



FUTURESMART MINING™

Tony O'Neill, Group Technical Director, Anglo American

Bank of America Merrill Lynch 2019 Global Metals, Mining and Steel Conference

15 May 2019

CAUTIONARY STATEMENT

Disclaimer: This presentation has been prepared by Anglo American plc (“Anglo American”) and comprises the written materials/slides for a presentation concerning Anglo American. By attending this presentation and/or reviewing the slides you agree to be bound by the following conditions. The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This presentation is for information purposes only and does not constitute an offer to sell or the solicitation, inducement or an offer to buy shares in Anglo American or any other securities. Further, it does not constitute a recommendation by Anglo American or any other party to sell or buy shares in Anglo American or any other securities and should not be treated as giving investment, legal, accounting, regulatory, taxation or other advice.

No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein. None of Anglo American, its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this material or otherwise in connection with this material.

Forward-looking statements

This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding Anglo American’s financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American’s products, production forecasts and reserve and resource positions), are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American’s present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transport infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as permitting and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American’s most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this presentation. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the “Takeover Code”), the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Nothing in this presentation should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share.

Certain statistical and other information about Anglo American included in this presentation is sourced from publicly available third party sources. As such it has not been independently verified and presents the views of those third parties, but may not necessarily correspond to the views held by Anglo American and Anglo American expressly disclaims any responsibility for, or liability in respect of, such information.

No Investment Advice

This presentation has been prepared without reference to your particular investment objectives, financial situation, taxation position and particular needs. It is important that you view this presentation in its entirety. If you are in any doubt in relation to these matters, you should consult your stockbroker, bank manager, solicitor, accountant, taxation adviser or other independent financial adviser (where applicable, as authorised under the Financial Services and Markets Act 2000 in the UK, or in South Africa, under the Financial Advisory and Intermediary Services Act 37 of 2002).

Alternative Performance Measures

Throughout this presentation a range of financial and non-financial measures are used to assess our performance, including a number of financial measures that are not defined or specified under IFRS (International Financial Reporting Standards), 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.

WE ARE RE-IMAGINING MINING

Operating Model

P101

FutureSmart Mining™

Digitalisation

The Intelligent Mine

Technology Innovation

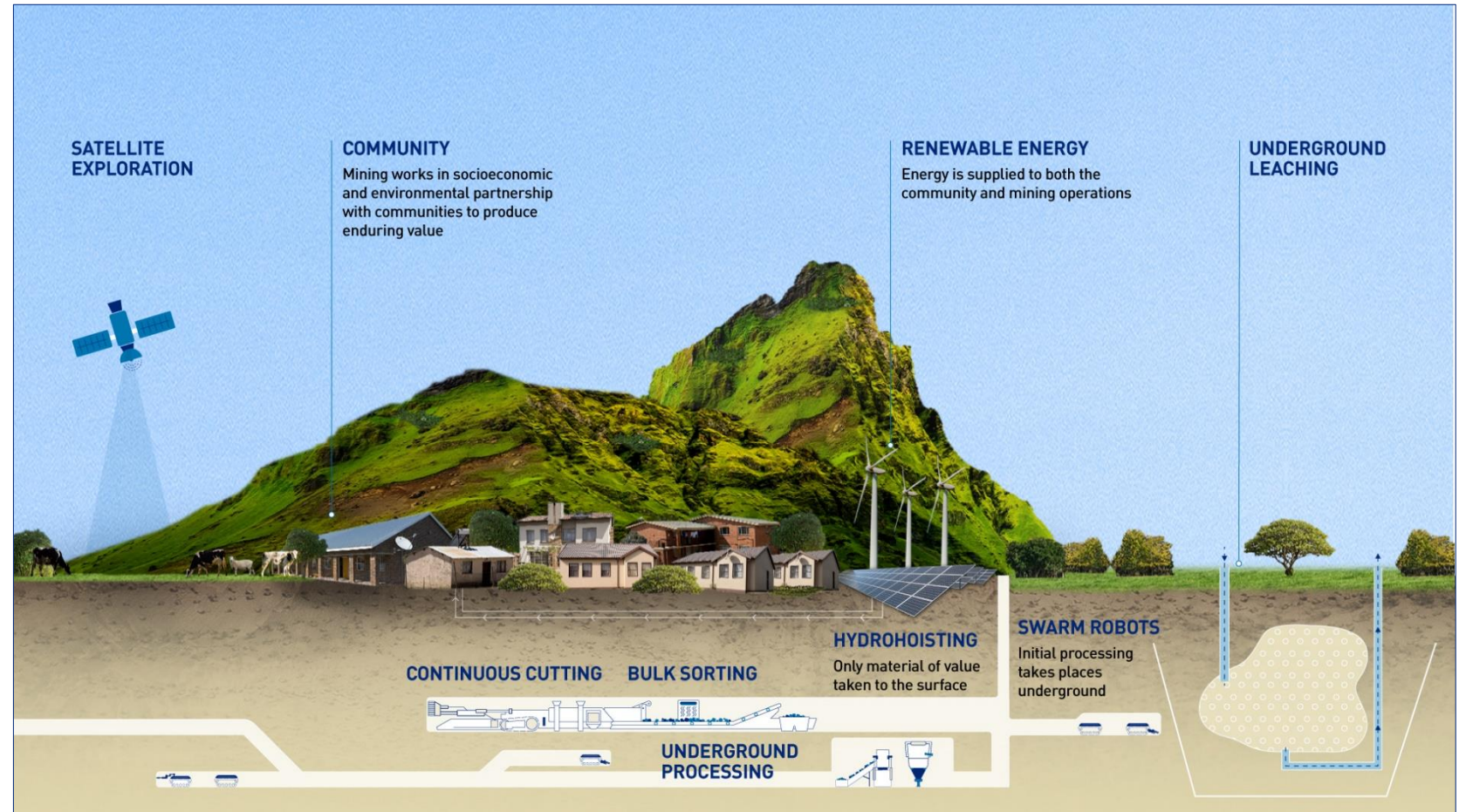
The Concentrated Mine

The Waterless Mine

The Modern Mine

Sustainability

Sustainable Mining Plan



OPERATIONAL EXCELLENCE AS STANDARD

Operating Model

1. Provides clarity
2. Produces stability
3. Reduces variability

*“Integrity and certainty,
by nature”*



STEP-CHANGING THE INTENSITY EQUATION

Challenge

Precision mining with minimal energy, water and capital intensity

Approach

Concentrate the Mine™ concept:

1. Coarse particle recovery
2. Bulk sorting
3. Grade Engineering™
4. Precision classification
5. Ultrafine recovery
6. Novel leach

Value

CPR: 20% increase in throughput, 85% recovery of water

Bulk sorting: 5% grade improvement, 20% more throughput

Ultrafine recovery: 2-4% recovery improvement

Novel Leach: 60-80% recovery



NOVEL LEACHING UNLOCKING NEW VALUE

Challenge

Re-dressing environmental legacies to recover low grade mineral concentrates

Approach

1. Novel leach
2. Coarse particle recovery

Value

Re-dressing environmental legacies

Reduction in water intensity

Reduction in energy intensity

Removal of constraint elements to enable new low grade recovery



DELIVERING ENDURING VALUE THROUGH SMART ENERGY

Challenge

Transformational use of renewables

Approach

1. Oversize PV
2. Plant tariff demand arbitrage
3. Produce H2 with excess PV
4. Consume H2 in trucks

Value

Reduce GHG on large site by 30% in plant and 100% in trucks

Increase truck power by 5%

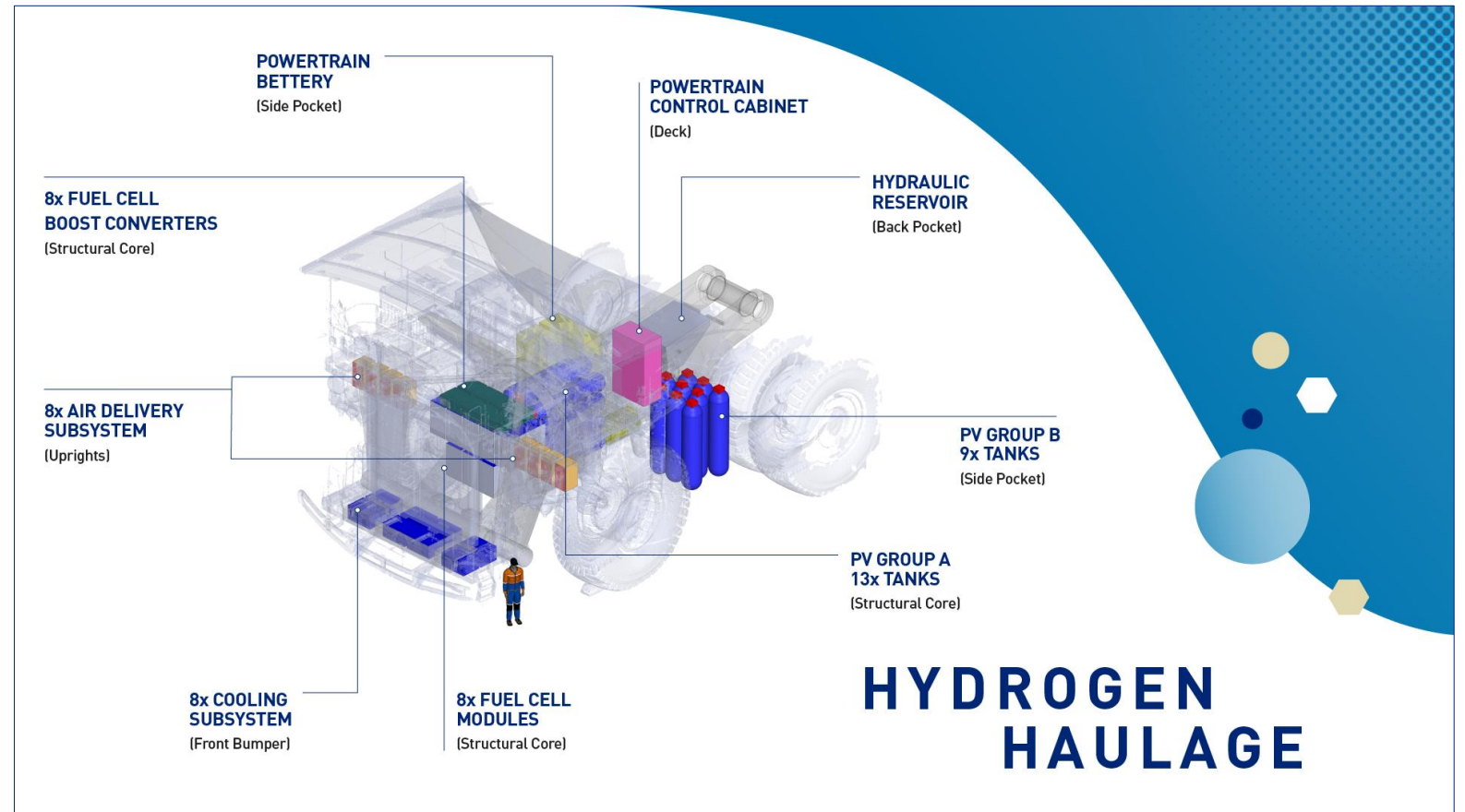
Energy security

Price resilience

Move to hydrogen economy

Next generation mining vehicles

Host community participation



RE-DEFINING THE RISK PROFILE

Work

Challenge

Everyone goes home safely every day

Approach

1. Modernise – Electro-hydraulic drills, gel explosives, no scraper-winchies
2. Mechanise – Remote operated ultra-low-profile equipment
3. Continuous cutting – Hard rock cutting machines
4. Swarm robotics – Small self-organising intelligent machines

Value

Safer and more efficient working environment
Transition pathway in existing operations



RE-DEFINING THE RISK PROFILE

Tailings

Challenge

Eliminate wet tailings

Approach

Reduce risk

1. Fibre-optic sensing
2. Satellite monitoring

Eliminate

1. Coarse particle recovery
2. Unsaturated stacking
3. Dry processing

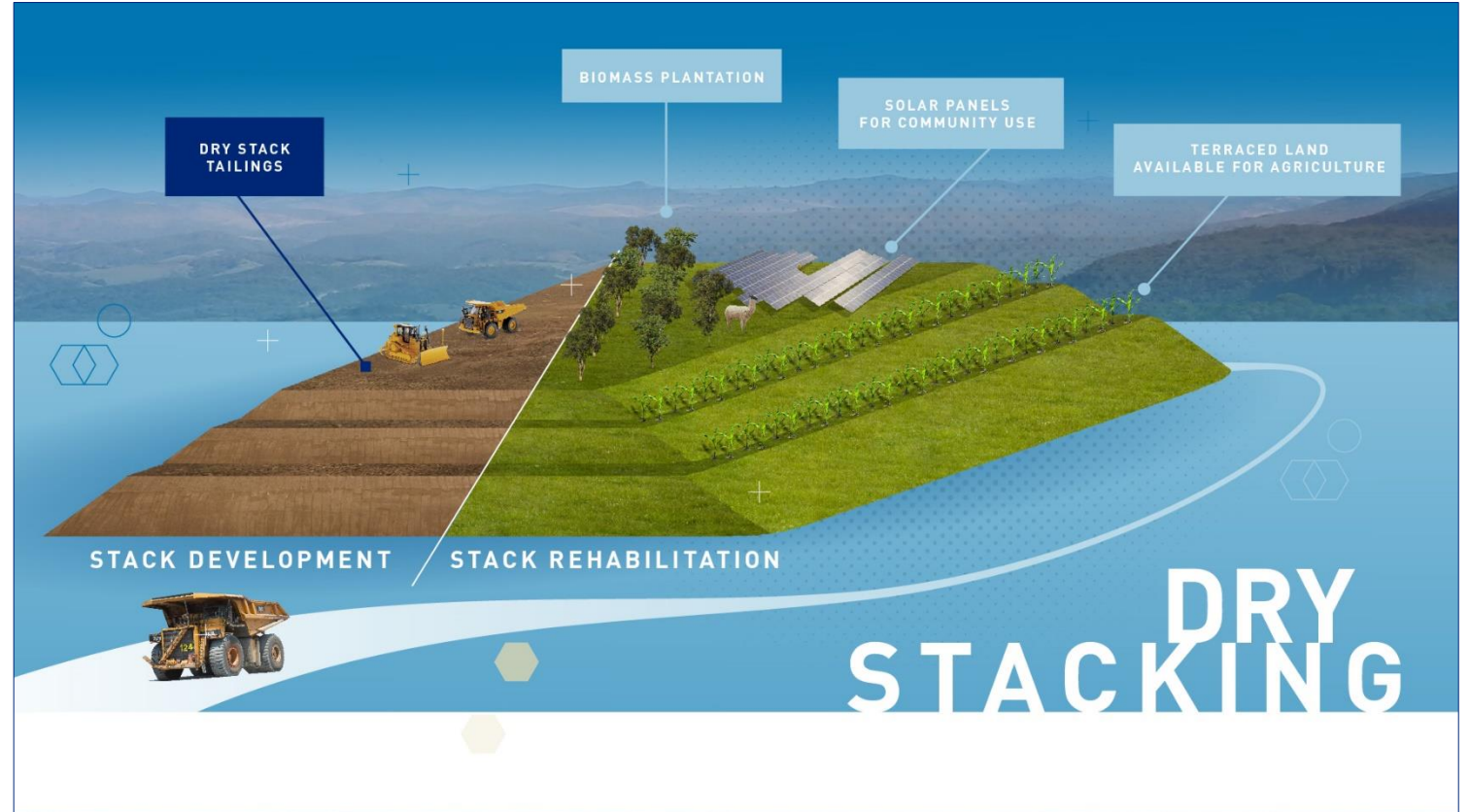
Value

Increased water recovery >80% for similar cost

Reduced footprint

Increased water recovery

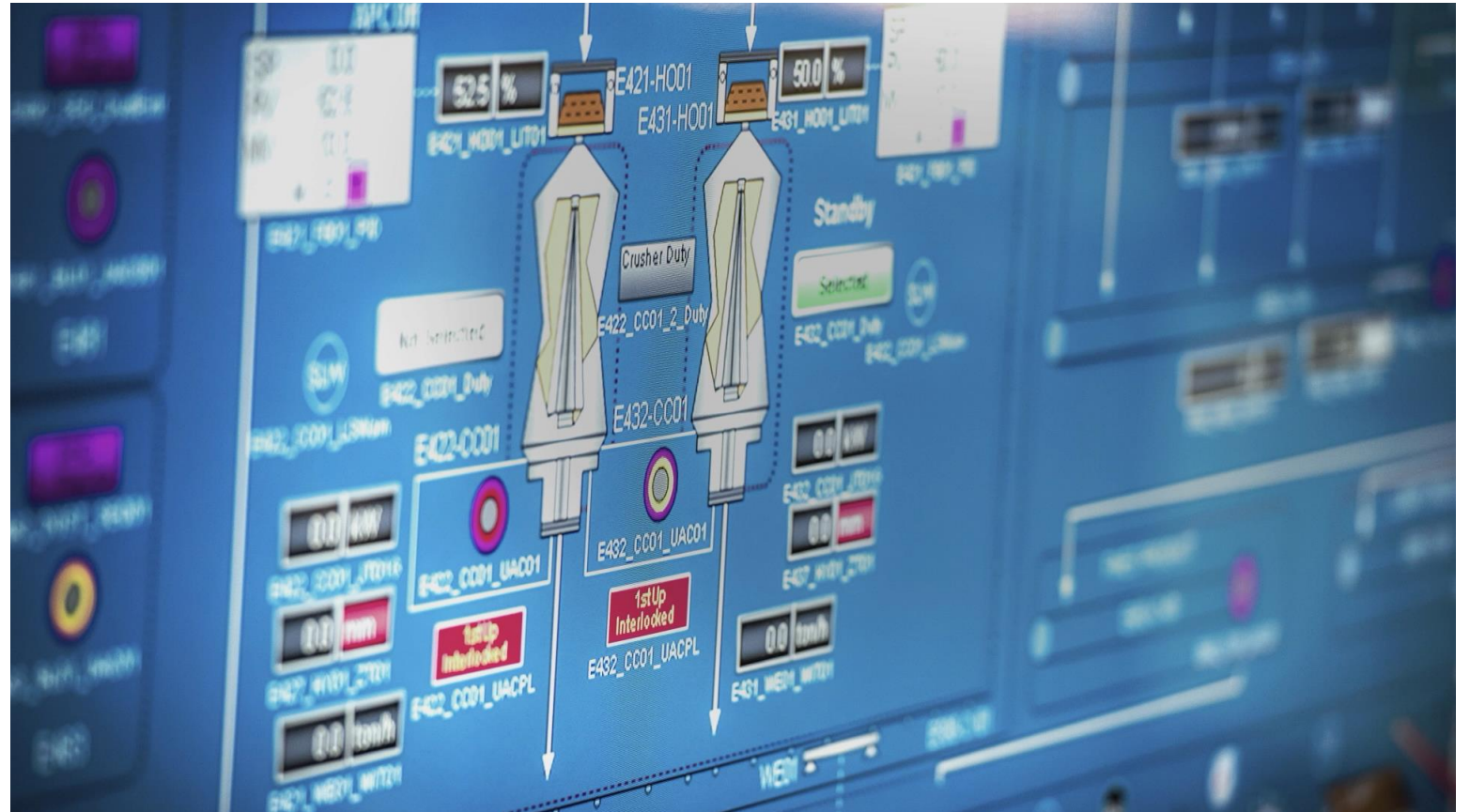
New value options



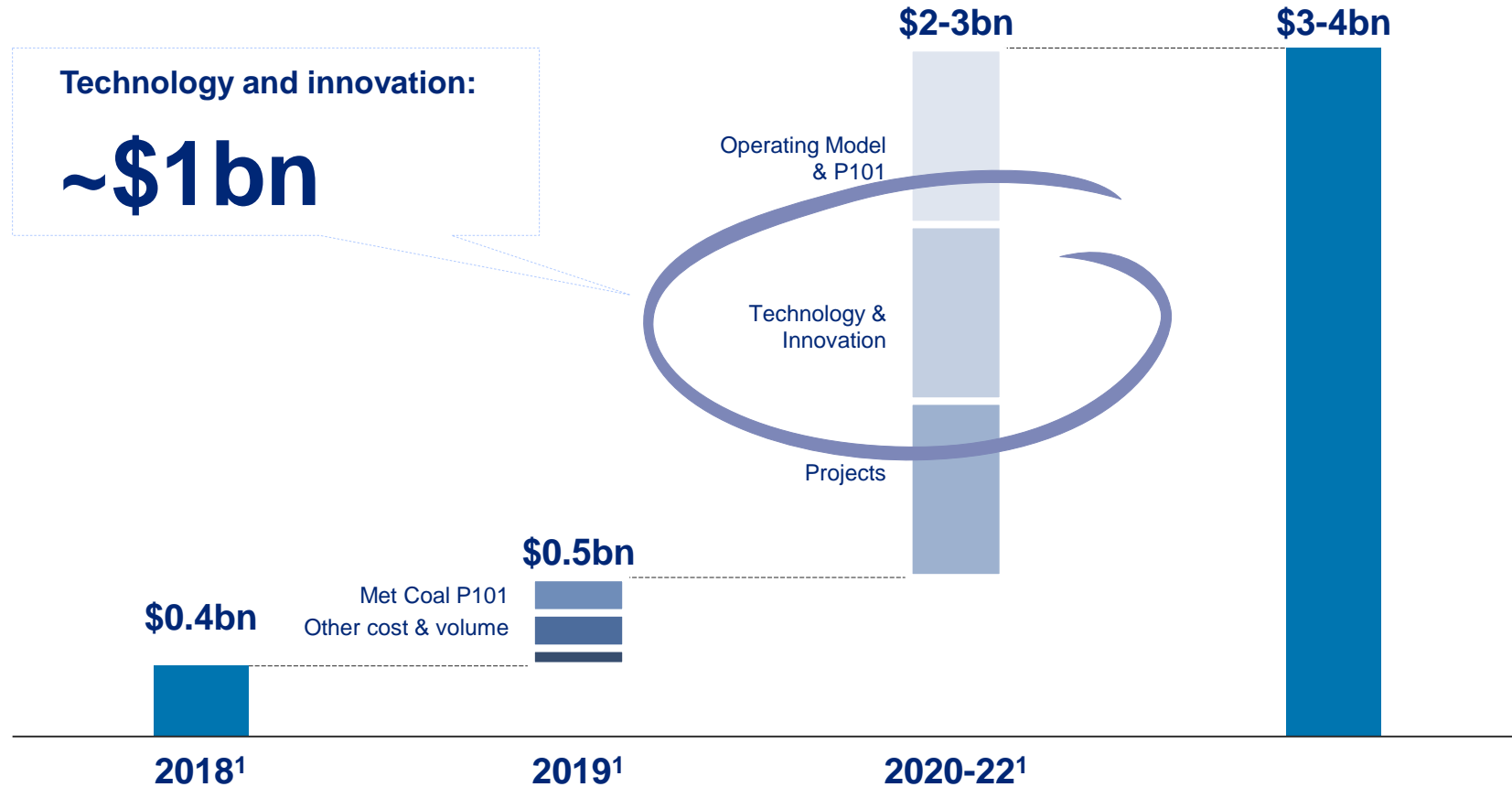
AUTHORING THE OPTIMAL MINING SYSTEM WITH DIGITALISATION

Advanced Process Control

- 2% recovery/yield
- 5% process throughput
- 30% process stability
- 5% energy efficiency



\$3-4BN COST & VOLUME IMPROVEMENT



1. EBITDA volume and cost variance. Volume variance calculated as increase/(decrease) in sales volumes multiplied by prior period EBITDA margin. For assets in the first 12 months following commercial production all EBITDA is included in the volume variance, as there is no prior period comparative. Cost variance includes inventory movements.

RE-IMAGINE MINING, TO IMPROVE PEOPLE'S LIVES





THANK YOU