

BRAZIL: MINAS-RIO AND NICKEL

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ANGLO AMERICAN IN BRAZIL



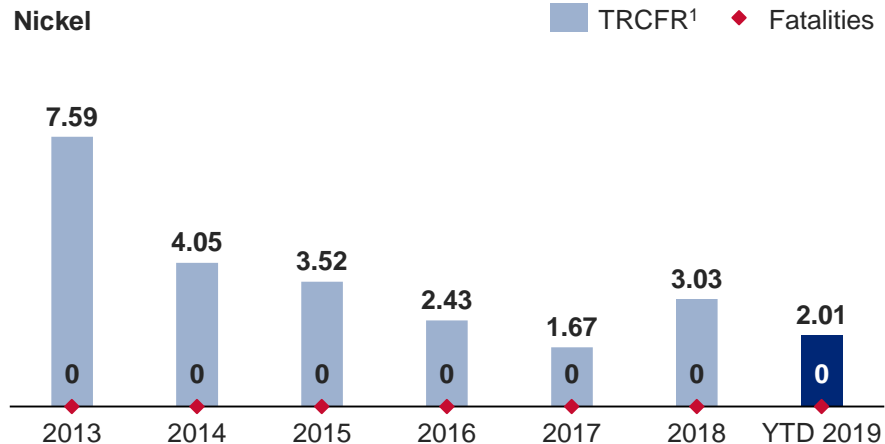
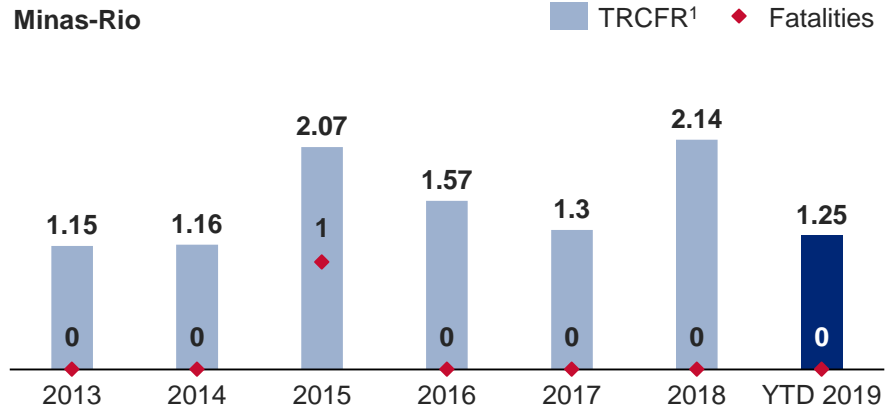
Iron Ore: Minas-Rio



Nickel: Barro Alto & Codemin

SAFETY IS OUR PRIMARY VALUE

Performance



Elimination of Fatalities



LEADERSHIP



CARING CULTURE



PLANNING & SCHEDULING



RISK & CHANGE MANAGEMENT



MONITORING & ASSURANCE



LEARNING ORGANISATION

Focus areas

Cultural and behavioral change

Mobile equipment - fatigue management

Improving compliance, including contractors

MINAS-RIO



MINAS-RIO KEY MESSAGES

Product quality

67% Fe with low impurities

Operational excellence

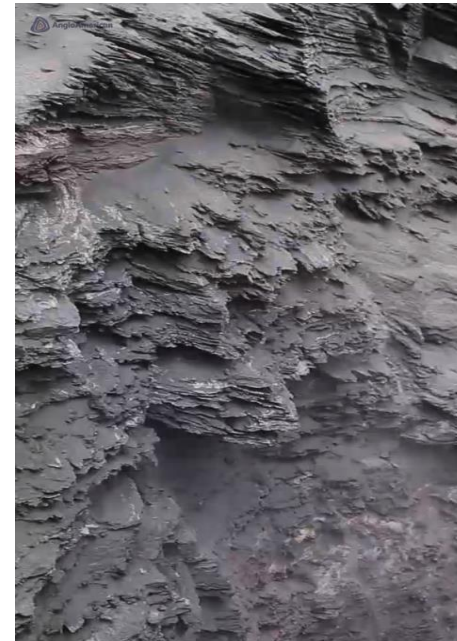
Strong ramp up

48 year mine life

3.2bt Ore Reserve²

Strong local partnerships

Collaboration with authorities and communities



MODERN INTEGRATED BUSINESS

Mining



Open pit

Low LOM strip ratio (0.2)³

32 Komatsu haul truck fleet³

Processing



Crushing, screening, milling

Desliming, grinding, flotation

38% Fe grade ore upgraded to 67% pellet feed product

Export

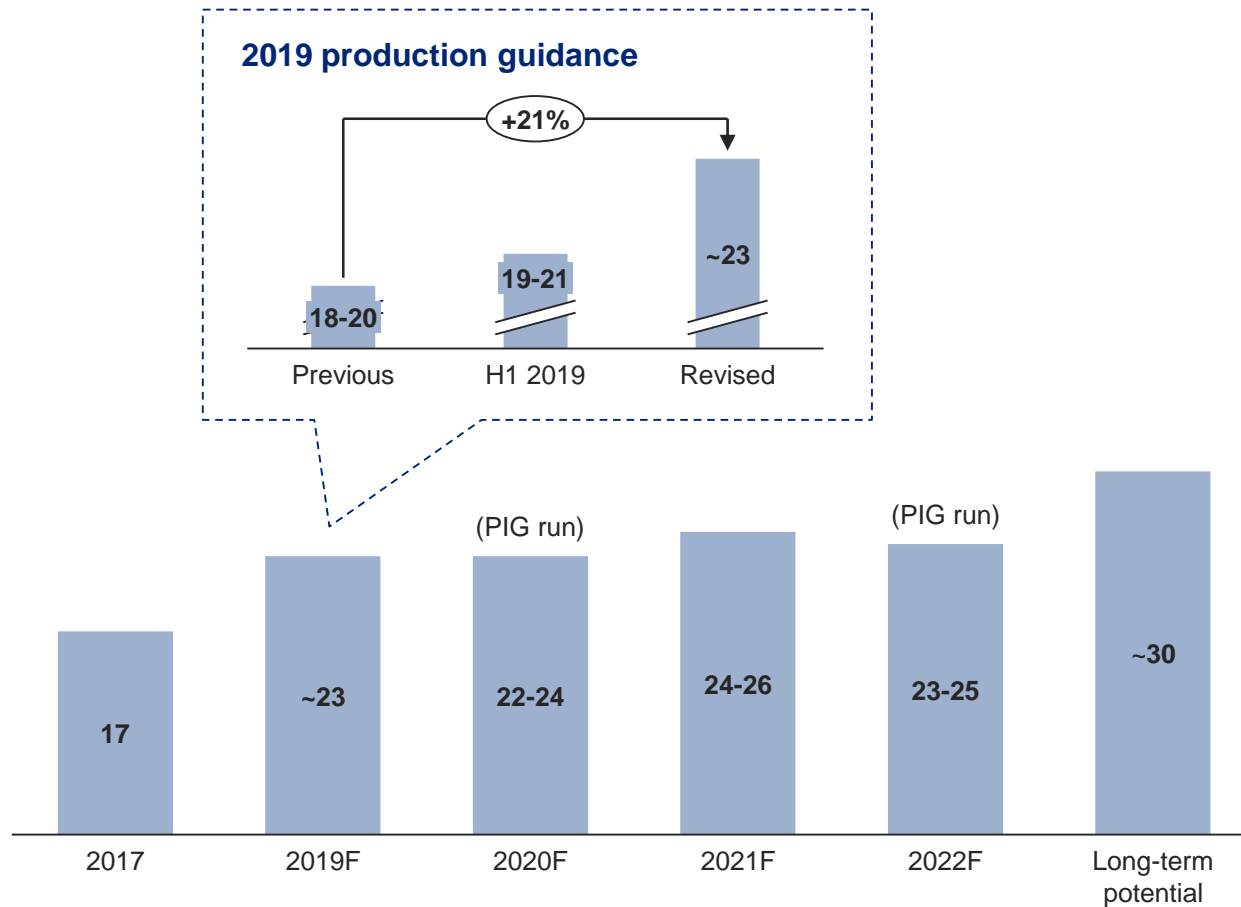


529km export pipeline

JV managed facilities at Açú Port

MINAS-RIO OPERATIONAL PERFORMANCE

Production⁴ (wmt)



P101 improvement

Fe Content Feed

↑ 16%

Mass Recovery

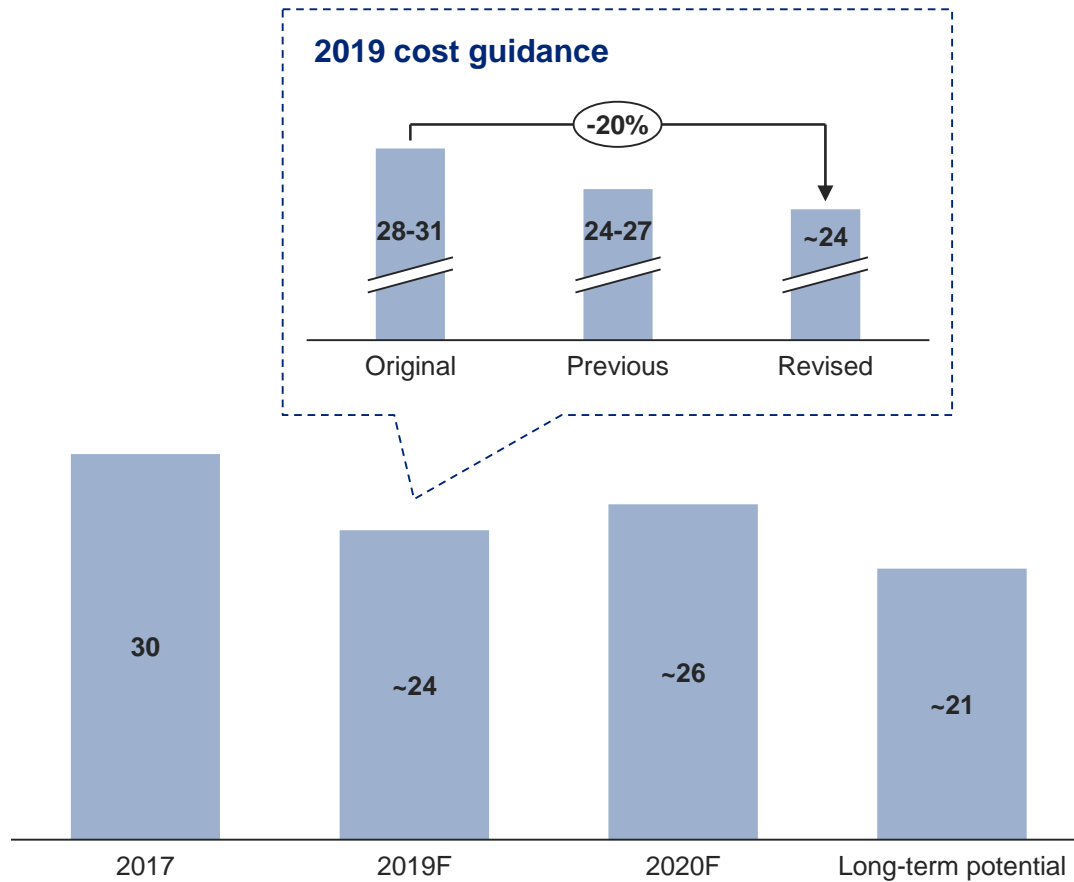
↑ 28%

Beneficiation Plant
Production Rate

↑ 34%

MINAS-RIO OPERATIONAL PERFORMANCE

FOB Unit Cost⁵ (\$/tonne)



Cost drivers

Mining



Processing



Pipeline & port loading



 = c.5% cost base

QUALITY PRODUCTS SUITED TO FUTURE DEMAND



Blast Furnace Pellet Feed
66-67% Fe
(~65-70% of production⁶)



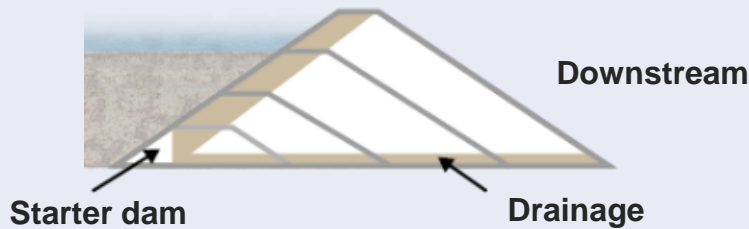
Direct Reduction Pellet Feed
68% Fe
(~30-35% of production⁶)

Modern steel production focused on quality

Bigger blast furnaces and tighter emissions standards

BEST-IN-CLASS TAILINGS MANAGEMENT

Best-in-class design



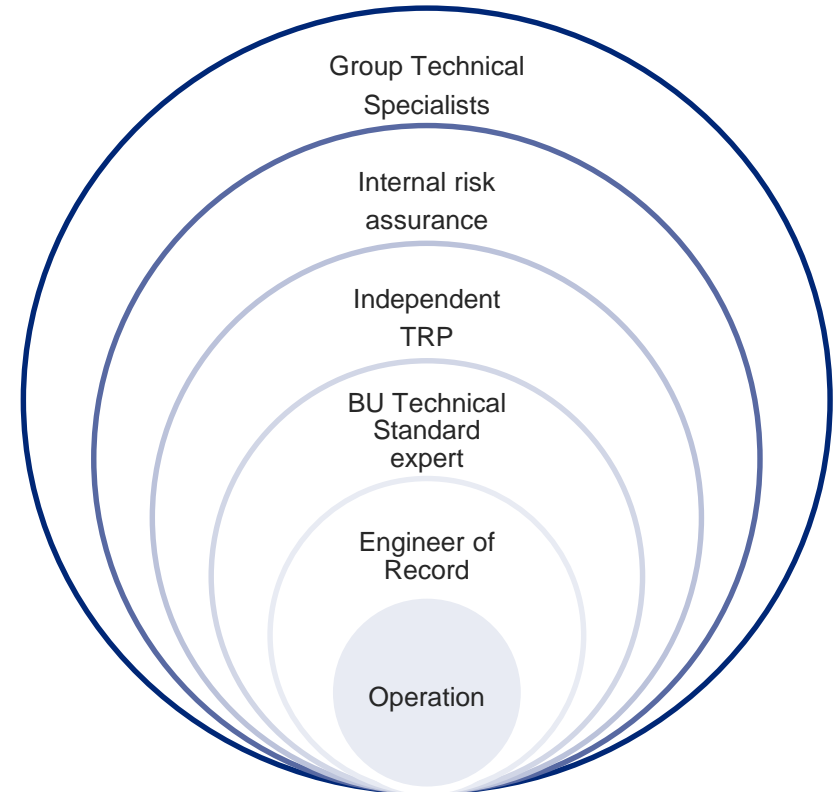
Engineered construction

More robust than tailings-built downstream dam

State-of-the-art monitoring:

- 16 Water level indicators
- 11 Piezometers
- 2 Internal drainage flow meters
- 1 Total monitoring station (24h x 7days)
- Orbital satellite INSAR
- 4 Sirens - 12km downstream of the dam
- Fibreoptic monitoring at the overflow system

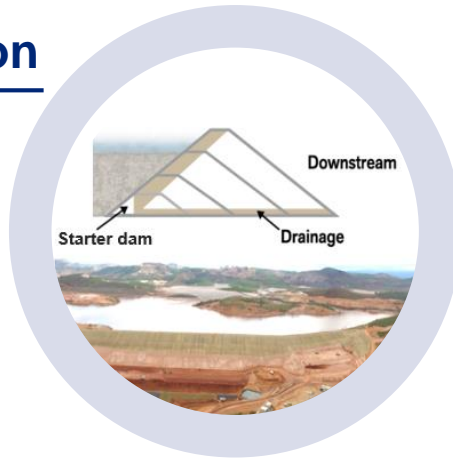
Industry leading safety management



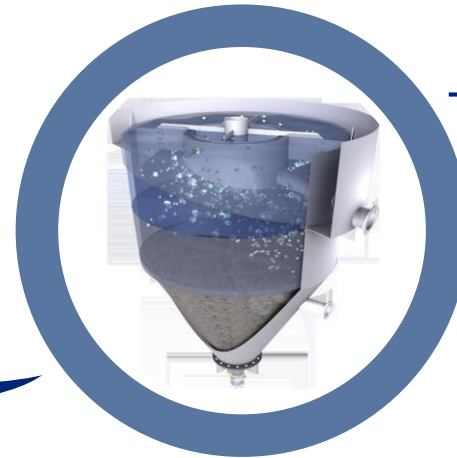
6 levels of assurance: 2 internal, 2 external, 2 independent

ALTERNATIVE DEPOSITION TECHNOLOGIES: OUR PATHWAY

Dam deposition



Process improvement



Dry stacking



SETTING THE STANDARD IN PIPELINE MANAGEMENT

Fibreoptic monitoring

Technology selected



Implementation by March 2020

PIG runs

Internal scan of pipeline integrity

Every 2 years, ~2Mt impact (1 month production)

Less frequent water batches

Previously pumping was focused on slurry quality, now also focused on pumping pressure

Consistent pressure important for integrity

Other pipeline management

Pressure cycles to estimate fatigue

Water pH control optimisation

Monitoring & assessment of corrosion

New reagents to sequester oxygen

Interconnected operation without surge tank

Mapping slopes, tunnels & containment structures

Revised pump design to improve availability & reliability

External coating & cathodic protection inspection

P101 DRIVING HIGH PERFORMANCE

Ore feed rate



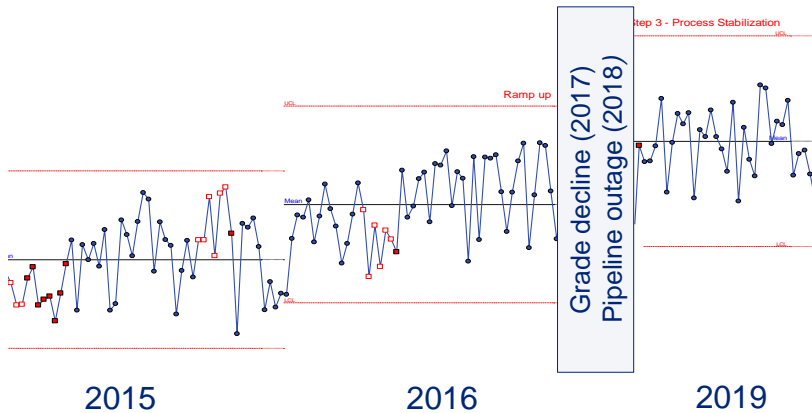
- Capacity increase
- Ultrafine re-addition into the process to improve slurry specifications
- Vertmills optimisation
- Access to higher grade ore

Improvement in beneficiation

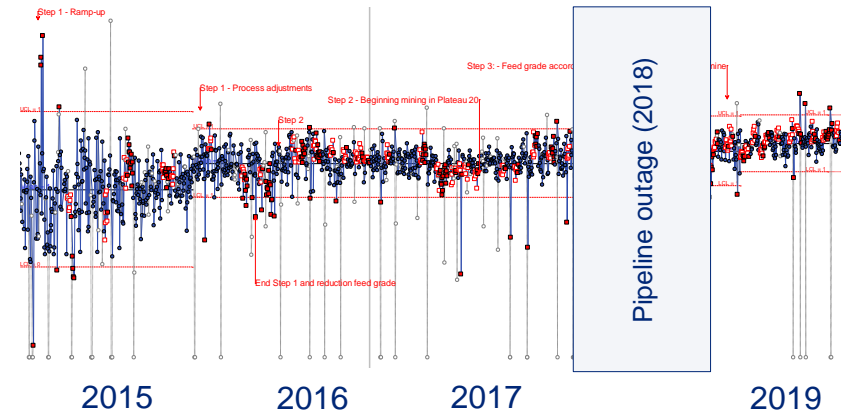


- Production increase
- New reagents
- Stable feed
- Optimised flotation setup
- Better quality ore feed

Ore feed rate (dmt/h)



Mass Recovery (% of recovery curve)



LONG LIFE, HIGH QUALITY ASSET

High quality resource

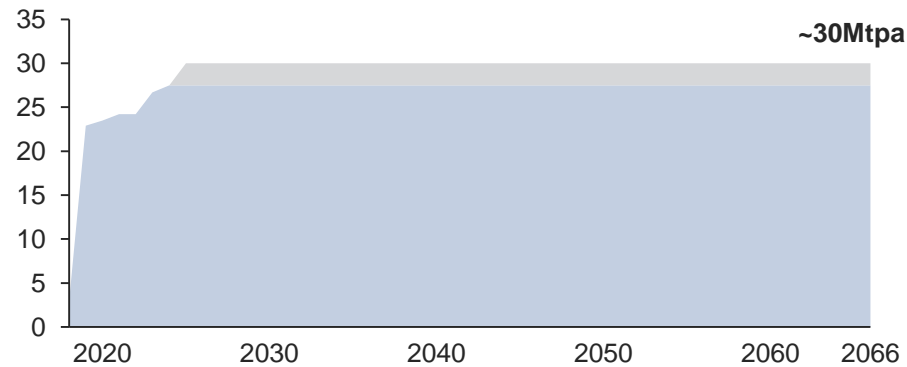
48 year

Mine life

1.4bt

Saleable product²

Production profile



Expansion potential Current LOM

Delivering strong returns

67%

Average grade⁷

~60%

Mining EBITDA margin⁸

NICKEL



NICKEL KEY MESSAGES

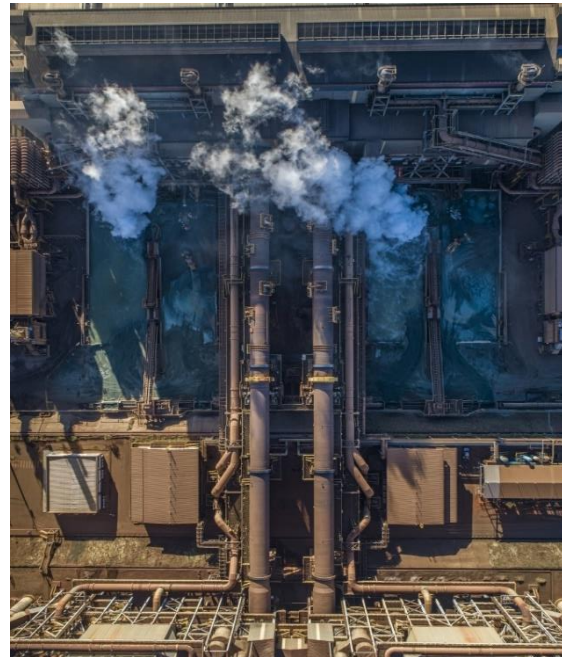
Product quality

Premium quality ferronickel



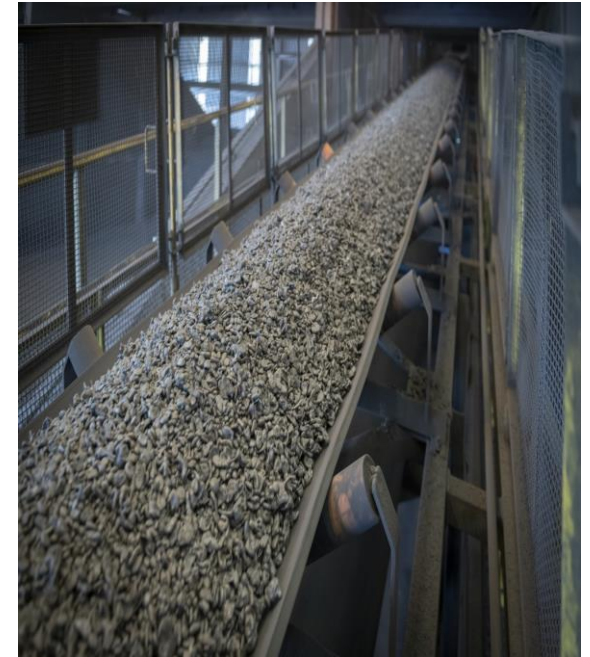
Operational excellence

World class stability



Markets

Consistently outperform the market price



OPERATIONS OVERVIEW

Mining



Barro Alto

36ktpa average nickel production

Large-scale, low-cost and attractive grades

Codemin

Integrated with Barro Alto

9ktpa average nickel production

Processing



Barro Alto

World class ferronickel producer

2 lines of rotary kiln and electric furnace

2 lines of ladle furnace refinery

FERRONICKEL DEMAND

Nickel

Class 1 (LME grade)

Applications include stainless & speciality steel, electronics, EV batteries, plating & coating, castings

Class 2

Ferronickel & nickel pig iron
Mainly used for stainless & specialty steel

Ferronickel is Class 2

~95% of supply used in the manufacture of stainless steel

Nickel enhances properties of stainless steel: corrosion resistance, weldability, formability & ductility

Attractive to stainless steel producers as alloy with pure iron

Stainless steel demand for nickel

~70%

Global nickel demand

~95%

Ferronickel demand

World class ferronickel producer

Low carbon

Low phosphorus

Low sulphur

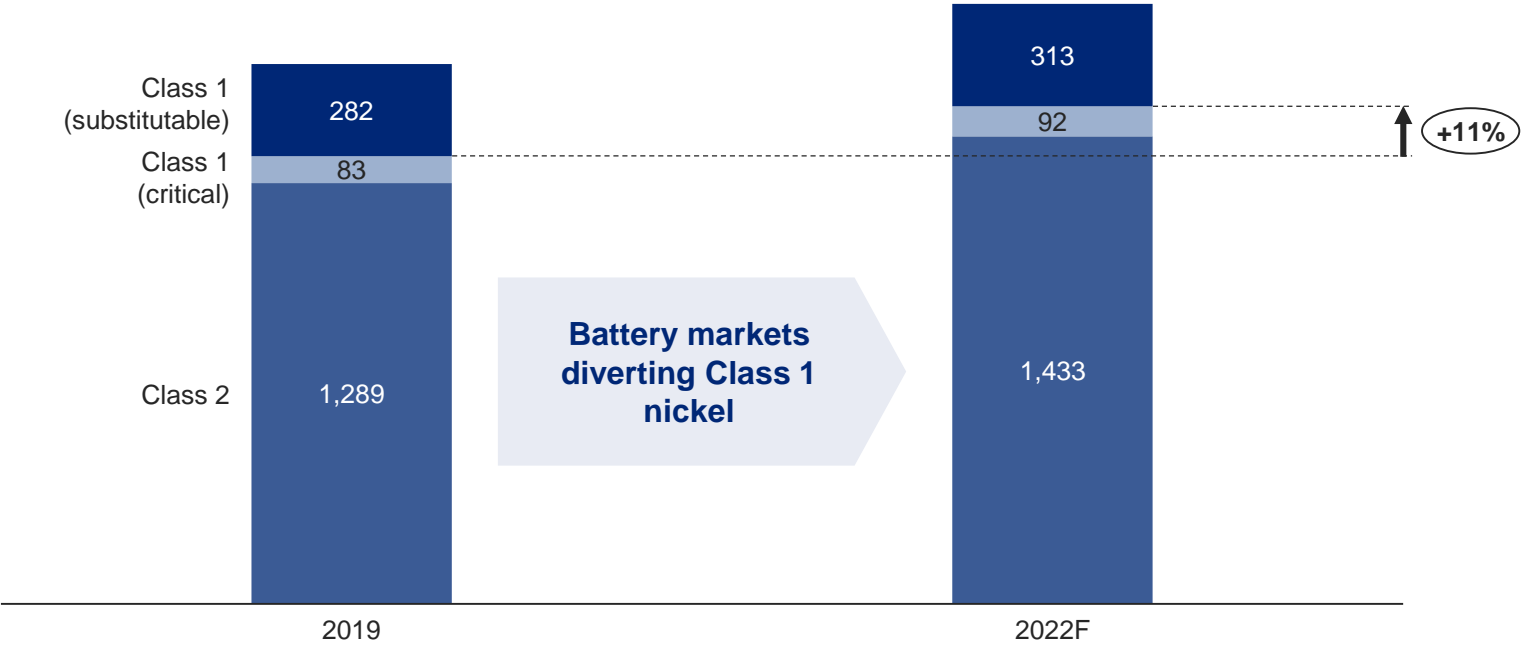
Highest quality product

~45kt

Production

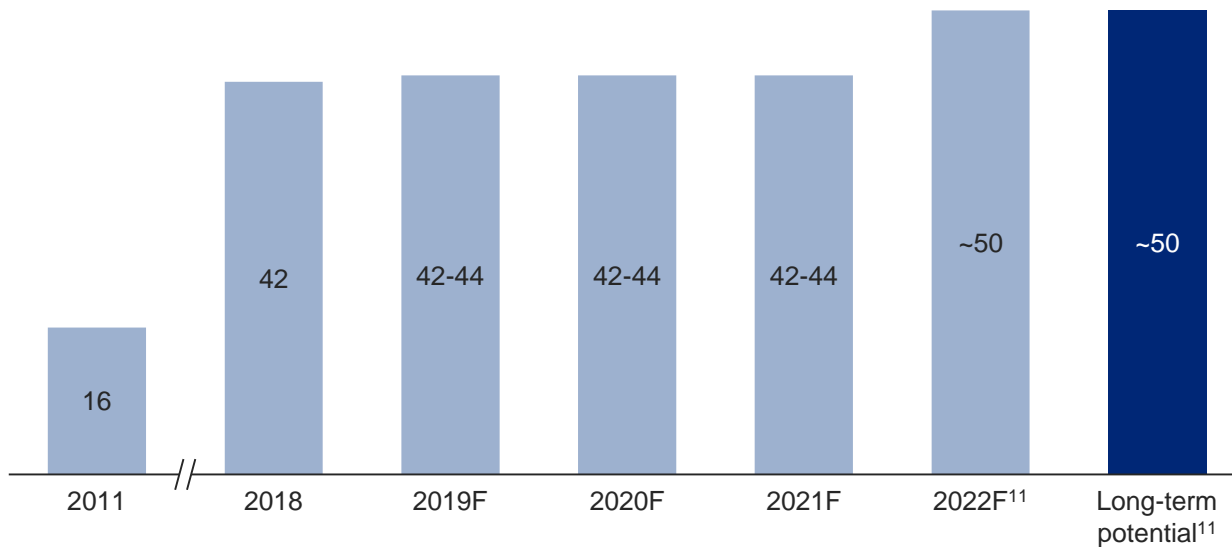
ELECTRIFICATION & CONSUMER DEMAND SUPPORT NICKEL GROWTH

Nickel demand (kt)



ROBUST PERFORMANCE TO CONTINUE

Production⁹ (kt)



Including Class 1 nickel from Platinum Group Metals ~70 ktpa

Anglo American is world's 5th largest nickel producer

Operational stability¹⁰

Kilns throughput improvement

↑ 4%

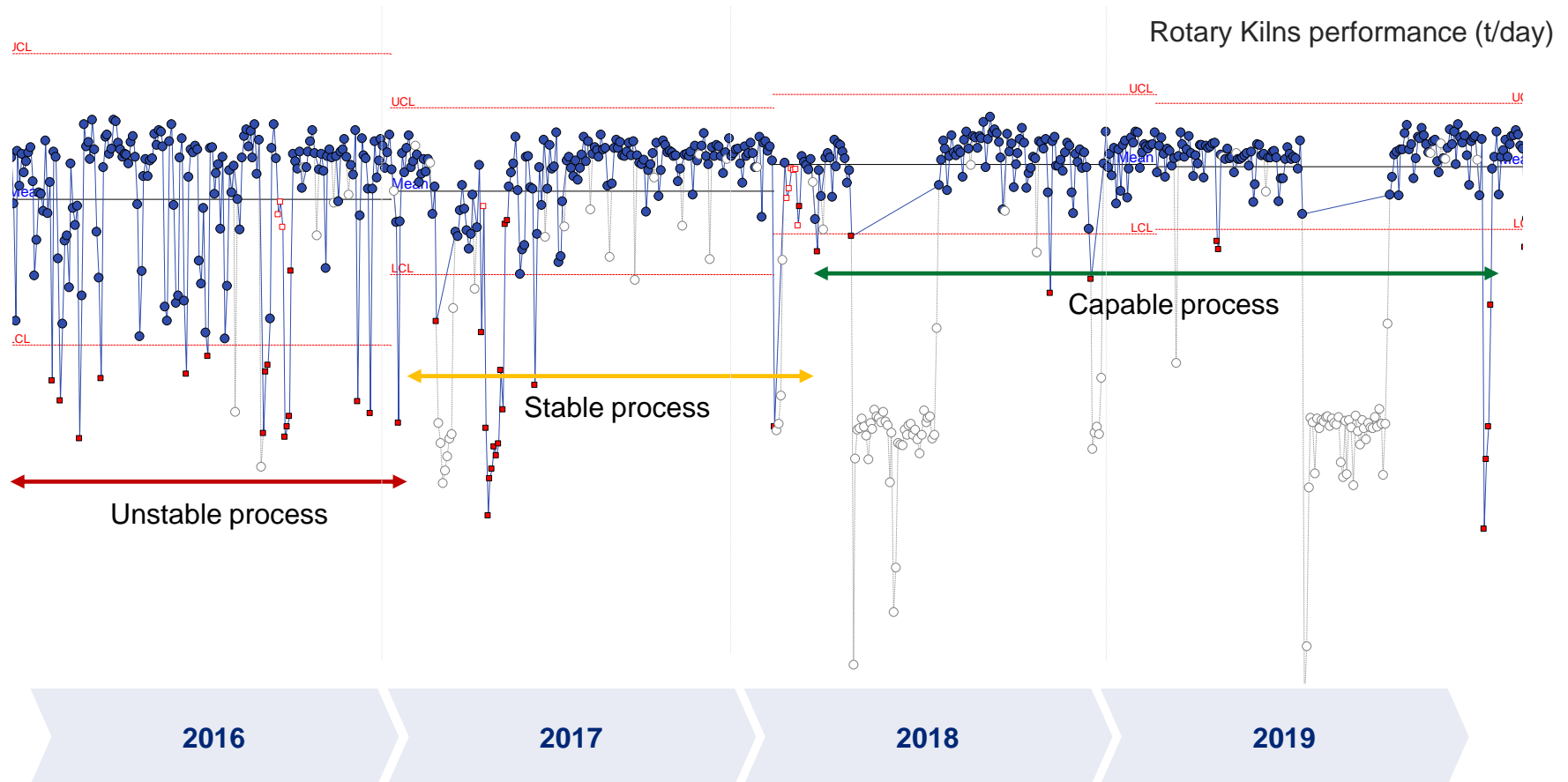
Oil consumption improvement

↓ 65%

Furnace energy consumption improvement

↓ 3%

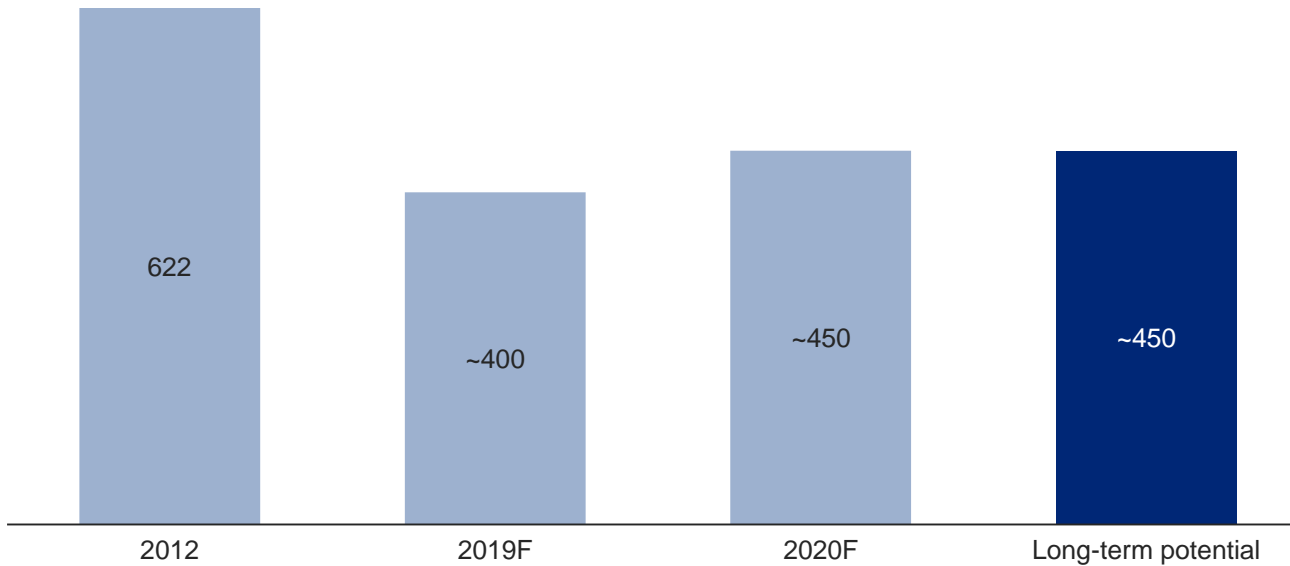
OPERATING MODEL IN ACTION



Relentless performance and safety improvement, together with technology deployment programs

OPTIMISING COSTS FROM A STABLE BASE

C1 unit cost⁴ (c/lb)



Q2 on cost curve

Lower nickel production in 2020

P101 benefits from 2022

Cost drivers

Mining



Processing



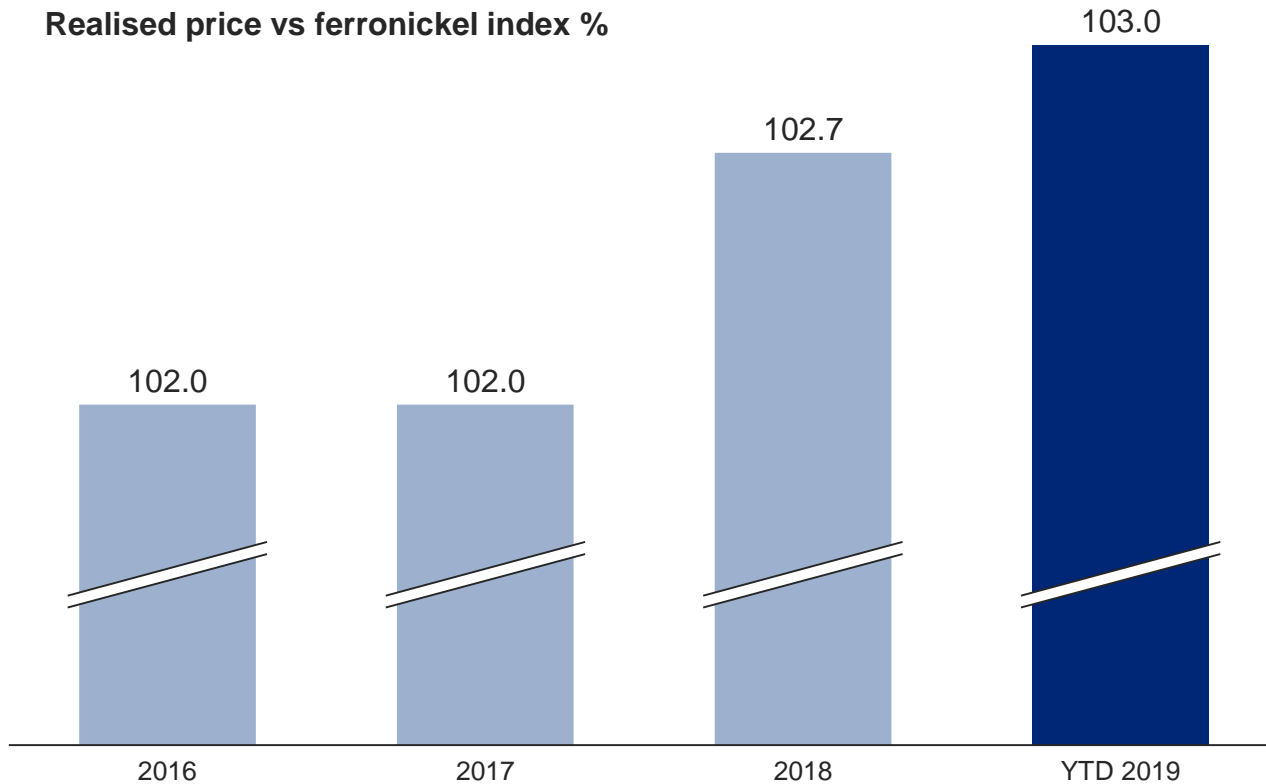
Export



 = c.5% cost base

PREMIUM QUALITY PRODUCT

Realised price vs ferronickel index %



Delivered value to our customers

Outperformed market price

INNOVATION DRIVING PRODUCTION GROWTH

Bulk ore sorting

Trial to commence end 2019

Up to 30% grade improvement

~5ktpa increase in production

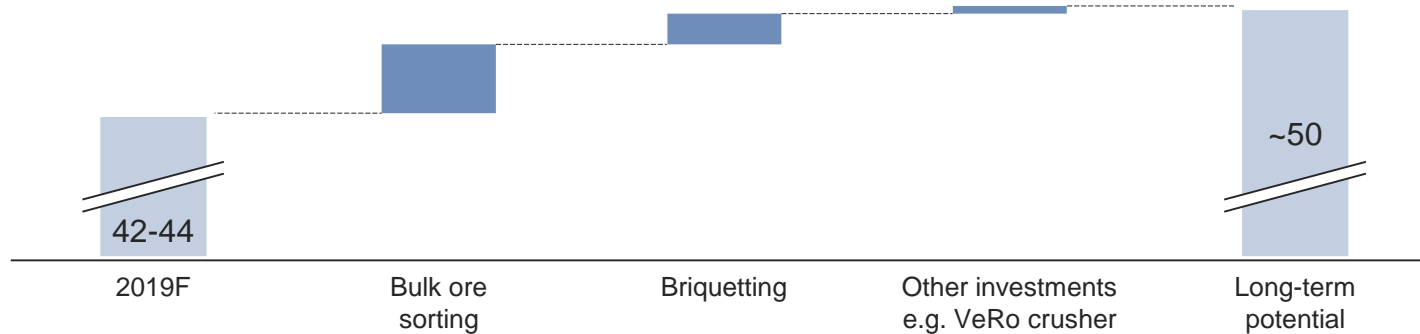
Briquetting

Increase in safety by reducing gas build-up

~3ktpa increase in nameplate capacity

~5% lower plant electricity consumption

Production (ktpa)



A SUSTAINABLE BUSINESS



FUTURESMART MINING™: SUSTAINABLE MINING PLAN

Sustainability approach integral to FutureSmart Mining™

 **Trusted Corporate Leader**

**Supporting local municipalities:
projects & fundraising**

 **Thriving Communities**

Crescer: Supporting local value chains

 **Healthy Environment**

Wind energy project

QUALITY PRODUCTS SUITED TO MODERN MARKETS

Assets	Capabilities	Returns
Products suited to modern demand	Operating Model	Steady cash generation
Successfully ramped up	FutureSmart Mining™	Modest capital requirement
Established mining jurisdiction	Integrated Marketing function	Robust margins

FOOTNOTES

1. Total Recordable Cases Frequency Rate per million hours.
2. Please refer to the AA plc Ore Reserves and Mineral Resources Report 2018 for the tonnes, grades and a breakdown of the classification categories.
3. Average during the next 20 years.
4. Wet basis. Current guidance assumes receipt of final tailings licence by end 2019. Minas-Rio operations were suspended for the majority of 2018 following two leaks in iron ore pipeline.
5. Unit costs exclude royalties, depreciation and include direct support only. Minas-Rio operations were suspended for the majority of 2018 following two leaks in iron ore pipeline.
6. Indicative at steady state.
7. Saleable product, next 10 years average.
8. LOM period at H1 2019 prices.
9. Nickel business unit only.
10. 2019 performance versus 2017.
11. ~50kt dependent on delivery of bulk ore sorting technology.