

ANGLO AMERICAN PLATINUM

AFRICAN MINING NETWORK

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23rd June 2016



The road to value



Real mining. Real people. Real difference.

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Road to value

Personal journey

*“Two roads diverged in a wood, and I –
I took the one less travelled by,
And that has made all the difference.”*

Robert Frost’s The road not taken

Anglo Platinum strategy

Mogalakwena

Communities

Our vision is to be:
The global leader in platinum group metals, from resource to market, for a better future for all

- reposition our assets into a value optimising portfolio
 - develop the market for platinum group metals
 - deliver the full potential from our operations through our people
- in a **values driven and socially acceptable way**

				
Mining and process operational excellence	Projects excellence	Commercial excellence	People excellence	Sustainability excellence
Reconfiguration of the asset portfolio, safe and effective management of assets, targeting industry leading productivity and cost performance	Ensuring efficient investments, and effective execution of value accretive projects – on time and on budget	To unlock commercial value by growing the market and increasing sales revenue from all metals	To ensure AAP has the right people in the right roles doing the right work, are efficient, effective, engaged and are attuned to the culture and values of the organisation	To enable a sustainable business, create a zero harm environment in our operations and build leading community and stakeholder relationship around our operations

Value levers

1	2	3	4	5
Reconfiguration and optimise	Prioritised project pipeline	Targeted market development	Organisation structure and effectiveness	Safety, health and environment
Leading productivity	Best practice project design	Global sales	Labour management	Communication
Cost effectiveness	Project execution excellence	Base metals marketing	Sound employee relations climate	Community development
Technology and innovation	Stay in business capital	Market intelligence	People, culture and skills development	Stakeholder engagement and government relations

Our values

 Safety	 Care and respect	 Integrity	 Accountability	 Collaboration	 Innovation
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Enabled by values driven culture, financing strategy & technical excellence

Focus remains on repositioning the portfolio...

Restructuring since 2013...

1. Reshape Rustenburg & exit

- Optimised and integrated 5 mines to 3 in 2013
- Further consolidation to 2 in 2015
- Volume reductions ~210 koz Pt
- Sale agreement signed in 2015 with Sibanye Gold

2. Reshape Union & exit

- Consolidated Union North and South Mines
- Closed the North and South declines
- Volume reductions of ~80 koz Pt
- Prepare for exit through sale in 2016

3. Simplify JV portfolio & maximise value

- Consider exit options for Bokoni and Pandora
- Bokoni mine optimised. Restructuring and shaft closures in 2015
- 2016 decision to exit Kroondal for value

...now repositioning the portfolio...

Retained assets

Mogalakwena

Amandelbult

Unki

BRPM

Modikwa

Mototolo

Processing

Care & maintenance

Twickenham

Exit assets

Rustenburg

Union

Pandora

Bokoni

Kroondal

...to generate long term value

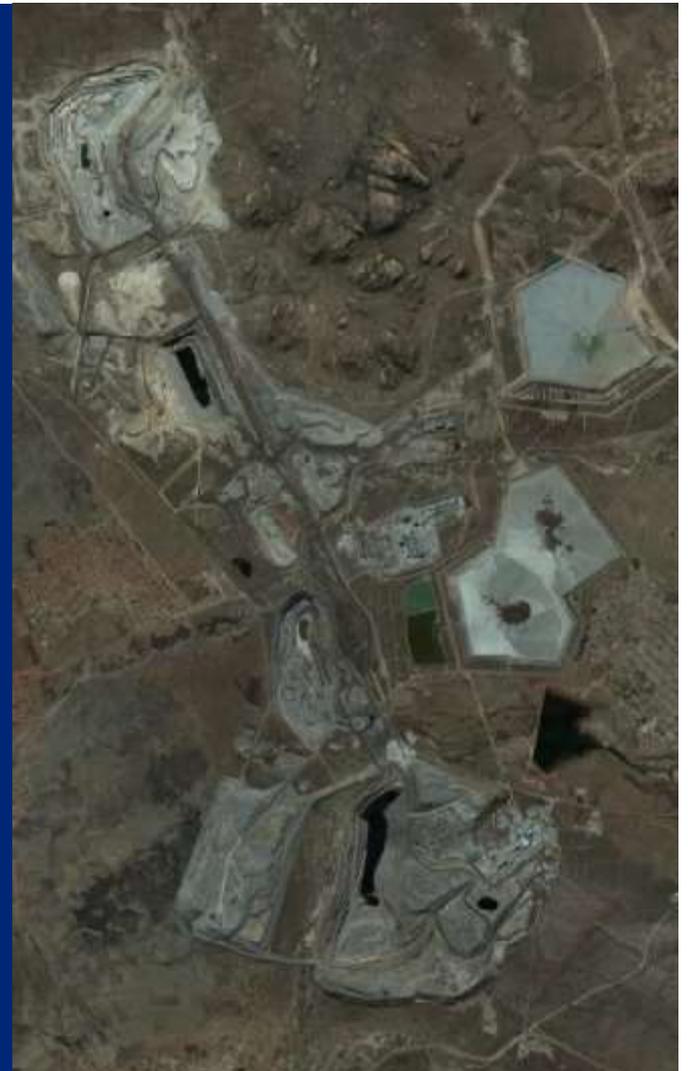
- 1 High quality assets
- 2 Low cost production
- 3 High margin ounces
- 4 Reduced safety risks

...to generate long term value through the cycle

MOGALAKWENA

“It is evident that the PPL are indeed in an excellent position, in that a large tonnage can be developed in a short time and without much capital expenditure; and that mining can be done for a long time cheaply in open quarries; the milling and producing stages can be reached in a short time, and I feel convinced that the PPL will develop into a highly payable concern.”

Dr. Hans Merensky in 1927





- The Northern Limb of the Bushveld Complex is located in the Limpopo Province of SA
- The Northern Limb is approximately 120km in length and a significant source of future platinum production in SA
- Anglo American Platinum operates the Mogalakwena open pit mine – currently the only operating mine on the Northern Limb

Hermann Hollhumer
Engineering Manager



Bongani Mtshweni
HR Manager



Allan Hartley
Finance Manager



Judd Bartow
Production Manager



Frans Marais
SHE Manager



Ashina Buddu
Concentrator Manager



Richard Cox
General Manager



Wynand Smit
Bus. Partner Technical



Hendrik van Niekerk
MRM Manager



Lebang Gaobepe
Social Performance Manager



Bert Rossouw
Business Improvement Manager



Wanda van Zyl
Protection Services Manager



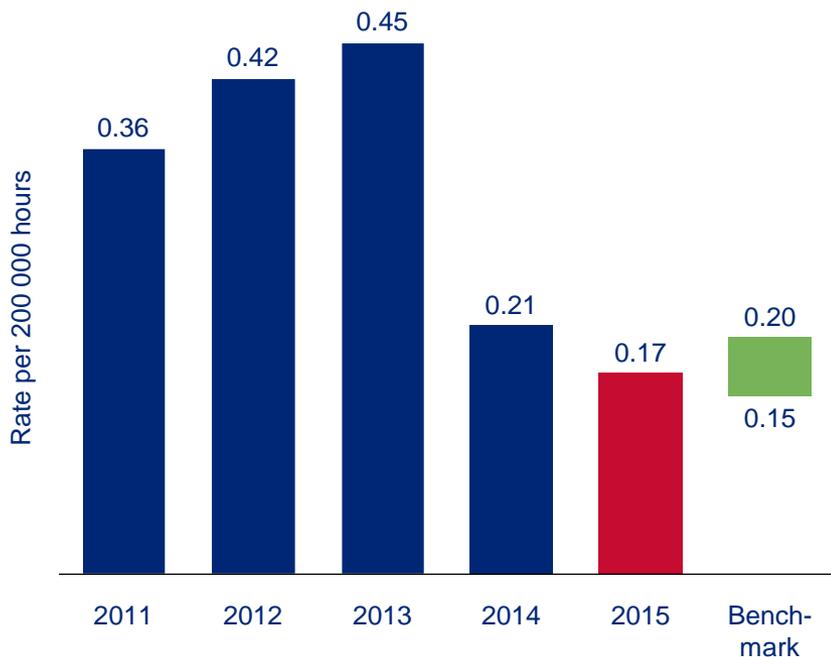
SAFETY

“There are many arts and sciences of which a miner should not be ignorant”

Georgius Agricola’s De Re Metallica



Lost time injury frequency rate



- Mogalakwena operation benchmarks favourably with international best practice safety performance
- The team is at an advanced stage in the implementation of the safety improvement plan
- Notable recent safety achievements:

- | | |
|--------------------------|--------------------------|
| 1. North concentrator | 622 days LTI free |
| 2. South concentrator | 315 days LTI free |
| 3. Mining | 215 days LTI free |
| 4. Mogalakwena operation | 4 million ffs* (4 years) |

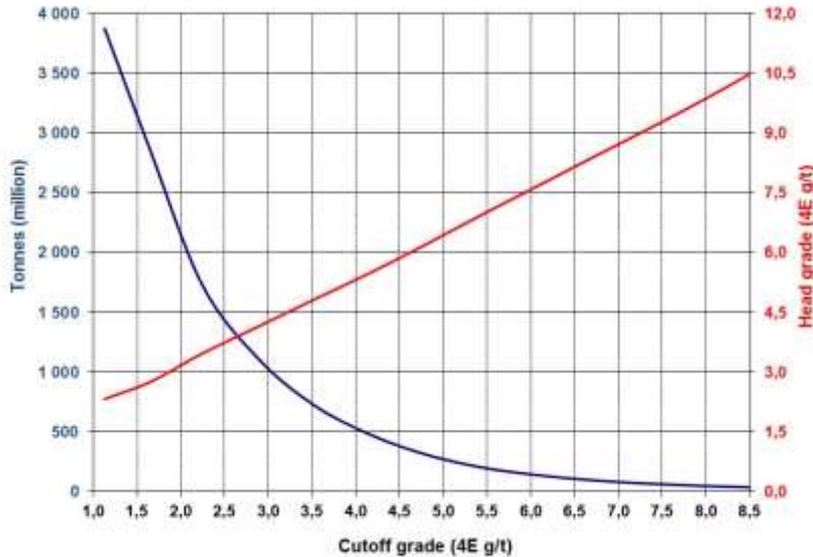
RESOURCES

“The unskilled miner digs out the ore without any careful discrimination, while the learned miner first assays and proves it, and when he finds the veins too narrow and hard, or too wide and soft, he infers therefrom that these cannot be mined profitably, and so works only the approved ones.”

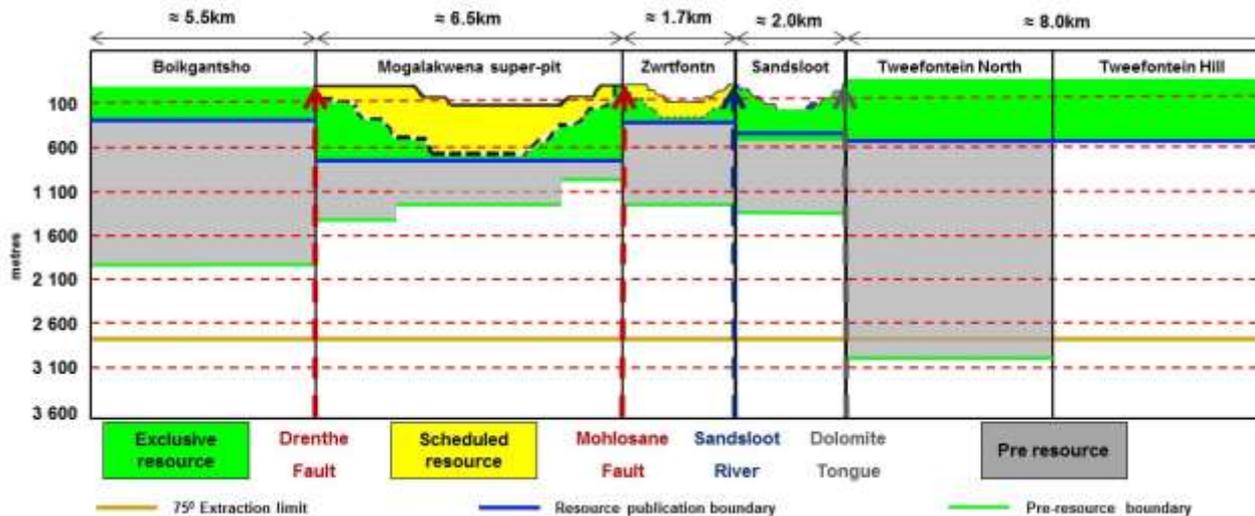
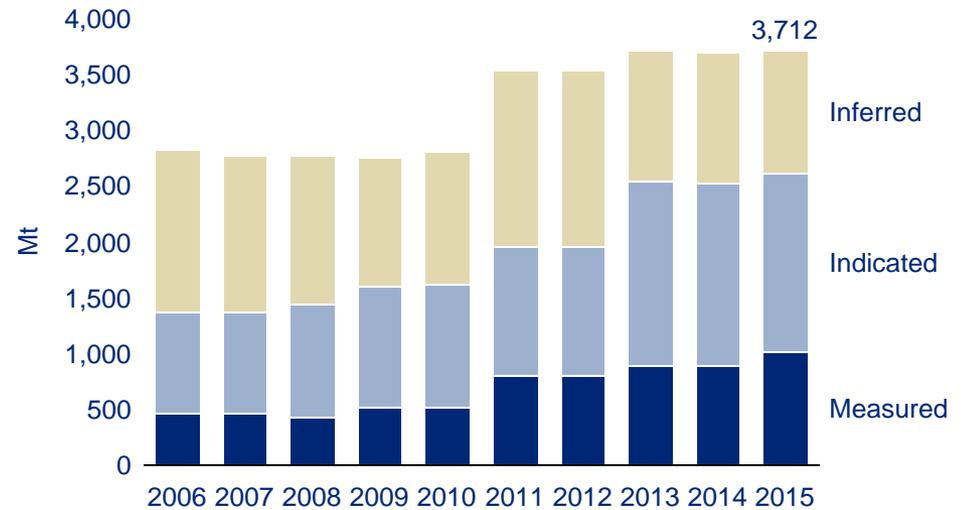
Georgius Agricola’s De Re Metallica



Mineral resources

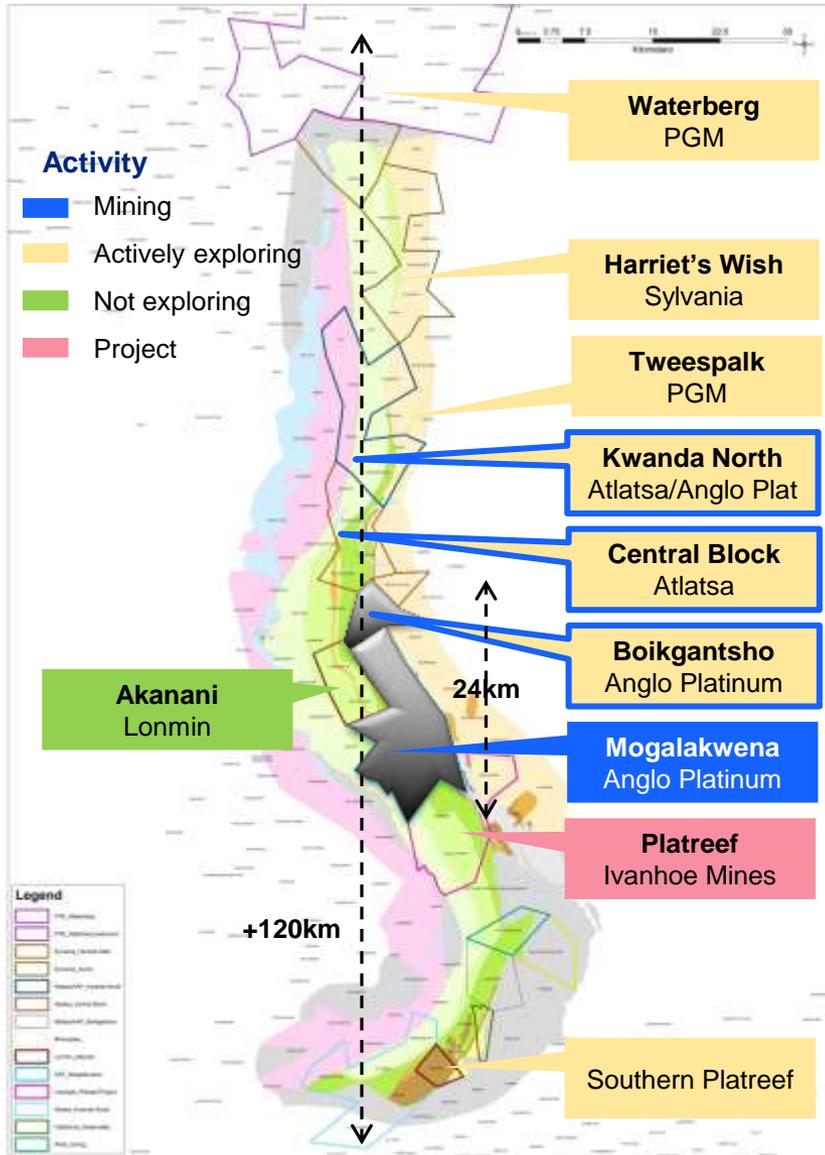


Published inclusive mineral resources

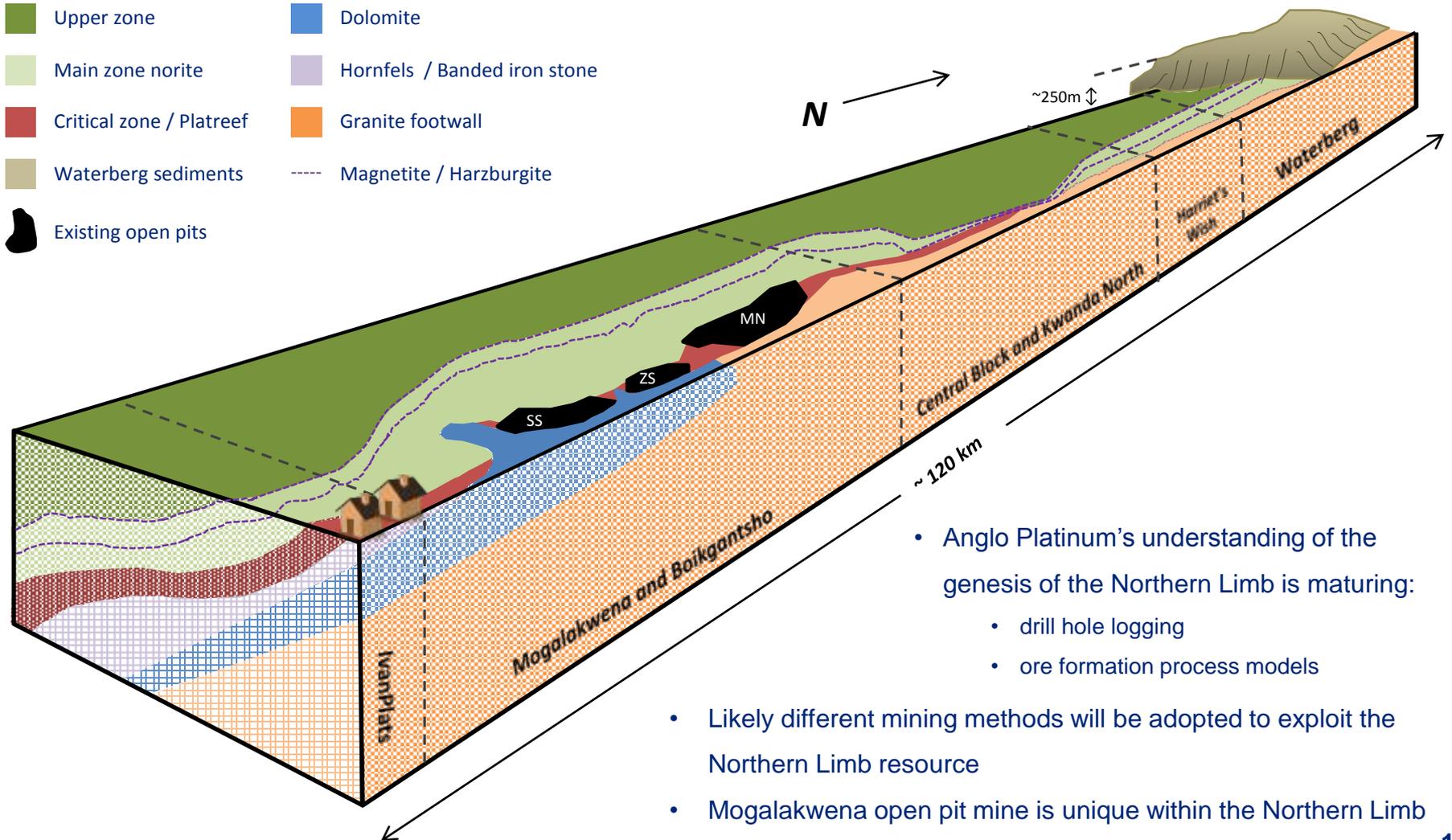


Mineral resources are highlighted as green shaded area in section view, constrained by:

1. Mining lease
2. Depth below surface of 750m
3. Cut off applied to the resource of 1 g/t 4E
4. Significant pre resources below
5. Note: pit shells are not used to constrain resources



- Apart from Mogalakwena, no other mining activity within the Northern Limb
- Ivanhoe Mines is actively developing their underground project and busy with characterization/early access shaft
- PGM developing Waterberg resource on recently discovered Main Zone reefs – extended their prospecting area significantly
- Lonmin completed an underground pre feasibility study on Akanani
- Anglo American Platinum is currently developing strategies to optimise the footprint that includes Boikgantsho, Central Block and Kwanda North



- Anglo Platinum's understanding of the genesis of the Northern Limb is maturing:
 - drill hole logging
 - ore formation process models

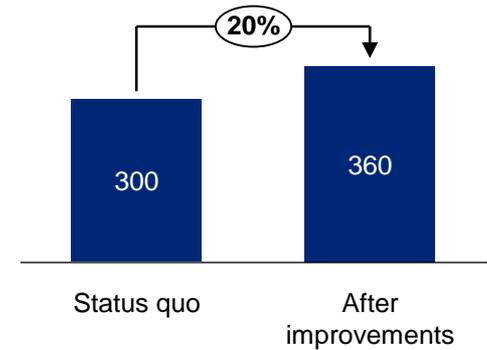
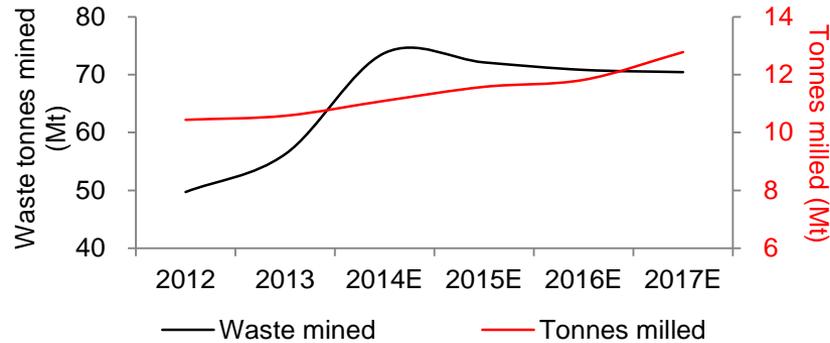
- Likely different mining methods will be adopted to exploit the Northern Limb resource
- Mogalakwena open pit mine is unique within the Northern Limb

REPLANNING THE MINE

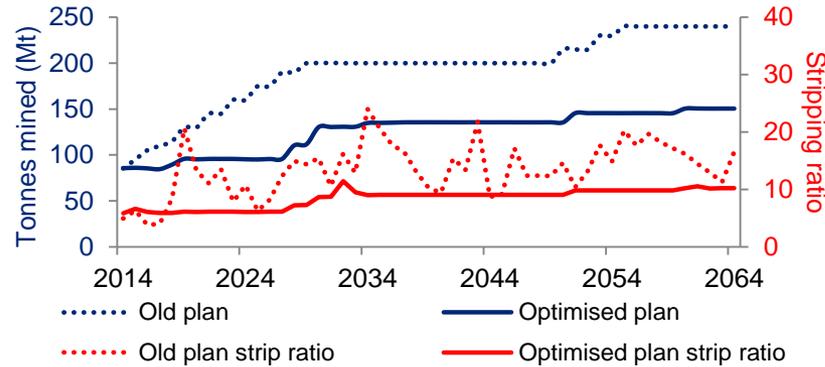
“There power of the mining engineer to add value...”



1 Ongoing concentrator improvements & debottlenecking



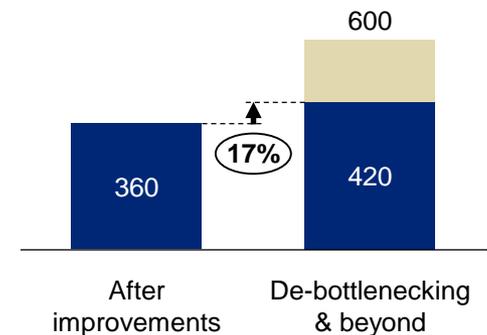
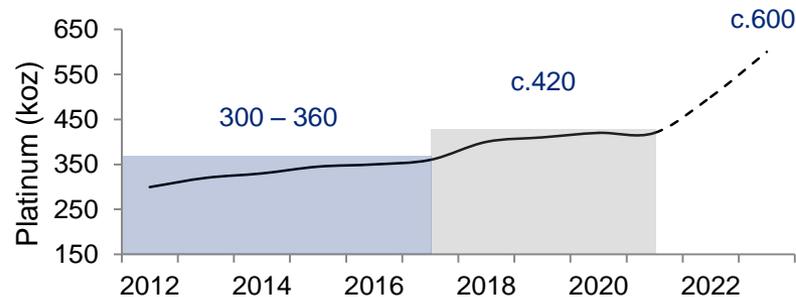
2 Mining strategy improvements



Cost reduction driving NPV

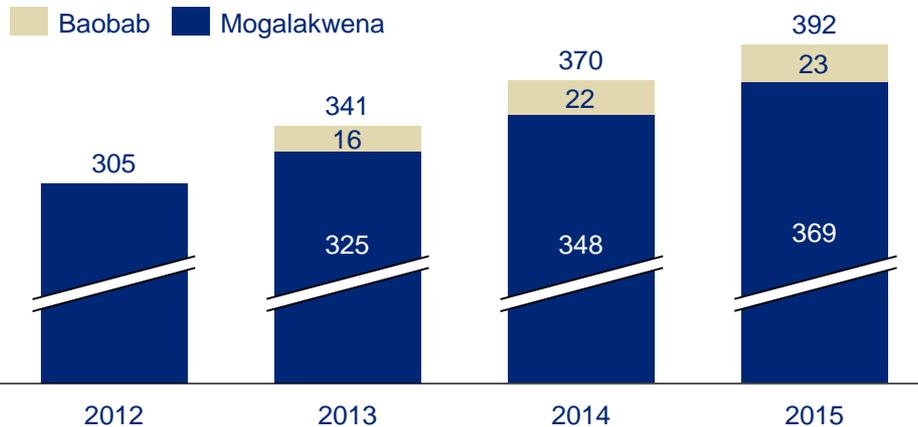
- Optimised cut back schedule
- Leading to lower and stable stripping ratio
- Stockpile levels minimised
- Strike extensions preferred to down dip pushbacks

3 Debottlenecking & further options



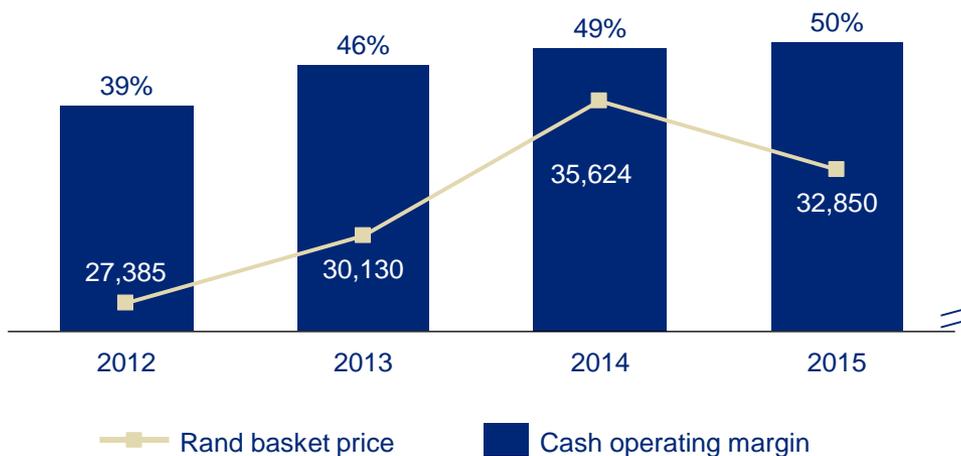
What we said in 2014	What we have achieved	What is yet achievable
<p>Debottleneck MNC 925tph → 1,200tph</p> <p>R2 billion capital project to debottleneck MNC:</p> <ul style="list-style-type: none"> • R1.3 billion for dry section • R0.7 billion for wet section <p>Commence construction in June 2015</p> <p>First ounces from project mid 2017</p> <p>Mogalakwena Pt 360 koz → 420 koz</p> <p>MNC = Mogalakwena north concentrator</p>	<p>MNC 925tph → 1,010tph</p> <p>Asset management implemented since 2014:</p> <ul style="list-style-type: none"> • defect elimination • condition monitoring • decoupling wet section from dry section • R200 million <p>Operating model implementation in 2015</p> <p>Optimised toll concentrating in 2015</p> <p>Improved recovery from MNC circuit reconfiguration in 2015</p> <p>Additional volume mined afforded increased short term cut off grade impacting head grade</p> <p>Mogalakwena Pt 360 koz → 392 koz</p>	<p>MNC 1,010tph → 1,050tph</p> <p>Hydraulic capacity upgrades to MNC in 1Q2016:</p> <ul style="list-style-type: none"> • primary rougher tail pump • final tail pump <p>Maintain recovery despite increased throughput:</p> <ul style="list-style-type: none"> • Conversion of ultra fine grinding mill to 5th main stream inert grinding mill <p>Mogalakwena Pt 392 koz → 400 koz</p> <p>Debottlenecking project is being rescoped</p> <p>Third concentrator expansion project as an alternative business case</p> <p>Significant reduction in stripping ratio from overall slope angle optimisation will yield further opportunities</p>

Platinum production (metal in concentrate)



- Record production performance – up 6% to 392 koz
- Unit costs reduced 7% in 2015 due to cost management and productivity initiatives
- Highest Rand basket price in the portfolio at R32,850 per platinum ounce

Cash operating margin (%)

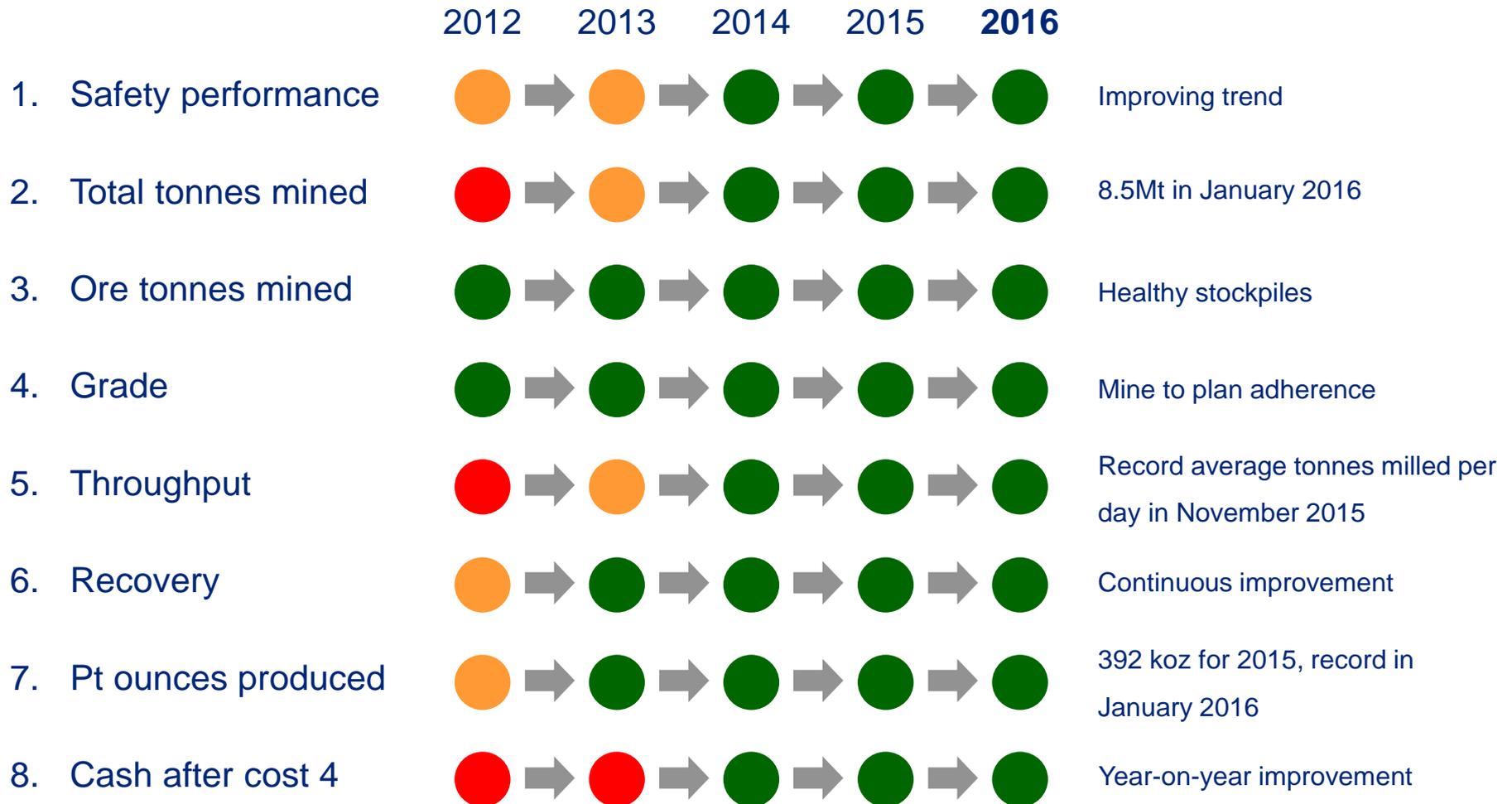


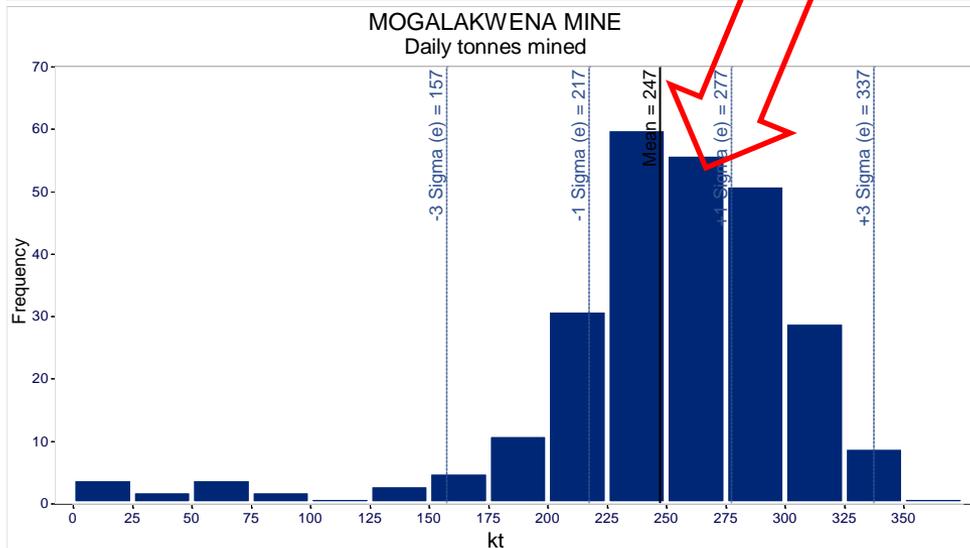
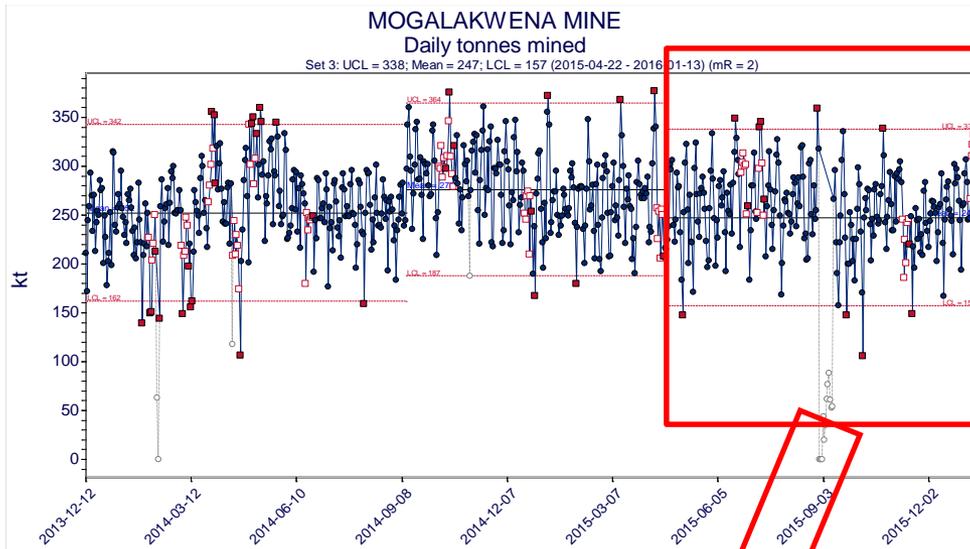
- Generated R4.4bn of economic free cash flow
- Cash operating margin maintained at 50% despite weaker prices

OPERATIONAL PERFORMANCE

“This is our purpose...and improves stakeholder standard of living...”

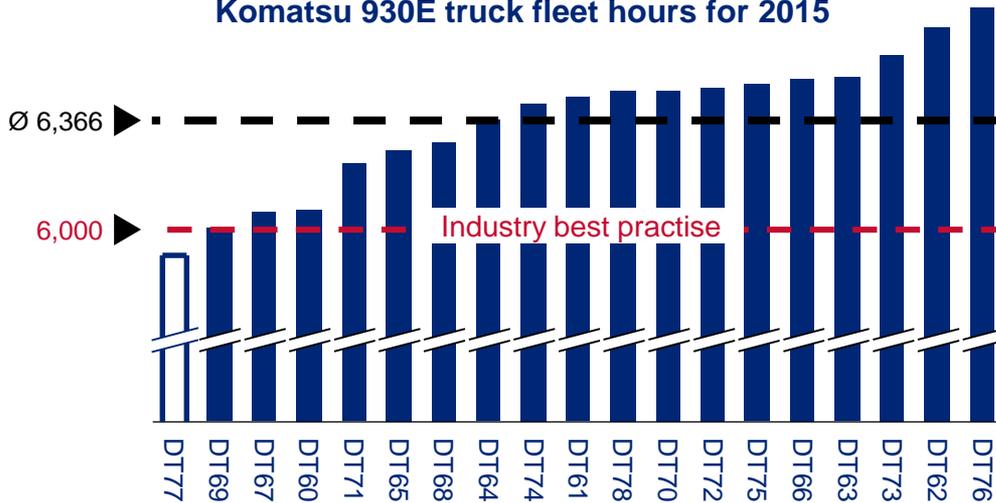






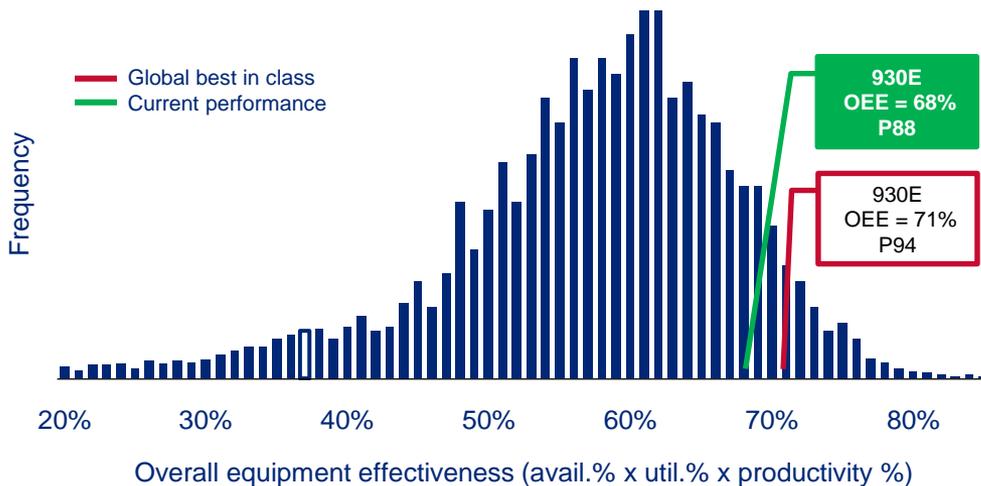
- The mining team is out performing targets and has improved upon both delivery and creation of process stability
 - Greater focus upon improvements in fragmentation from blasting optimisation initiatives since 4Q2015 is yielding results
 - Increased mining depth has impacted hauling distance and two Komatsu 930E haul trucks have arrived to site to offset the hauling rate reduction
-
- Operating model implementation is underway to further reduce variability
 - The analyse and improve approach based upon root cause and risk analysis is reducing both the incidence and impact of special cause events

Komatsu 930E truck fleet hours for 2015

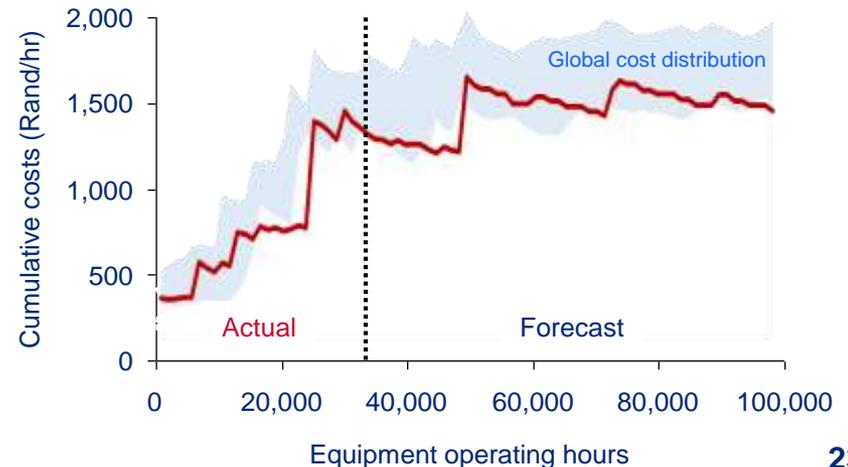


- Red Button's compendium is able to benchmark the fleets of 170 operations globally
- Mogalakwena benchmarks in the top 10% of all global truck fleets
- We are pursuing identified saving opportunities of R20m over the next 5 years:
 - engine repair costs
 - wheel motor repair costs
 - alternator repair costs

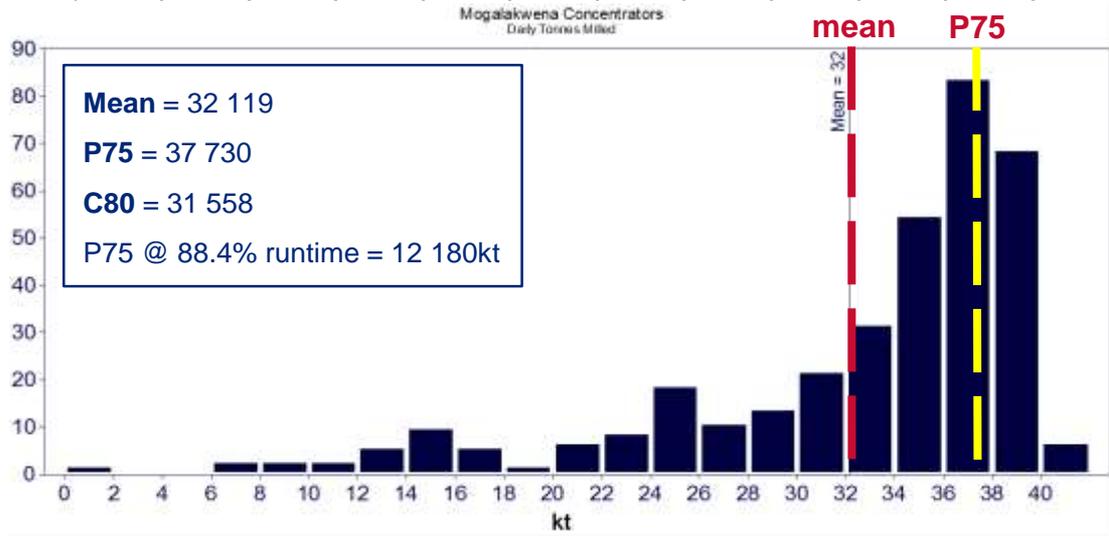
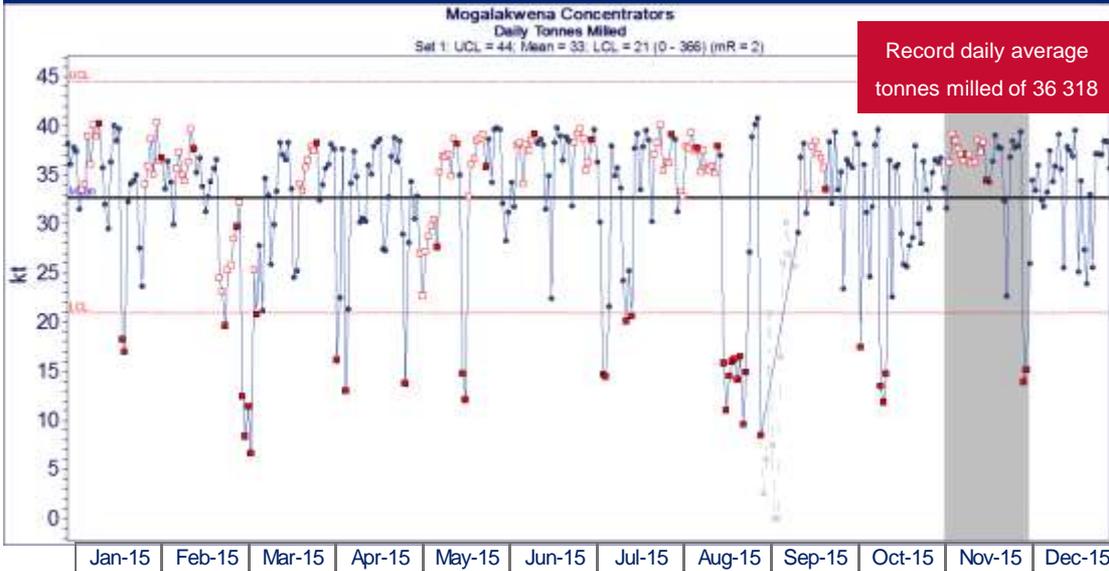
Red Button benchmark - overall equipment effectiveness



Whole of life forecast – 930E fleet



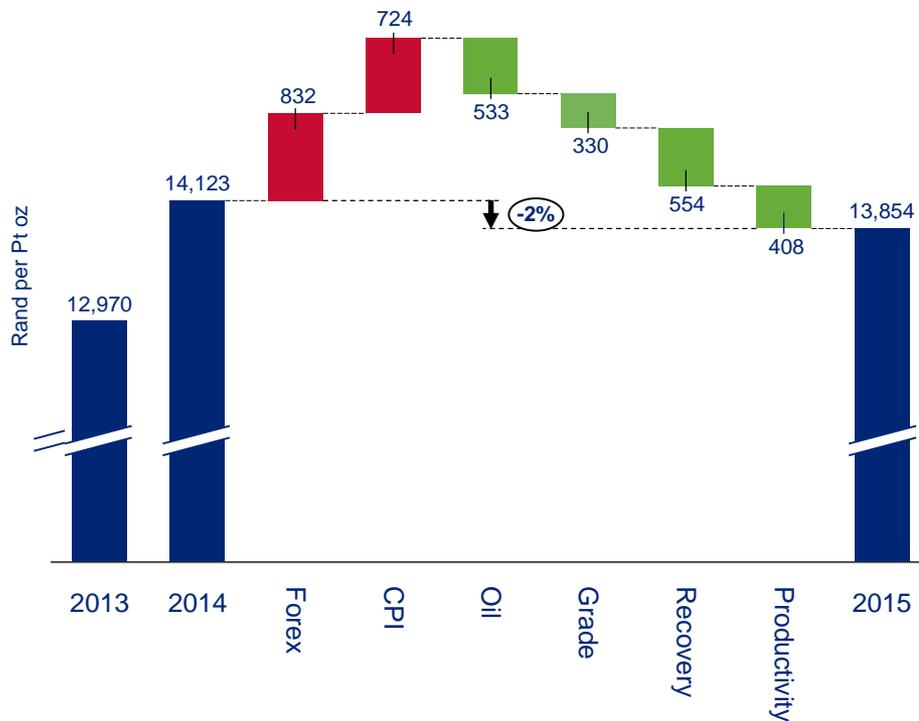
2015 daily tonnes milled



- 2015 daily control chart representing 11.7 million tonnes aggregate throughput of MNC, MSC & Toll treat concentrators
- Mean daily throughput of 32 119 tonnes
- Set points, run time and shut maintenance schedule precision
- November 2015 performance exceeded the mean daily throughput by 13% (new record)
- Focus upon root cause analysis of common cause events
- Operating model at MNC assisting with creating stability
- MSC planned for Operating model roll out in 2016

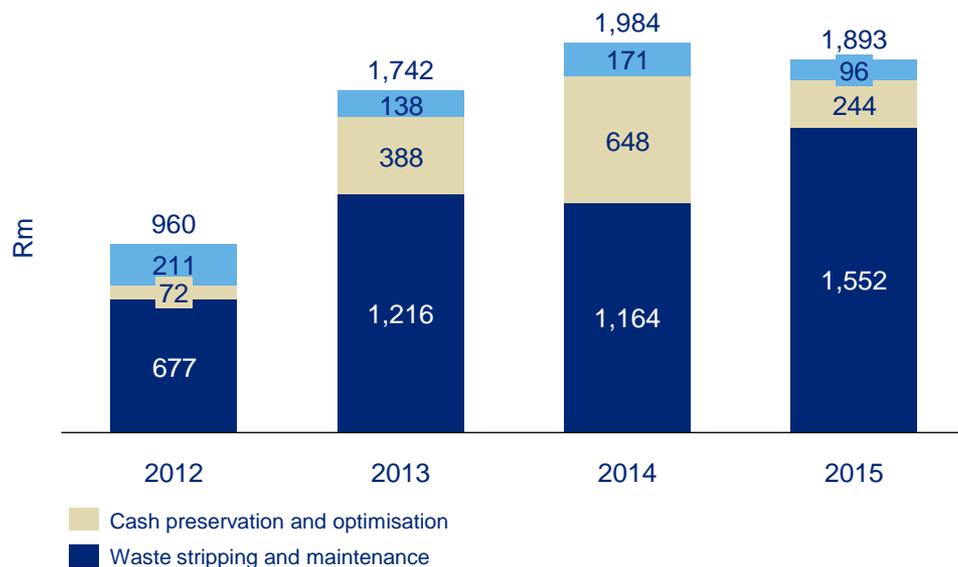
MNC = Mogalakwena north concentrator
MSC = Mogalakwena south concentrator
Toll treat = Baobab concentrator (Lonmin)

Mogalakwena unit cost per Platinum ounce



- 42% of mining costs are foreign currency based
- Diesel consumption accounted for approximately 17% of mining cost
- Mining unit cost has been flat for three years with business improvement initiatives having impact
- Higher mining rate afforded the opportunity to apply a short term cut off strategy resulting in increased feed grade (+5%)
- 11% of concentrator costs are foreign currency based
- Runtime for concentrators was impacted largely by the community unrest period and project tie-ins at MNC
- Improved recovery from MNC circuit reconfiguration added significant value
- Operating model implementation in 2015 will improve throughput

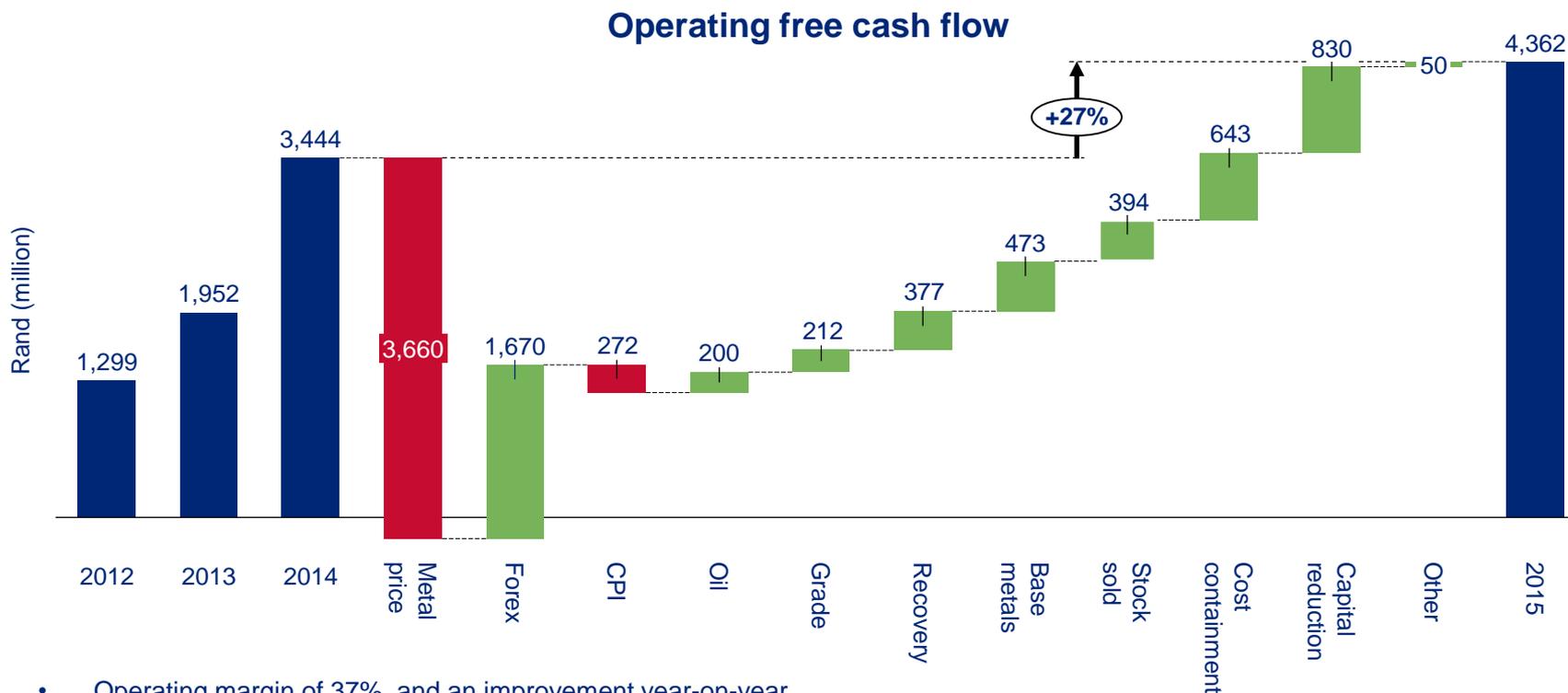
Stay in business capital spend



Komatsu 930E build February 2016



- We are doing the right things with no long term short cuts:
 1. waste stripping to life of mine plan (2 new Komatsu 930E dump trucks purchased in 2016)
 2. major maintenance programmes continue
- We are scrubbing approved capital votes with significant cash savings and cash preservation already realised:
 1. life extension of Unit Rig 3700 dump trucks
 2. deferment of second rope shovel because of improved reliability of hydraulic shovels
 3. exploration programme slowed
- We are applying smart design principles to optimise current assets:
 1. Blinkwater tailings storage facility rock containment wall redesign
 2. equipment modification in favour of purchasing new
- And, we are approaching the debottlenecked 420 koz platinum production aspiration without capital



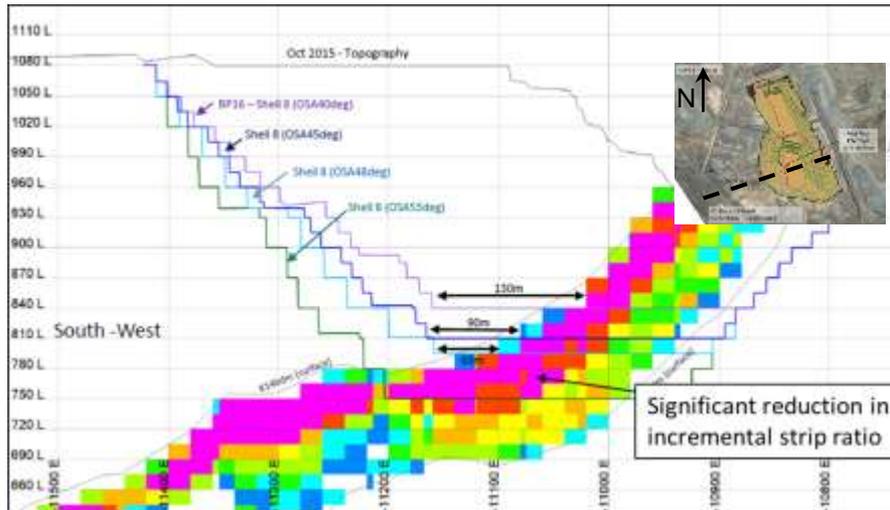
- Operating margin of 37%, and an improvement year-on-year
- Annual platinum production increased by 24 koz from higher head grade and improvement in recovery
- High grade base metal anomaly within North pit drove additional base metal production
- Business improvement initiatives impacted upon:
 1. productivity (labour, drill penetration, loading, and payload)
 2. maintenance reliability (trucks, shovels and drills)
- Capital reduction mainly from improvements to tailings dam design and deferment of some business improvement opportunities in favour of cash preservation (i.e. 2nd rope shovel procurement)

VALUE CREATION

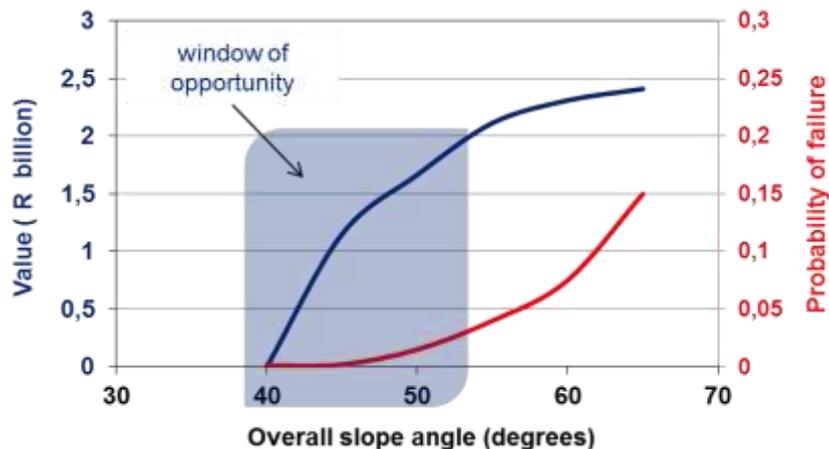
“Staying ahead of the change curve...”



Cross section of Cut 8, Central Pit



Overall slope angle redesign value-risk trade off



Opportunity description

- Advanced mining technical project
- Increase hanging wall overall slope angle beyond 40°
- Reoptimise the life of mine plan

Approach

- Apply best practice slope design methods and built up empirical evidence
- Realise incremental gains matching operational capability

Value lever

- Significant reduction in stripping ratio
- Compared to current design, trade off same ore from less overall movement vs. more ore from same overall movement

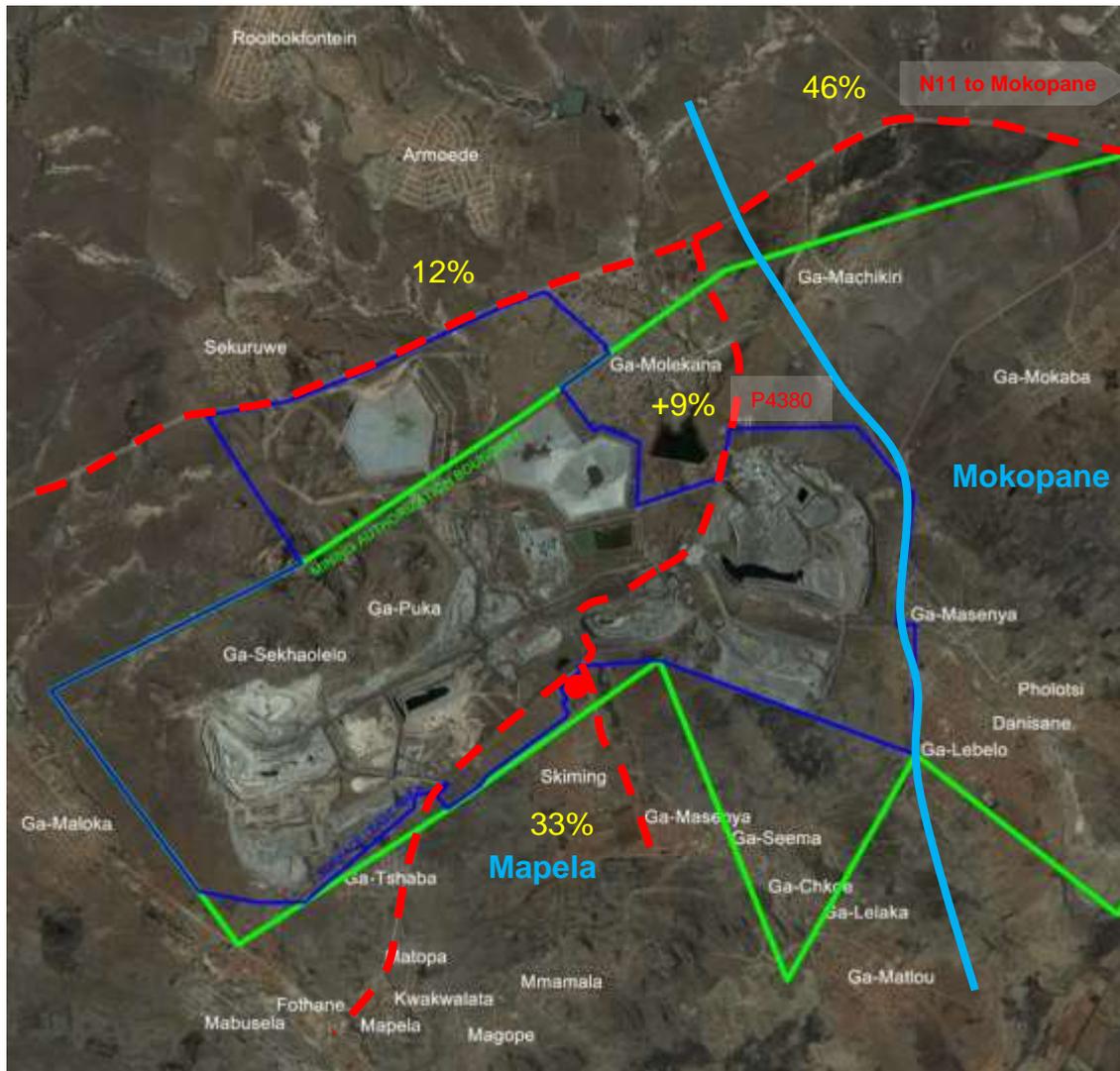
Time frame to implementation

- The mine plan of 2017 will include revisions to overall slope angle
- Reserve publication in 2017

COMMUNITIES

“Traditional leadership is an ancient institution and traditional authority is intertwined with democracy having authority over land allocation and land administration”



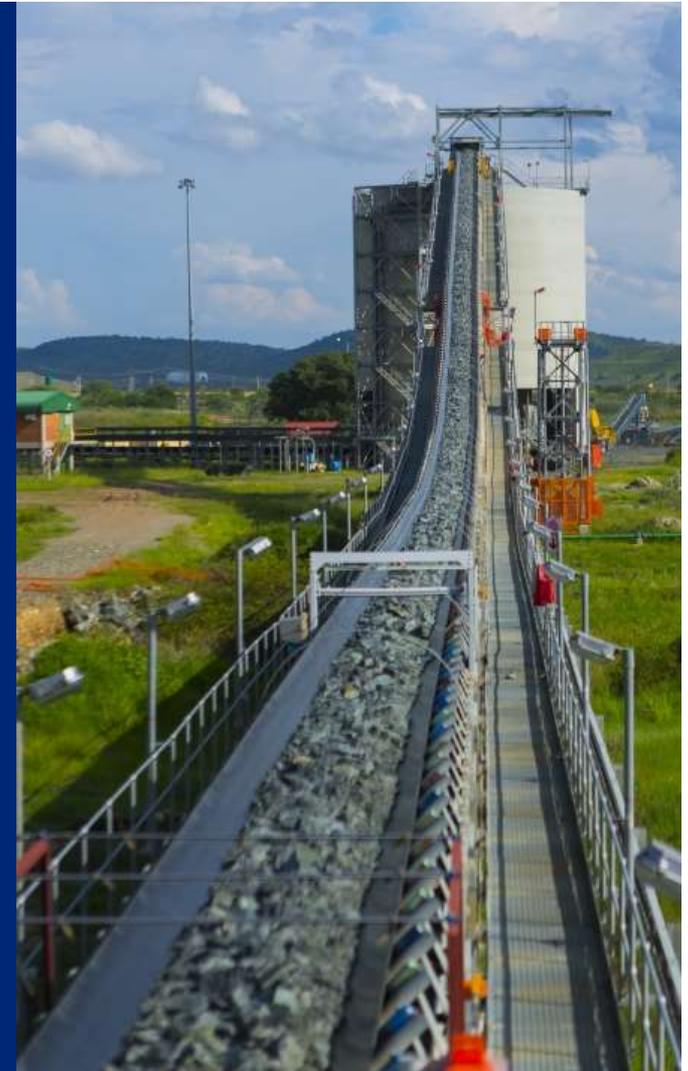


- Mogalakwena mine is established straddling two traditional authorities
- Three communities have been relocated, two in total and one in part
- Traditional authority intertwined with democracy
- Old structures over time become efficient, no longer all inclusive and lose effectiveness
- New structures emerge and seek legitimacy – youth mobilised to take action
- 31st August 2015, Mogalakwena operation was impacted by community unrest
- We have created new community engagement fora and made immediate impact in local employment and in local business

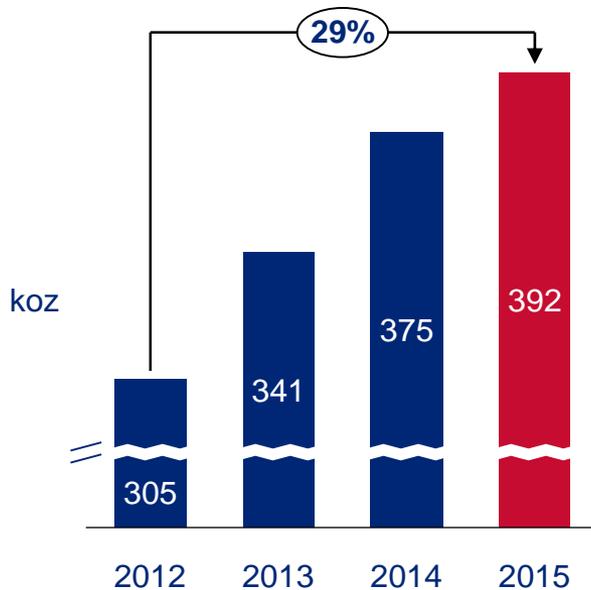
KEY MESSAGES

*“No, I’d never been to this country
before. No, I didn’t know where the roads
would lead me. No, I didn’t intend to
turn back.”*

Mary Oliver



Platinum ounces per annum



1. The community is a priority for sustainability
2. The orebody is unique, we understand our business and we execute
3. Mine planning continues to identify step change value adding opportunities
4. Our performance culture is keeping us ahead of the change curve

The team is excited about prospects for 2016

THANK YOU

“Trust the dots will connect; find your passion; your time is limited... live your life”

Steve Jobs' stay hungry, stay foolish - 2005