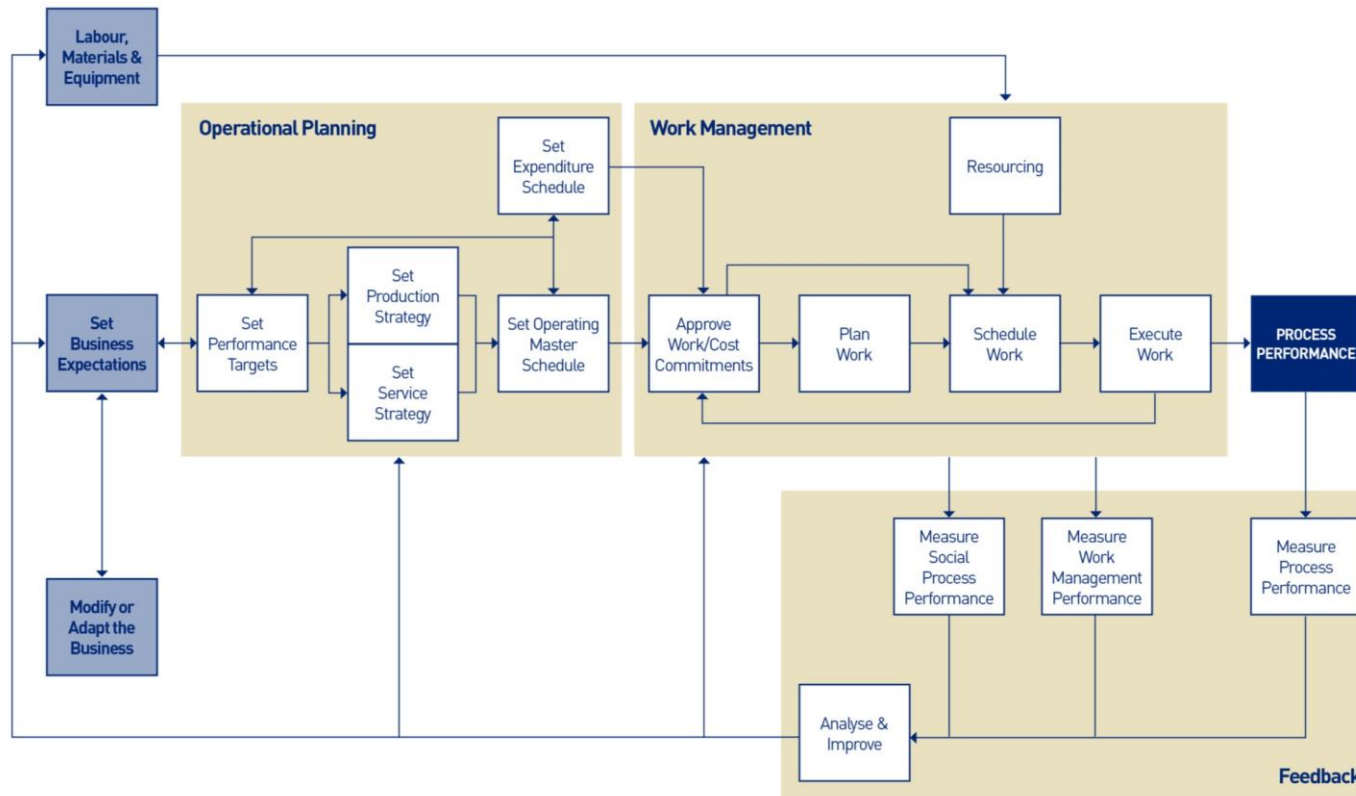


Copper grade (TCu%)

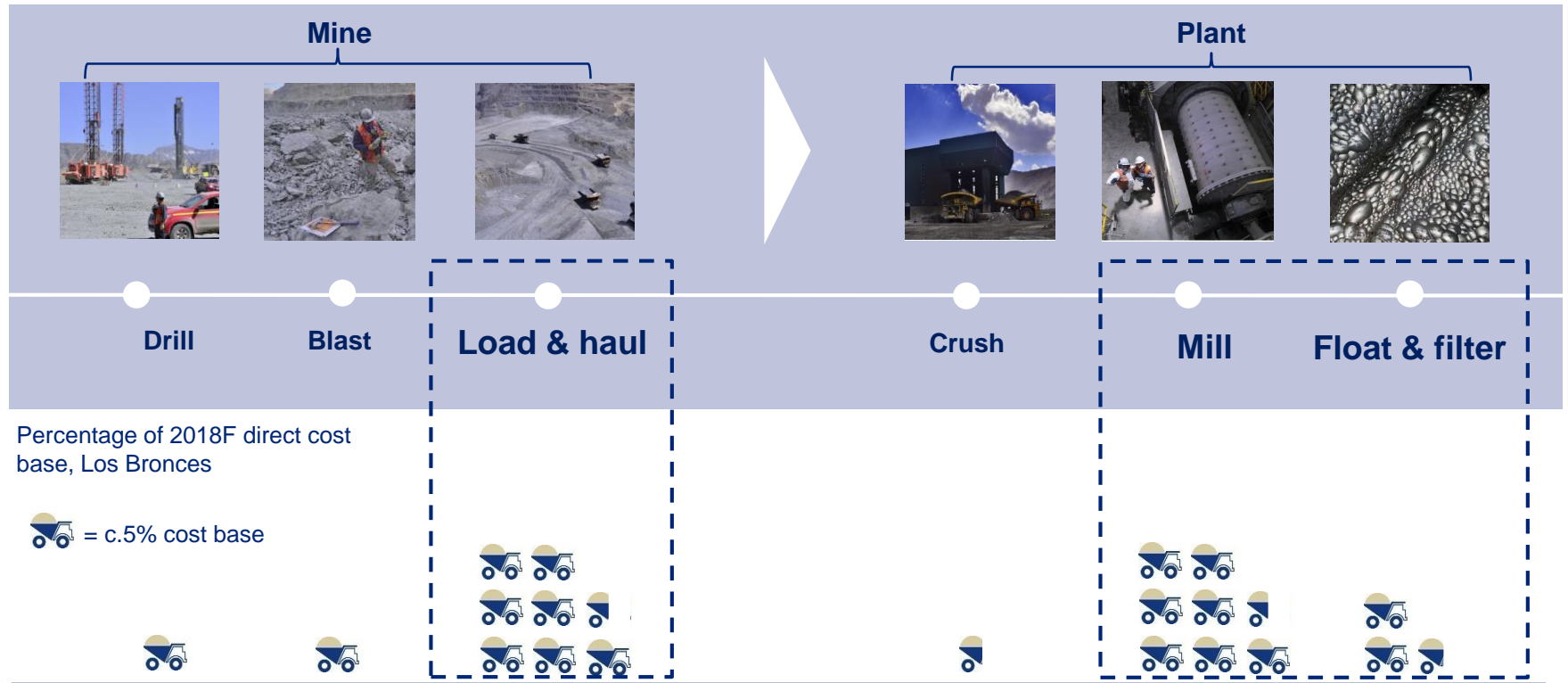


ANGLO AMERICAN OPERATING MODEL

A structured way of working to convert targets into discrete pieces of work, which is well-planned and scheduled to achieve the desired outcome

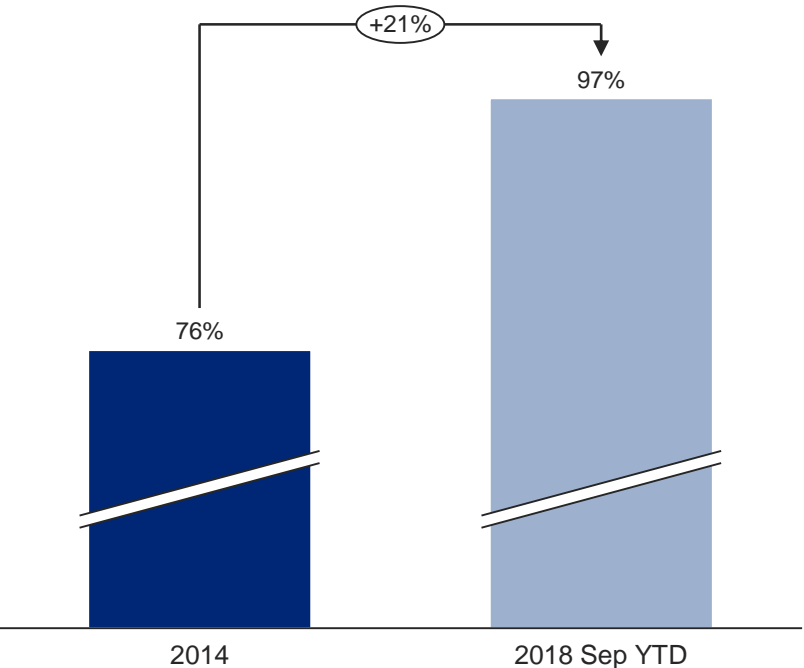


FOCUSED ON THE KEY VALUE DRIVERS

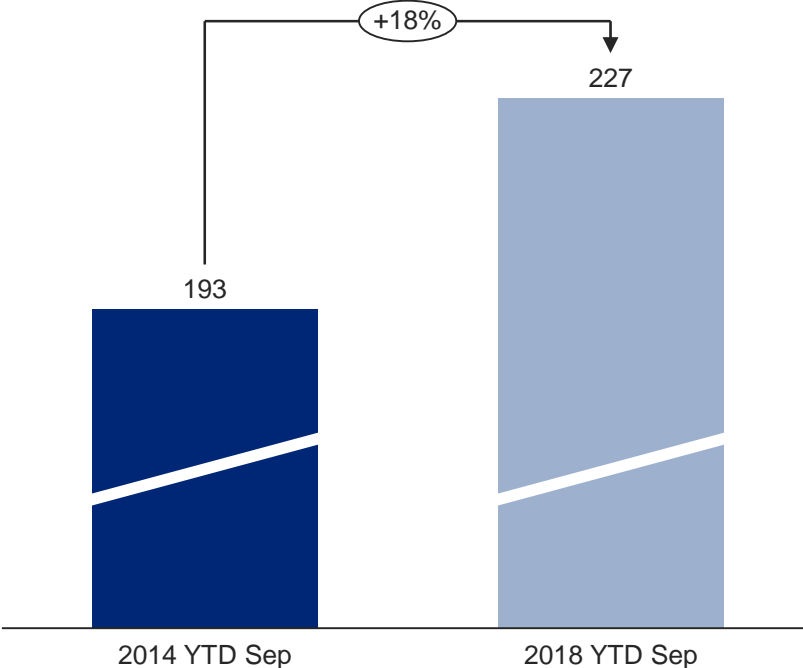


A STEP CHANGE IN MINE PERFORMANCE...

Reconciliation - % area compliance



Main production phase extraction (ktpd)



...WITH IMPROVED EQUIPMENT PRODUCTIVITY



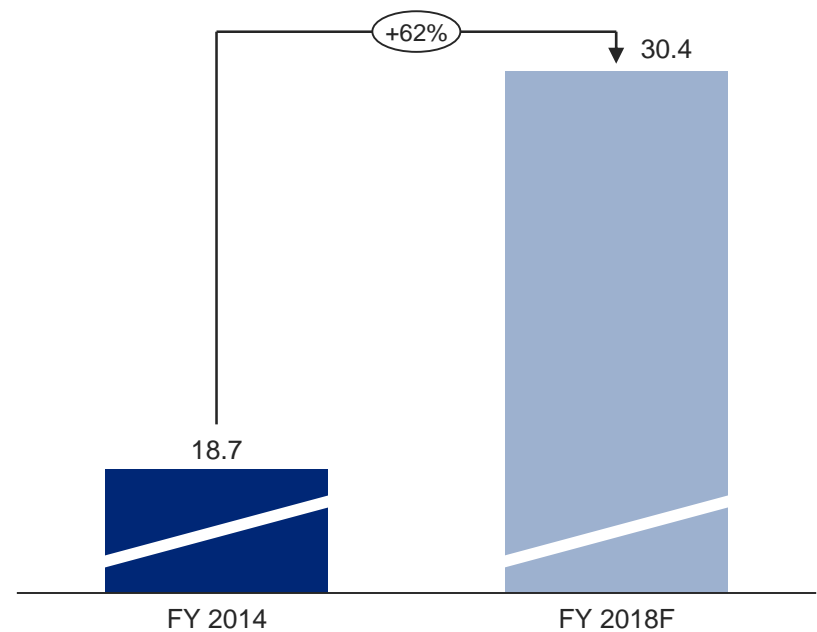
2018

- Double side loading increased to 80%
- Best operator 80%
- Shovel passes per truck 3.5

2019 Focus

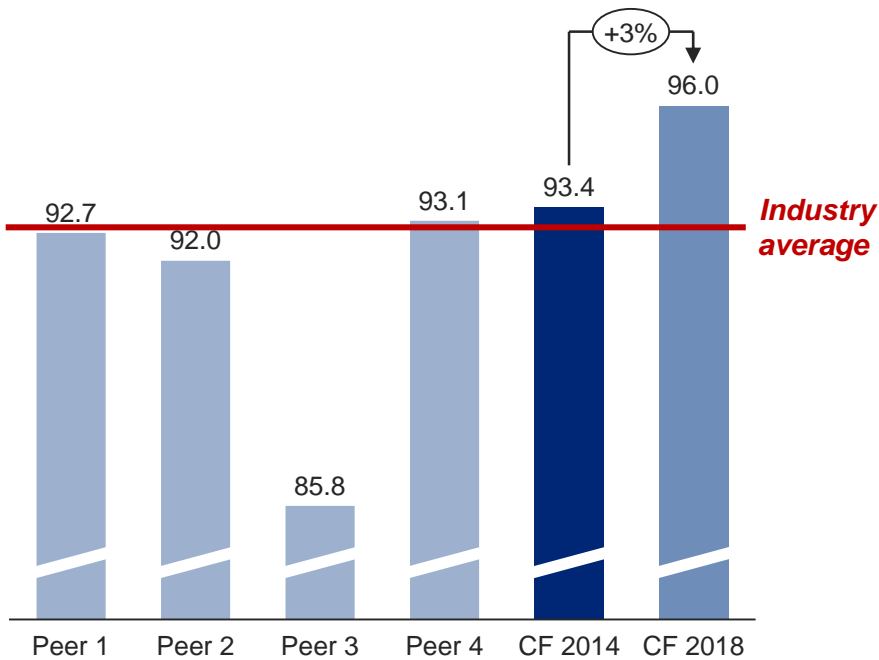
- Shovel payload
- Time management

Shovel # 10 Performance (Mt)

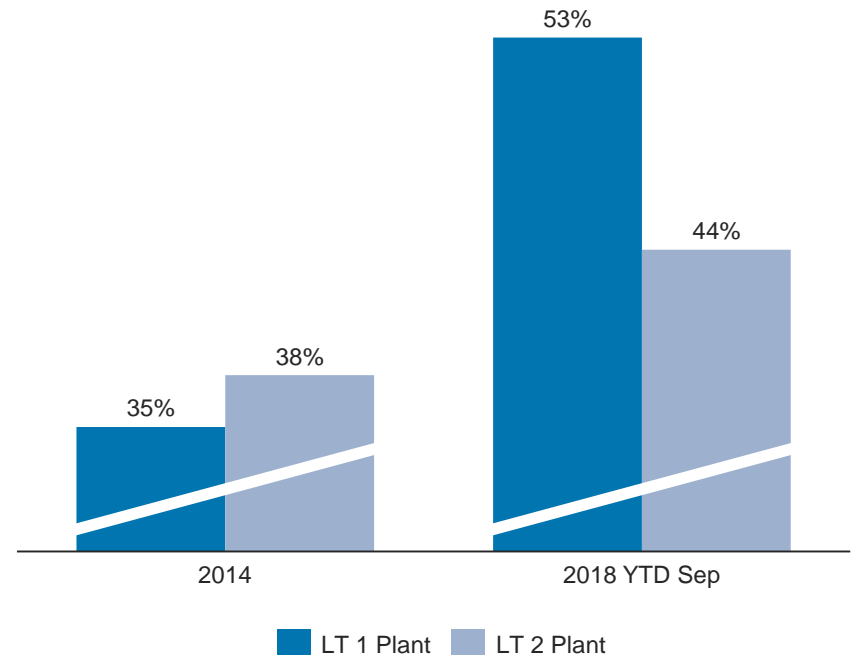


SIGNIFICANT IMPROVEMENT IN PLANT PERFORMANCE

Confluencia plant operating time (%)⁽³⁾



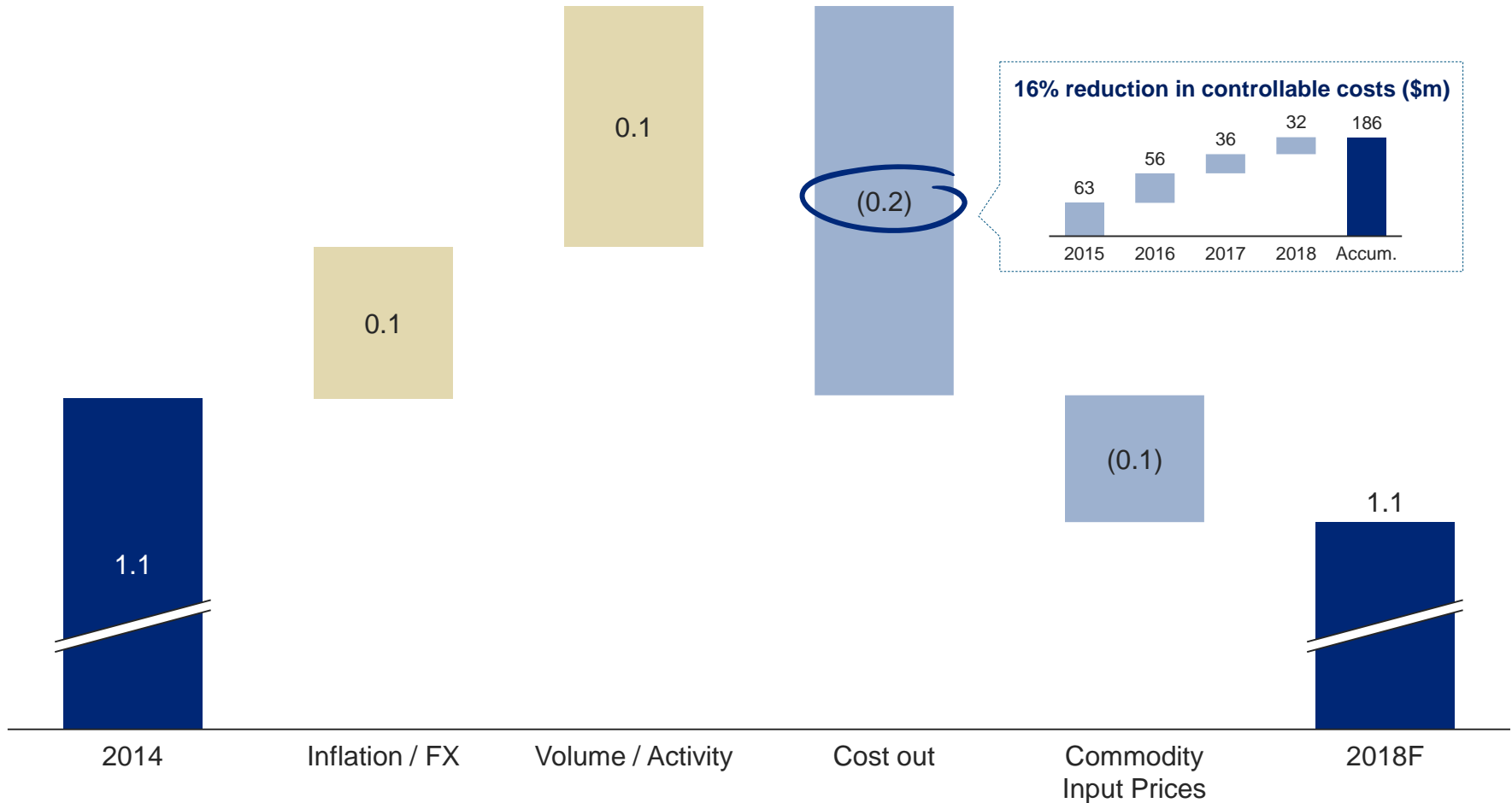
Step change in molybdenum recovery (%)



A RELENTLESS COST FOCUS

\$0.2bn of cost-out delivered since 2014

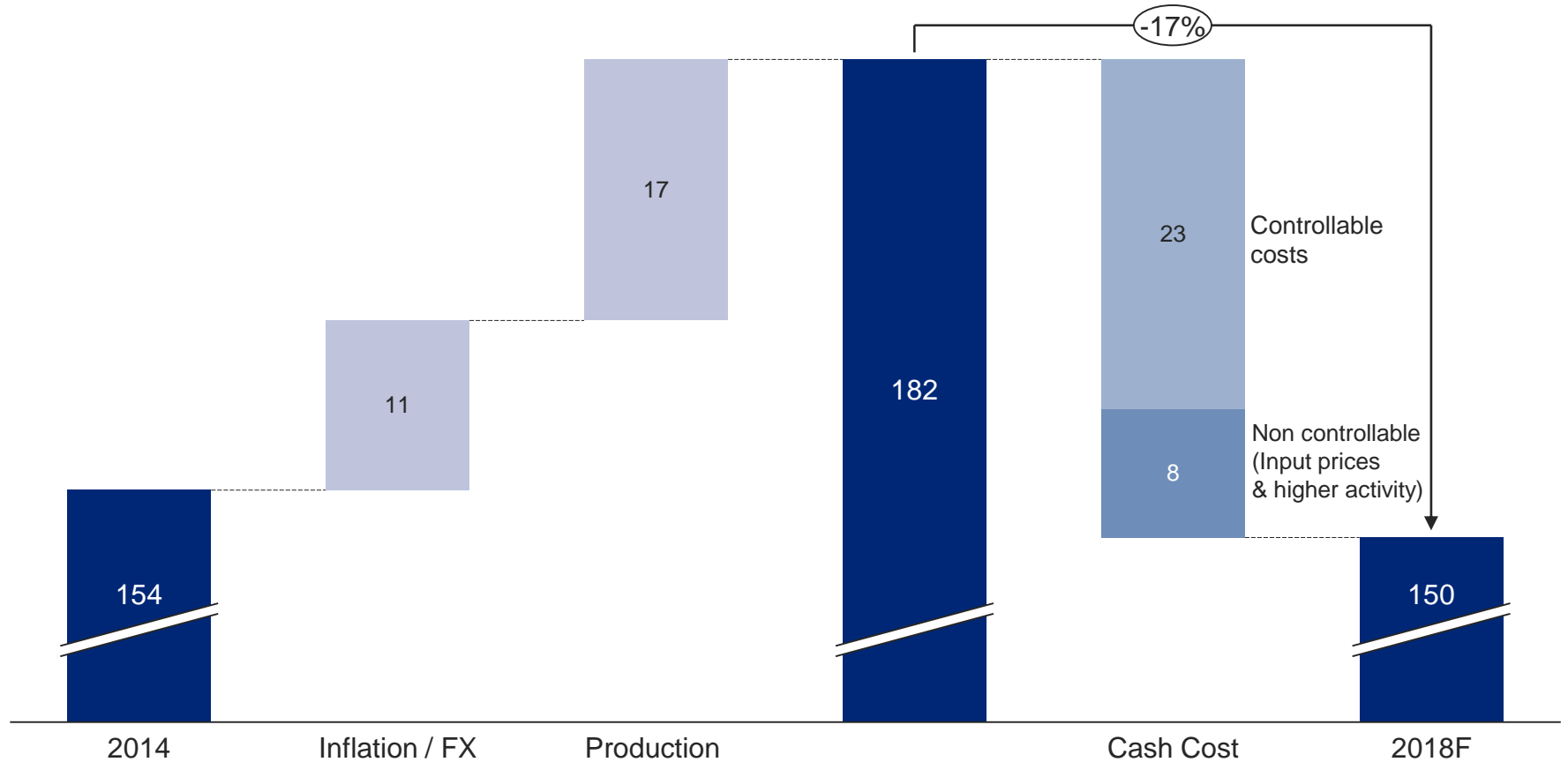
FY C0 cash cost base (\$bn)



A RELENTLESS COST FOCUS

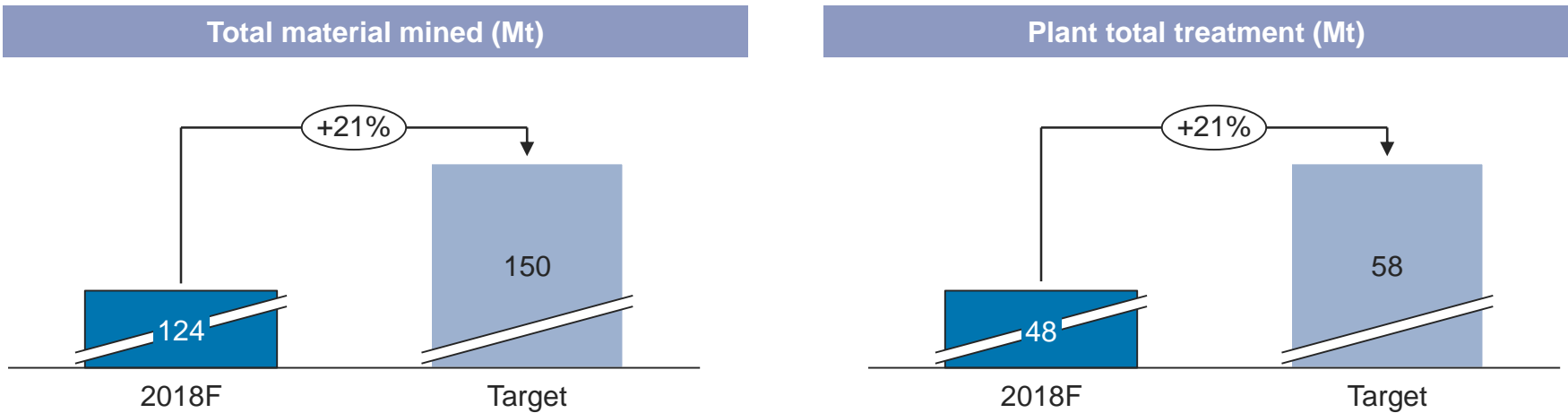
A relentless cost focus has driven a lower C1 cost despite lower grades

(c/lb)



KEY AREAS OF OPPORTUNITY

A commitment to delivering best in class operating performance



Focus areas

Extraction and mine development

- Targeting increase in mine extraction and development through capital equipment productivity improvements, including shovels and fleet performance

Plant Debottlenecking

- Operational improvements to deliver further gains in plant throughput, operating time and recoveries

Productivity and Cost Reduction

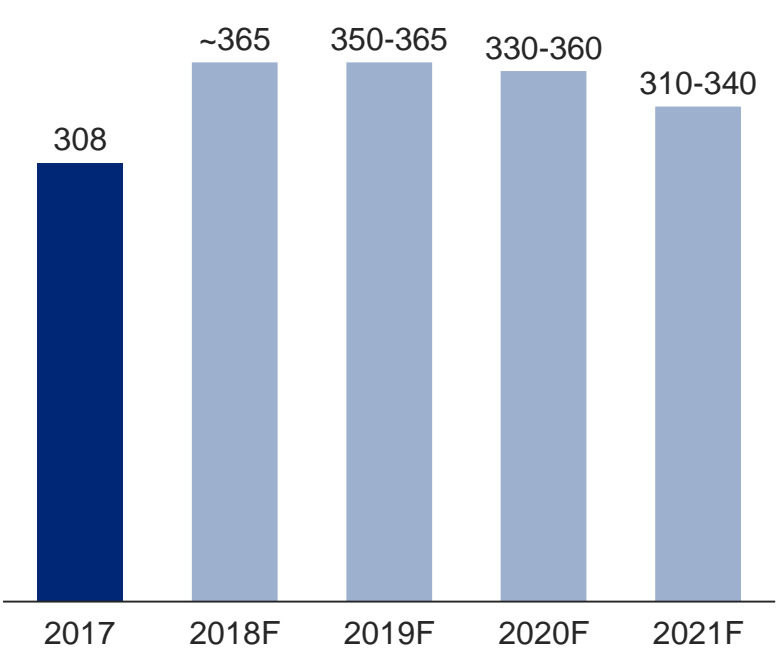
- Further cost reductions through labour productivity, contract optimisation and input cost rates renegotiation

Incorporate Technology

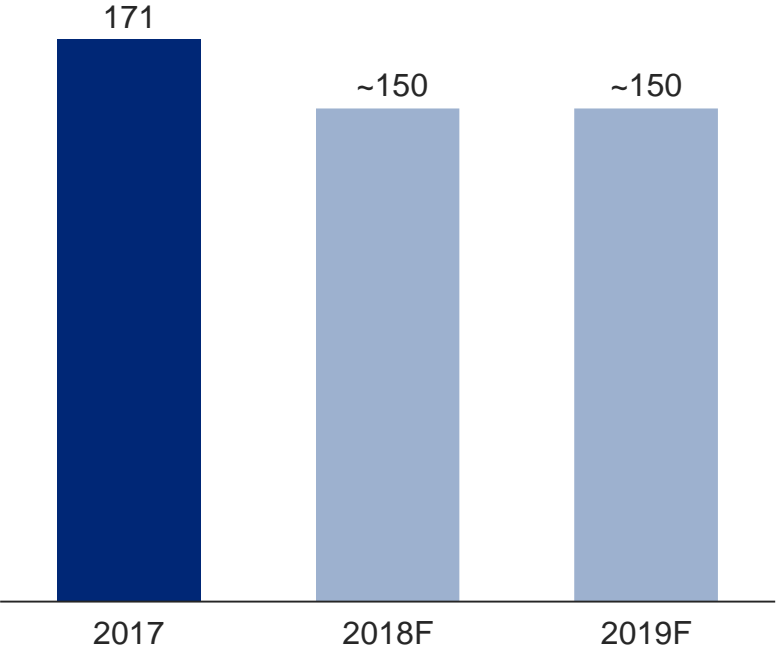
- Coarse Particle Recovery, automatic drilling, Integrated Operational Center, pipeline robot monitoring

TO DELIVER ENHANCED SHAREHOLDER RETURNS

Production (kt)



C1 unit costs (c/lb)

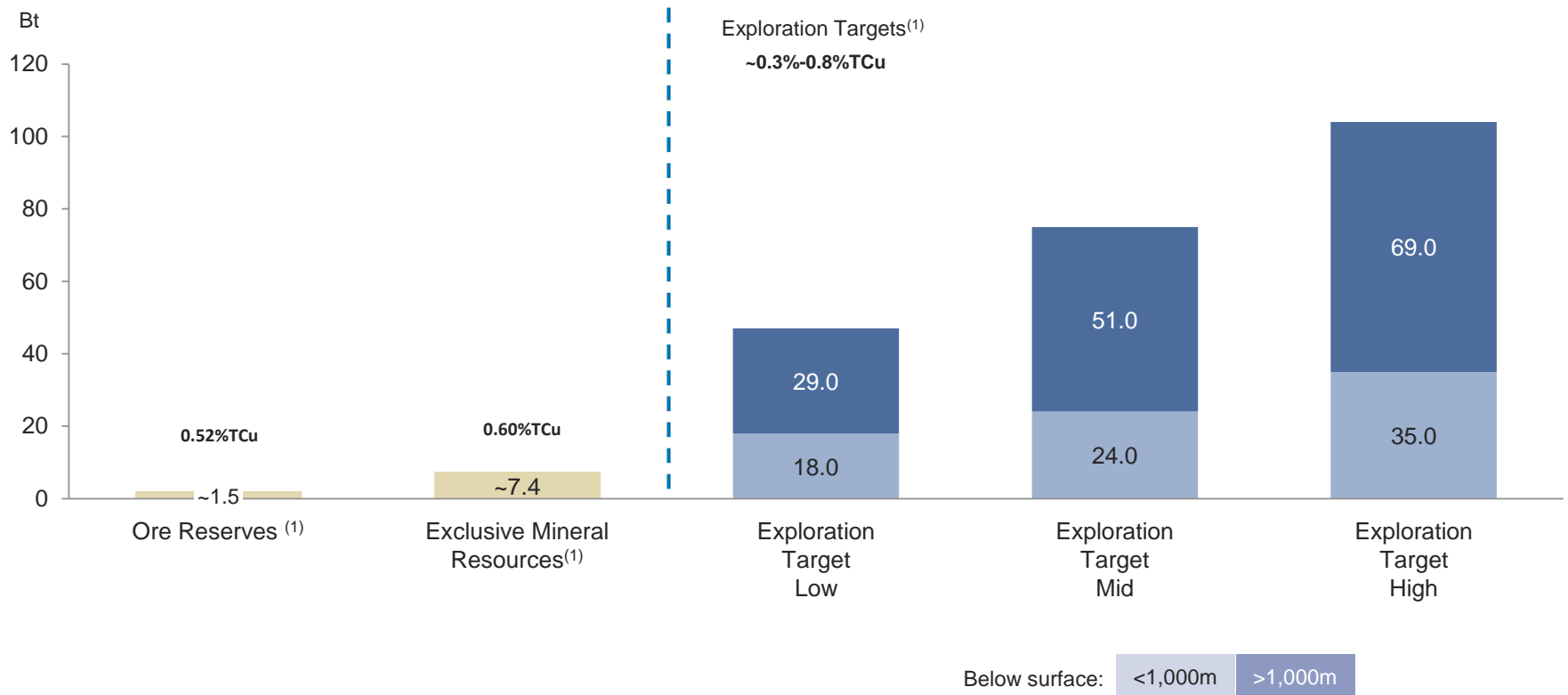


A WORLD CLASS ENDOWMENT



A LEADING MINING DISTRICT

Significant potential outside existing Reserves and Resources⁽¹⁾⁽⁴⁾



ORE RESERVES AND MINERAL RESOURCES

Anglo American (50.1%)	Ore Reserve Estimates ⁽⁴⁾ (as at 31/12/2017)				Mineral Resource Estimates ⁽⁴⁾ Exclusive of Ore Reserves (as at 31/12/2017)					
	Proved		Probable		Measured		Indicated		Inferred	
	Bt	%TCu	Bt	%TCu	Bt	%TCu	Bt	%TCu	Bt	%TCu
Los Bronces	1.11	0.53	0.41	0.48	1.32	0.42	1.72	0.45	1.32	0.45
Los Bronces Sur									0.90	0.81
Los Bronces UG									2.13	1.20
Los Bronces District Total	1.11	0.53	0.41	0.48	1.32	0.42	1.72	0.45	4.34	0.89



Location: 3,500 masl, 65 km NE of Santiago

Notice:

All information is reported under the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012' (the JORC Code) by the below-listed Competent Person/s who are employed by Anglo American plc and have the required qualifications and experience to qualify as Competent Persons for Mineral Resources or Exploration Results under the JORC Code.

Ore Reserves information has been compiled by Victor Parra. Mineral Resources information has been compiled by César Ulloa for Los Bronces Operation and Ivan Vela for Los Bronces Underground. Exploration Targets information has been compiled by Thomas Paterson.

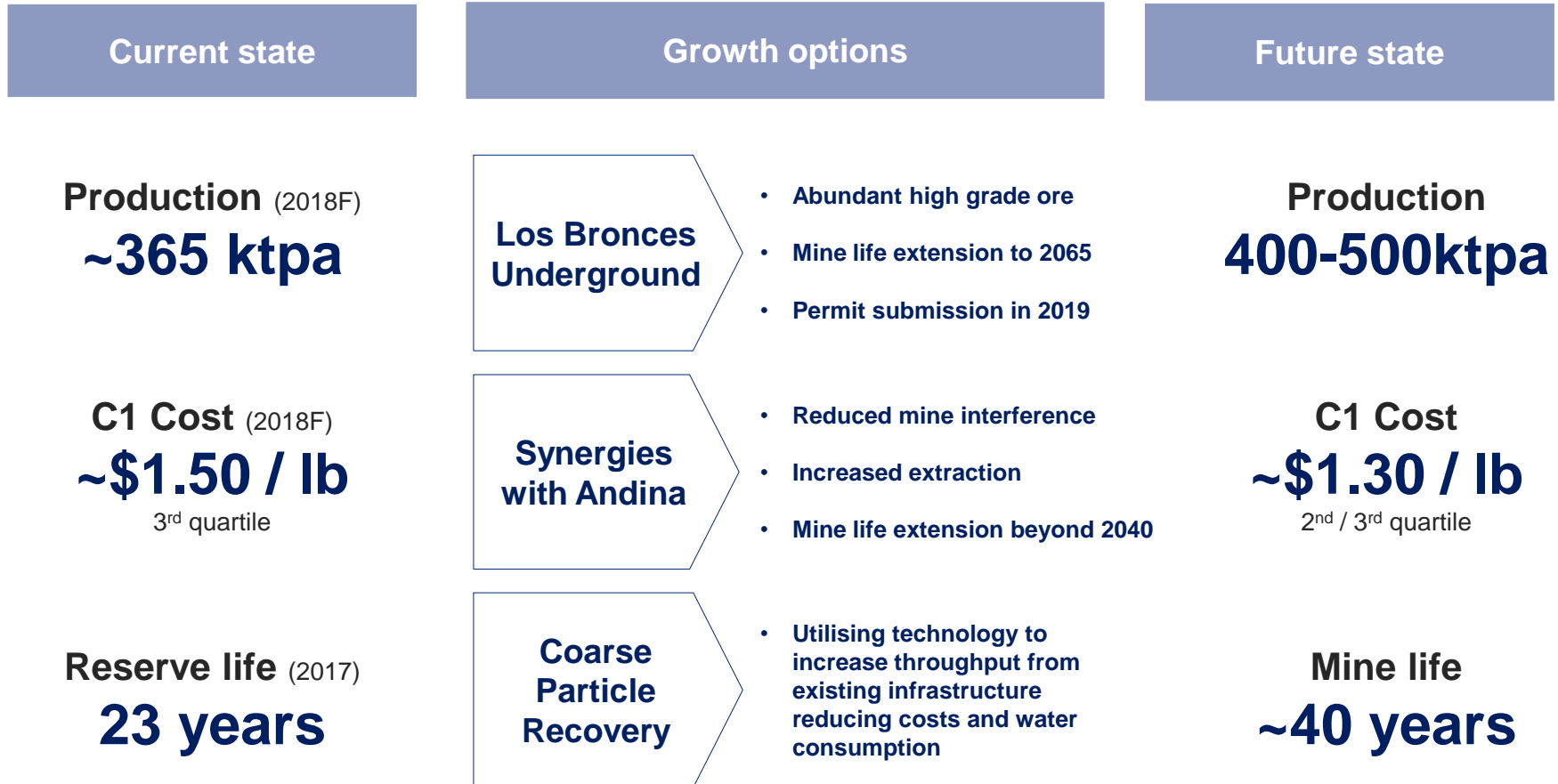
The Competent Person/s verify that these estimates are based on and fairly reflects the Exploration Targets and Mineral Resource estimates in the supporting documentation and agree with the form and context of the information presented.

Inferred Mineral Resources: 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.

Exploration Targets: The targets are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource. It is uncertain whether further exploration will result in a Mineral Resource. The grade and other qualities of any mineralisation, if discovered, may be inferior to that of the Mineral Resources.

Exploration Targets and exploration activity: The greatest contribution to the Exploration Targets are from, respectively, possible extensions to LBUG, La Agustina (LA), Los Bronces (LB), Los Bronces Sur (LBS).

LOS BRONCES – SIGNIFICANT GROWTH OPTIONALITY



LOS BRONCES UNDERGROUND

The Los Sulfatos deposit provides a lower cost, higher quality upgrading opportunity that would deliver a step-change in the competitive position of the asset

Attractive economics

>15%

IRR

>25%

ROCE

Operational metrics⁽⁵⁾

~150kt

Incremental production p.a.

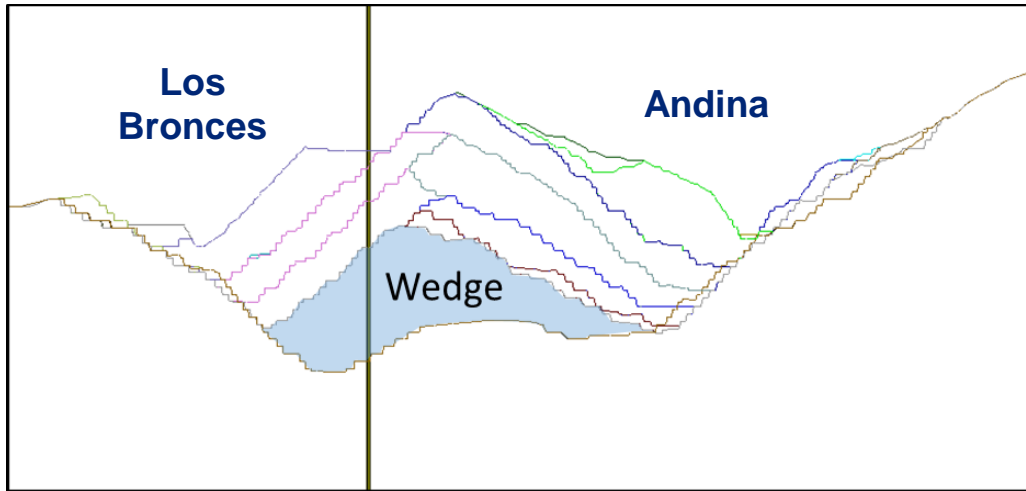
~1.7%

Grade

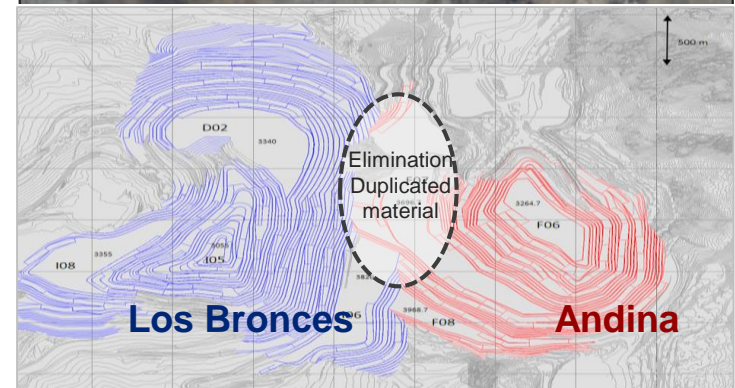
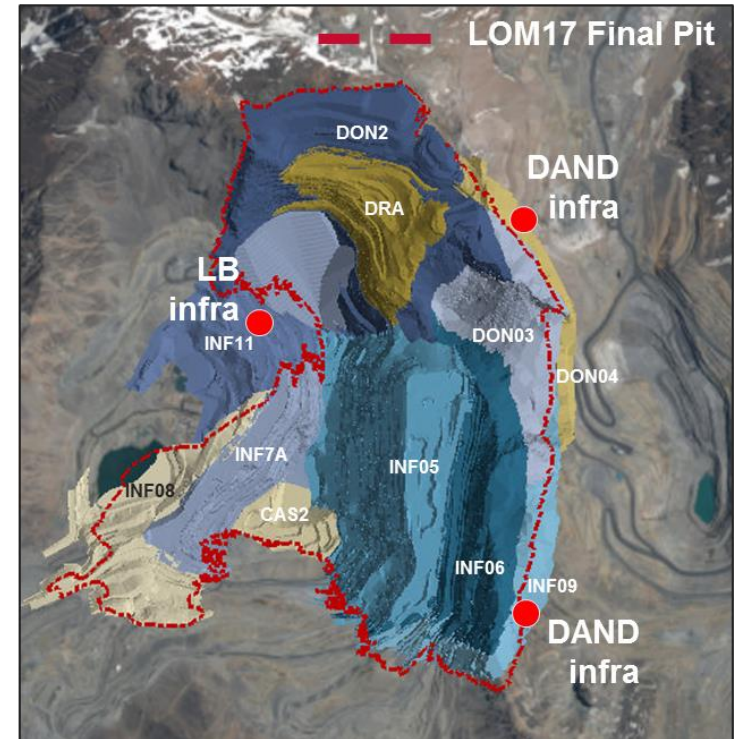
- Key focus on sustainability:
 - No impact on glaciers
 - No impact on public roads
 - No additional water usage
- 30-35ktpd stope production rate is achievable with LOM delivery of 360-500Mt at average grade of 1.7%
- 4 year development, 5 years to full ramp up
- ~2.1Bt Inferred Resources at 1.20% TCu ⁽⁶⁾
- Significant mine life extension potential
- Capex - *indicative range* \$2-2.5bn

LOS BRONCES - ANDINA INTERACTION

A constructive pathway for future developments and value generation



- Strong collaboration between two mines
- Operation Planning Framework for effective / efficient extraction is in place
- Will result in significant cost savings for both mines in time
- Pathway to potential wedge extraction agreed, with the timing to be principally beyond 2040



COMMITTED TO OPERATIONAL EXCELLENCE

- **Significant progress on our journey to zero harm**
- **Anglo American Operating Model implemented and delivering benefits**
- **2018 a step change in performance**
- **Further performance improvements committed to increase competitive position**
- **A world leading endowment with significant growth options**



APPENDIX

FOOTNOTES

- 1) Estimates as at 31 December 2017. Please refer to the AA plc Ore Reserves and Mineral Resources Report 2017 for the tonnes, grades and a breakdown of the classification categories. Los Bronces District figures include Los Bronces Mine as well as Los Bronces Sur and Underground Inferred Resources.
- 2) TRIFR is reported year-to-date
- 3) Source: Encare H2 2017
- 4) Source: Reserves and Resources statement 2017, Los Bronces Endowment Model 2018
- 5) First 10 years post full ramp up. Pre-feasibility study 2018
- 6) Estimates as at 31 December 2017