

NEWS RELEASE

24 April 2017

Anglo American plc Production Report for the first quarter ended 31 March 2017

Overview

	Q1 2017	Q1 2016	% vs. Q1 2016
Diamonds (Mct) ⁽¹⁾	7.4	6.9	8%
Platinum (produced ounces) (koz) ⁽²⁾	572	567	1%
Copper (t) ⁽³⁾⁽⁴⁾	142,600	146,500	(3)%
Iron ore – Kumba (Mt)	10.5	8.9	17%
Iron ore – Minas-Rio (Mt) ⁽⁵⁾	4.3	3.3	30%
Export metallurgical coal (Mt)	5.2	4.1	28%
Export thermal coal (Mt) ⁽⁶⁾	6.8	6.5	6%
Nickel (t) ⁽⁷⁾	9,900	11,200	(12)%

Mark Cutifani, Chief Executive of Anglo American, said “A strong operational performance enhanced by the continued ramp-up of Gahcho Kué, Minas-Rio and Grosvenor delivered an 9% increase in production on a copper equivalent basis⁽⁸⁾. The operating improvements at Sishen and ongoing portfolio refinements are further strengthening Anglo American’s resilience and competitive position. De Beers’ total sales volumes of 14.1 million carats reflected improved demand for lower value goods in stock at 31 December 2016.”

- Rough diamond production increased by 8% to 7.4 million carats compared with Q1 2016. This reflected the contribution of Gahcho Kué in Canada, as well as increases in response to improved trading conditions.
- Platinum production (metal in concentrate)⁽²⁾ was broadly flat at 572,000 ounces. With the sale of Rustenburg, production from that operation is now treated as purchase of concentrate (which increased by 93%) rather than own mined production (which decreased by 26%). Refined platinum production increased by 121% to 577,000 ounces as Q1 2016 was impacted by a Section 54 safety stoppage at the Precious Metals Refinery.
- Copper production decreased by 3% to 142,600 tonnes. Continued strong performance at Collahuasi was offset by expected lower grades and increased ore hardness at Los Bronces, and the temporary suspension of mining operations at El Soldado which resulted in ~3,000 tonnes of lost production.
- Iron ore production from Kumba increased by 17% to 10.5 million tonnes due to improved mining productivity at Sishen, and higher throughput at Kolomela.
- Iron ore production from Minas-Rio increased by 30% to 4.3 million tonnes (wet basis) as the operation continued to ramp-up.
- Export metallurgical coal production increased by 28% to 5.2 million tonnes, primarily due to a longwall move at Moranbah in Q1 2016 and the ramp-up at Grosvenor.
- Production of South African and Colombian export thermal coal increased by 6% to 6.8 million tonnes, driven by higher productivity across most of the South African mines.
- Nickel production decreased by 12% to 9,900 tonnes due to unplanned maintenance of Barro Alto’s electric furnaces, impacting throughput.

(1) De Beers production on 100% basis except the Gahcho Kué joint venture which is on an attributable 51% basis; (2) Reflects own mine production and purchases of metal in concentrate; (3) Copper production from the Copper business unit; (4) Copper production shown on a contained metal basis; (5) Wet basis; (6) Export thermal coal includes export primary production from South Africa and Colombia, and excludes secondary South African production that may be sold into either the export or domestic markets; (7) Nickel production from the Nickel business unit; (8) Copper equivalent production is normalised for, Kimberley, Niobium & Phosphates, Foxleigh and Callide, and to reflect Snap Lake being placed on care and maintenance, and the closure of Drayton.

DE BEERS

Diamonds ⁽¹⁾		Q1 2017	Q1 2016	Q1 2017 vs. Q1 2016	Q4 2016	Q1 2017 vs. Q4 2016
Debswana	000 carats	5,191	5,328	(3)%	5,440	(5)%
Namdeb Holdings	000 carats	472	444	6%	428	10%
DBCM	000 carats	1,106	932	19%	1,387	(20)%
De Beers Canada	000 carats	631	162	290%	497	27%
Total carats recovered	000 carats	7,400	6,866	8%	7,752	(5)%

De Beers – Rough diamond production increased by 8% to 7.4 million carats, reflecting the contribution of Gahcho Kué in Canada, as well as increases in response to improved trading conditions.

Debswana's (Botswana) production decreased marginally to 5.2 million carats. Jwaneng's, production decreased by 8% due to expected lower grades, partly offset by Orapa, which increased by 5% due to expected higher grades.

Production at Namdeb Holdings (Namibia) increased by 6% to 0.5 million carats due to marginally higher grade at Namdeb.

In DBCM (South Africa), production increased by 19% to 1.1 million carats largely as a result of higher grades at Venetia.

Production in Canada increased by 290% to 0.6 million carats due to the contribution of Gahcho Kué, which reached commercial production on 2 March 2017.

Total rough diamond sales volumes in Q1 2017 were 14.1 million carats (13.7 million carats on a consolidated basis⁽²⁾) from three Sights, compared with 8.1 million carats (7.6 million carats on a consolidated basis⁽²⁾) from two Sights in Q1 2016. In addition, this increase reflected stronger demand in Sight 1 2017, particularly for lower value goods in stock at 31 December 2016.

Full Year Guidance

Full year production guidance⁽¹⁾ remains unchanged at 31-33 million carats, subject to trading conditions.

(1) De Beers production is on a 100% basis, except for the Gahcho Kué joint venture which is on an attributable 51% basis.

(2) Consolidated sales volume excludes De Beers' JV partners' 50% proportionate share of sales to entities outside the De Beers Group of Companies from the Diamond Trading Company Botswana and the Namibia Diamond Trading Company, and includes pre-commercial production sales volumes from Gahcho Kué.

De Beers	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q1 2017 vs. Q1 2016	Q1 2017 vs. Q4 2016
Carats recovered (000 carats) 100% basis (unless otherwise stated)							
Orapa	2,106	2,366	1,536	2,028	2,001	5%	(11)%
Letlhakane	130	135	176	159	125	4%	(4)%
Damtshaa ⁽¹⁾	-	-	-	-	-	-	-
Jwaneng	2,955	2,939	2,837	2,997	3,202	(8)%	1%
Debswana	5,191	5,440	4,549	5,184	5,328	(3)%	(5)%
Namdeb	94	118	120	94	72	31%	(20)%
Debmarmine Namibia	378	310	285	202	372	2%	22%
Namdeb Holdings	472	428	405	296	444	6%	10%
Kimberley	-	-	-	-	68	(100)%	-
Venetia	939	1,218	898	695	706	33%	(23)%
Voorspoed	167	169	196	126	158	6%	(1)%
DBCM	1,106	1,387	1,094	821	932	19%	(20)%
Snap Lake	-	-	-	-	3	(100)%	-
Victor	189	148	142	147	159	19%	28%
Gahcho Kué (51% basis)	442	349	83	-	-	-	27%
De Beers Canada	631	497	225	147	162	290%	27%
Total carats recovered	7,400	7,752	6,273	6,448	6,866	8%	(5)%
Sales volumes							
Total sales volume (100%) (Mct) ⁽²⁾	14.1	8.0	5.7	10.2	8.1	74%	75%
Consolidated sales volume (Mct) ⁽²⁾⁽³⁾	13.7	7.5	5.3	9.6	7.6	80%	82%
Number of Sights (sales cycles)	3	3	2	3	2		

(1) Damtshaa (a satellite operation of Orapa) was placed on care and maintenance from 1 January 2016).

(2) Consolidated sales volumes exclude De Beers' JV partners' 50% proportionate share of sales to entities outside the De Beers Group of Companies from the Diamond Trading Company Botswana and the Namibia Diamond Trading Company, which are included in total sales volume.

(3) Consolidated sales volume includes pre-commercial production sales volumes from Gahcho Kué.

PLATINUM

Platinum		Q1 2017	Q1 2016	Q1 2017 vs. Q1 2016	Q4 2016	Q1 2017 vs. Q4 2016
Produced ounces	000 oz	572	567	1%	610	(6)%
Own mined	000 oz	325	439	(26)%	387	(16)%
Purchase of concentrate	000 oz	247	128	93%	223	11%
Refined						
Platinum	000 oz	577	261	121%	632	(9)%
Palladium	000 oz	353	182	95%	397	(11)%
Rhodium	000 oz	74	48	55%	92	(20)%
Gold	000 oz	25	28	(11)%	34	(27)%
Nickel	t	5,100	5,700	(11)%	6,200	(18)%
Copper	t	3,200	3,300	(3)%	3,300	(3)%

Platinum – Platinum production (metal in concentrate) was broadly flat at 572,000 ounces. With the sale of Rustenburg, which completed in November 2016, production from that operation is now treated as purchase of concentrate (which increased by 93%) rather than own mined production (which decreased by 26%).

Own mined production

Mogalakwena production increased by 3% to 111,900 ounces as a result of stronger plant recoveries and increased throughput.

Amandelbult production decreased by 12% to 97,100 ounces primarily due to unusually heavy rainfall resulting in flooded open pits, which also impacted feed chutes to the concentrator plants, as well as minor industrial action which impacted production for two days.

Union increased production by 10% to 37,700 ounces due to improved crew efficiencies and mining closer to the shaft area in line with the optimised mine plan. The sale of Union to Siyanda Resources was announced on 15 February. The sale is expected to complete during 2017, after which Siyanda will sell concentrate produced by Union to Platinum for a period of seven years and thereafter Platinum will toll treat concentrate for the remaining life of Union.

Mined production from independently managed operations decreased by 3% to 59,000 ounces primarily due to lower production at Kroondal following a two-day illegal strike, and lower grade at both Kroondal and Mototolo. This was partially offset by higher production at Modikwa due to improved plant recoveries.

Purchase of concentrate

Purchase of concentrate from independently managed operations was flat at 123,700 ounces as increased production at BRPM offset lower production at Bokoni following a fatality and subsequent Section 54 safety stoppage, as well as the 3% decrease from Modikwa, Mototolo and Kroondal described above.

Purchase of concentrate from third parties increased by nearly 120,000 ounces largely due to the inclusion of concentrate from Rustenburg, following the sale of these operations to Sibanye in November 2016.

Refined production

Refined platinum production increased by 316,100 ounces to 576,900 ounces with Q1 2016 refined production having been materially impacted by a Section 54 safety stoppage at the Precious Metal Refinery.

Following the Waterval smelter run-out in Q3 2016, the Number 1 furnace was successfully rebuilt in Q4 2016 and is now running at steady-state; the backlog of 65,000 ounces is expected to be processed during 2017. The Number 2 furnace underwent planned maintenance and has now been successfully rebuilt. It is ramping-up to full capacity, which is expected in Q2 2017.

Full Year Guidance

Full year production guidance of metal in concentrate remains unchanged at 2.35 – 2.40 million ounces.

Platinum	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q1 2017 vs. Q1 2016	Q1 2017 vs. Q4 2016
Produced platinum (000 troy oz)	571.9	610.0	619.1	585.7	567.0	1%	(6)%
Owned mined	324.6	386.8	468.3	443.5	439.1	(26)%	(16)%
Mogalakwena	111.9	103.4	100.7	98.8	109.0	3%	8%
Amandelbult	97.1	121.1	128.3	106.2	110.9	(12)%	(20)%
Unki	18.9	19.9	18.2	17.8	18.6	2%	(5)%
Independently managed mines ⁽¹⁾	59.0	60.1	64.9	66.8	60.9	(3)%	(2)%
Union	37.7	38.1	37.7	41.2	34.3	10%	(1)%
Rustenburg ⁽²⁾	-	44.2	118.1	110.8	104.3	(100)%	(100)%
Other ⁽³⁾	-	-	0.4	1.9	1.1	(100)%	-
Purchase of concentrate	247.3	223.2	150.8	142.2	127.9	93%	11%
Independently managed mines ⁽¹⁾	123.7	129.3	142.2	136.4	124.2	-	(4)%
Third party purchase of concentrate ⁽²⁾	123.6	93.9	8.6	5.8	3.7	3241%	32%
Refined production							
Platinum (000 troy oz)	576.9	631.6	694.6	747.6	260.8	121%	(9)%
Palladium (000 troy oz)	353.4	397.4	412.9	472.3	181.6	95%	(11)%
Rhodium (000 troy oz)	73.7	92.2	86.8	90.7	47.7	55%	(20)%
Gold (000 troy oz)	24.7	33.9	24.1	22.3	27.9	(11)%	(27)%
Nickel (000 tonnes)	5.1	6.2	7.1	6.4	5.7	(11)%	(18)%
Copper (000 tonnes)	3.2	3.3	3.8	3.7	3.3	(3)%	(3)%
4E Built-up head grade (g/tonne milled) ⁽⁴⁾	3.47	3.41	3.19	3.00	3.11	12%	2%
Platinum sales volumes - own mined and purchase of concentrate	518.8	606.5	588.0	808.4	412.8	26%	(14)%

(1) Independently managed mines include the joint venture operations, Mototolo, Modikwa and Kroondal and the associates, Bokoni and BRPM.

(2) Sale of Rustenburg to Sibanye completed on 1 November 2016. From this date production from Rustenburg is included within third party purchase of concentrate (POC).

(3) Other includes Twickenham.

(4) 4E: the grade measured as the combined content of: platinum, palladium, rhodium and gold.

COPPER

Copper ⁽¹⁾		Q1 2017	Q1 2016	Q1 2017 vs. Q1 2016	Q4 2016	Q1 2017 vs. Q4 2016
Collahuasi (44% share)	t	57,700	51,100	13%	58,600	(2)%
Los Bronces	t	75,800	85,200	(11)%	74,300	2%
El Soldado	t	9,100	10,200	(11)%	13,700	(34)%
Total Copper	t	142,600	146,500	(3)%	146,600	(3)%

(1) Copper production shown on a contained metal basis.

Copper – Copper production decreased by 3% to 142,600 tonnes.

At Collahuasi, attributable production increased by 13% to 57,700 tonnes, driven by higher grades and continued improvements in plant performance. Adverse weather conditions impacted mining operations, however plant throughput levels were maintained through the feed of stockpiled material.

Production from Los Bronces decreased by 11% to 75,800 tonnes, although 2% higher compared to the prior quarter, with expected lower grades and increased ore hardness affecting throughput. In addition, planned major maintenance took place at both processing plants in the quarter.

El Soldado production decreased by 11% to 9,100 tonnes driven by the temporary suspension of mining operations from 18 February following the regulator's decision to not approve the mine plan update, which resulted in ~3,000 tonnes of lost production in Q1 2017. Engagement continues with the authorities.

Full Year Guidance

Full year production guidance remains unchanged at 570,000 – 600,000 tonnes, of which El Soldado represents 50,000 – 60,000 tonnes.

Copper (tonnes) on a contained metal basis unless stated otherwise ⁽¹⁾	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q1 2017 vs. Q1 2016	Q1 2017 vs. Q4 2016
Collahuasi 100% basis (Anglo American share 44%)							
Ore mined	13,803,300	20,335,200	17,131,800	15,277,400	14,858,200	(7)%	(32)%
Ore processed - Sulphide	12,336,400	12,302,700	12,522,100	12,479,200	12,102,800	2%	-
Ore grade processed - Sulphide (% TCu) ⁽²⁾	1.24	1.29	1.23	1.21	1.15	8%	(4)%
Production - Copper cathode	100	700	800	1,400	1,900	(95)%	(86)%
Production - Copper in concentrate	131,000	132,400	128,900	126,300	114,200	15%	(1)%
Total copper production for Collahuasi	131,100	133,100	129,700	127,700	116,100	13%	(2)%
Anglo American's share of copper production for Collahuasi⁽³⁾	57,700	58,600	57,000	56,200	51,100	13%	(2)%
Anglo American Sur	84,900	88,000	82,800	88,000	95,400	(11)%	(4)%
Los Bronces mine⁽⁴⁾	75,800	74,300	72,100	75,600	85,200	(11)%	2%
Ore mined	13,448,400	13,196,500	13,947,400	13,477,900	10,487,900	28%	2%
Marginal ore mined	11,461,400	8,445,700	6,192,800	6,148,500	13,402,300	(14)%	36%
Ore processed – Sulphide	11,877,400	11,562,500	11,511,700	12,567,500	12,055,300	(1)%	3%
Ore grade processed - Sulphide (% TCu)	0.69	0.69	0.65	0.62	0.74	(7)%	(1)%
Production - Copper cathode	8,900	8,600	8,800	8,900	9,700	(8)%	3%
Production - Copper in concentrate	66,900	65,700	63,300	66,700	75,500	(11)%	2%
El Soldado mine⁽⁴⁾	9,100	13,700	10,700	12,400	10,200	(11)%	(34)%
Ore mined	905,500	2,069,800	1,678,300	2,143,000	1,448,000	(37)%	(56)%
Ore processed - Sulphide	1,797,600	1,833,900	1,553,200	1,741,200	1,836,100	(2)%	(2)%
Ore grade processed - Sulphide (% TCu)	0.65	0.90	0.86	0.89	0.75	(13)%	(28)%
Production - Copper in concentrate	9,100	13,700	10,700	12,400	10,200	(11)%	(34)%
Chagres Smelter⁽⁴⁾							
Ore smelted	31,300	25,900	35,500	36,500	35,900	(13)%	21%
Production	30,300	25,400	34,700	35,500	35,200	(14)%	19%
Total Copper segment copper production	216,000	221,100	212,500	215,700	211,500	2%	(2)%
Total Attributable copper production⁽⁵⁾	142,600	146,600	139,800	144,200	146,500	(3)%	(3)%
Total Attributable payable copper production	137,500	141,300	135,000	139,200	141,600	(3)%	(3)%
Total Attributable sales volumes	115,300	161,400	135,400	143,500	137,500	(16)%	(29)%
Total Attributable payable sales volumes	111,200	155,700	130,700	138,500	133,000	(16)%	(29)%
Third party sales⁽⁶⁾	9,800	20,100	26,000	6,700	9,200	7%	(51)%

(1) Excludes Anglo American Platinum's copper production.

(2) TCu = total copper.

(3) Anglo American's share of Collahuasi production is 44%.

(4) Anglo American ownership interest of Anglo American Sur is 50.1%. Production is stated at 100% as Anglo American consolidates Anglo American Sur.

(5) Difference between total copper production and attributable copper production arises from Anglo American's 44% interest in Collahuasi.

(6) Relates to sales of copper not produced by Anglo American operations.

IRON ORE AND MANGANESE

Iron Ore and Manganese		Q1 2017	Q1 2016	Q1 2017 vs. Q1 2016	Q4 2016	Q1 2017 vs. Q4 2016
Iron ore – Kumba	000 t	10,473	8,925	17%	11,928	(12)%
Iron ore – Minas-Rio ⁽¹⁾	000 t	4,342	3,349	30%	4,855	(11)%
Manganese ore ⁽²⁾	000 t	823	776	6%	804	2%
Manganese alloys ⁽³⁾	000 t	31	32	(2)%	37	(18)%

(1) Wet basis.

(2) Saleable production.

(3) Production includes medium carbon ferro-manganese.

Kumba Iron Ore – Iron ore production increased by 17% to 10.5 million tonnes.

Sishen produced 7.7 million tonnes, a 31% increase driven by improved mining productivity resulting in higher plant throughput. As expected, production decreased by 10% compared to the previous quarter as Q4 2016 benefitted from greater access to low strip ratio ore. Waste removal of 33.9 million tonnes, in line with Q1 2016, was hampered by higher than expected rainfall during the quarter but the run rates improved in the latter part of Q1 2017 to levels required to meet full year guidance of 150-160 million tonnes.

Kolomela production increased by 3% to 2.8 million tonnes, due to higher throughput. Waste removal increased by 32% to 10.1 million tonnes in support of production growth. Going forward, waste removal run rates are expected to improve to meet full year guidance for 2017 of 50-55 million tonnes.

Export sales increased by 7% to 10.1 million tonnes. Total finished product stocks were 3.2 million tonnes, compared with 3.5 million tonnes at 31 December 2016, in line with optimum level of ~3 million tonnes.

Full Year Guidance

Full year production guidance remains unchanged at 40-42 million tonnes.

Iron Ore Brazil – Iron ore production from Minas-Rio increased by 30% to 4.3 million tonnes (wet basis) as the operation continued to ramp-up to its current operating capacity. Production decreased by 11% compared to Q4 2016 due to expected lower grades, and the impact of higher rainfall at the start of the rainy season. After the Step 3 licences have been secured, expected in late 2018, the operation is expected to be in a position to produce at its nameplate capacity of 26.5 million tonnes (wet basis) per year.

Full Year Guidance

Full year production guidance remains unchanged at 16-18 million tonnes (wet basis).

Manganese ore – Manganese ore production increased by 6% to 823,000 tonnes, mainly as a result of opportunistic sales of South African concentrate and the use of trucking to access export opportunities in response to favourable market conditions. Ore production from the Australian operations was broadly in line with Q1 2016.

Manganese alloy – Manganese alloy production was broadly in line with Q1 2016 at 31,000 tonnes. The South African Manganese operations continue to operate only one of four furnaces.

Iron Ore and Manganese (tonnes)	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q1 2017 vs. Q1 2016	Q1 2017 vs. Q4 2016
Kumba Iron Ore	10,472,600	11,927,900	11,759,900	8,863,600	8,924,500	17%	(12)%
By product:							
Lump	6,978,800	7,812,000	7,598,500	5,721,300	5,669,700	23%	(11)%
Fines	3,493,800	4,115,900	4,161,400	3,142,300	3,254,800	7%	(15)%
By mine:							
Sishen	7,678,900	8,489,900	8,348,700	5,699,600	5,841,800	31%	(10)%
Kolomela	2,793,700	3,438,000	3,411,200	3,164,000	2,713,100	3%	(19)%
Thabazimbi	-	-	-	-	369,600	-	-
Kumba sales volumes							
Export iron ore	10,053,000	10,611,400	10,343,200	8,729,700	9,376,100	7%	(5)%
Domestic iron ore	832,700	612,700	706,900	936,000	1,167,700	(29)%	36%
Minas-Rio production							
Pellet feed (wet basis)	4,341,700	4,855,300	4,452,400	3,483,800	3,349,400	30%	(11)%
Minas-Rio sales volumes							
Export – pellet feed (wet basis)	4,256,500	4,761,800	4,510,400	3,223,900	3,714,400	15%	(11)%
Samancor							
Manganese ore ⁽¹⁾	823,100	804,200	761,700	791,300	775,900	6%	2%
Manganese alloys ⁽¹⁾⁽²⁾	31,500	37,100	38,900	29,700	32,100	(2)%	(15)%
Samancor sales volumes							
Manganese ore ⁽³⁾	836,000	805,000	757,400	813,300	850,700	(2)%	4%
Manganese alloys	34,400	31,600	49,200	46,400	42,800	(20)%	9%

(1) Saleable production.

(2) Production includes medium carbon ferro-manganese.

(3) Comparatives have been restated.

COAL

Coal		Q1 2017	Q1 2016	Q1 2017 vs. Q1 2016	Q4 2016	Q1 2017 vs. Q4 2016
Australia – excluding 2016 divestments⁽¹⁾						
Metallurgical – Export	000 t	5,242	4,098	28%	5,360	(2)%
Thermal – Export	000 t	479	805	(40)%	595	(20)%
South Africa						
Thermal export – Primary ⁽²⁾	000 t	4,059	3,842	6%	4,229	(4)%
Thermal export and domestic – Secondary ⁽³⁾	000 t	978	779	26%	927	6%
Thermal domestic – Eskom	000 t	6,374	6,392	-	7,515	(15)%
Thermal domestic – Isibonelo ⁽⁴⁾	000 t	896	1,160	(23)%	1,038	(14)%
Colombia						
Thermal - Export	000 t	2,782	2,610	7%	2,801	(1)%

(1) Excludes production from Foxleigh, which was sold on 30 August 2016, and Callide, which was sold on 31 October 2016.

(2) Thermal export – Primary is export quality product. Comparatives have been restated to align with current presentation.

(3) Thermal export and domestic – Secondary is lower quality product that can be sold into either the export or domestic markets. Comparatives have been restated to align with current presentation. In 2016, ~60% of secondary production was sold into the export market.

(4) Restated to exclude domestic secondary coal production from mines other than Isibonelo.

Australia – Export metallurgical coal production increased by 28% to 5.2 million tonnes due to a longwall move at Moranbah in Q1 2016 and production ramping up at Grosvenor.

Australian export thermal coal production decreased by 40% to 0.5 million tonnes as Drayton ceased mining activities in October 2016 following the New South Wales Planning Assessment Commission's recommendation not to approve the Drayton South Project.

Production was impacted by Cyclone Debbie with production losses in the last week of March. Mining activities have now restarted at all operations. The impact on the rail network has been more material, and is still being assessed. It is expected that this will impact Q2 sales volumes.

South Africa – Primary and secondary coal production increased by 9% to 5.0 million tonnes due to productivity improvements at most mines.

The sale of the Eskom-tied operating mines (New Vaal, New Denmark and Kriel) to Seriti Resources was announced on 10 April, and is expected to complete by the end of 2017. These mines produced 5.7 million tonnes in Q1 2017.

Domestic – (Isibonelo) thermal coal production decreased by 23% to 0.9 million tonnes due to a dragline fire which occurred during Q4 2016.

Colombia – Production increased by 7% to 2.8 million tonnes, through productivity gains.

Full Year Guidance

Full year production guidance for export metallurgical coal from Australia remains unchanged at 19-21 million tonnes.

Full year production guidance for export thermal coal from South Africa and Colombia remains unchanged at 29-31 million tonnes.

Coal (tonnes)	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q1 2017 vs. Q1 2016	Q1 2017 vs. Q4 2016
Australia (all export)⁽¹⁾	5,721,400	5,955,100	5,923,500	5,935,700	4,902,200	17%	(4)%
Metallurgical – Coking	4,747,300	4,496,900	4,326,600	3,997,500	3,378,900	40%	6%
Metallurgical – PCI	495,100	862,900	741,300	923,300	718,800	(31)%	(43)%
Thermal	479,000	595,300	855,600	1,014,900	804,500	(40)%	(20)%
South Africa	12,307,300	13,708,600	14,690,700	13,188,800	12,171,800	1%	(10)%
Thermal export – Primary ⁽²⁾	4,058,500	4,229,400	4,480,800	4,425,600	3,841,600	6%	(4)%
Thermal export and domestic – Secondary ⁽³⁾	978,200	926,900	1,009,900	972,700	778,600	26%	6%
Thermal domestic – Eskom	6,374,300	7,514,700	8,083,900	6,708,700	6,392,000	-	(15)%
Thermal domestic – Isibonelo ⁽⁴⁾	896,300	1,037,600	1,116,100	1,081,800	1,159,600	(23)%	(14)%
Colombia							
Thermal – Export	2,781,700	2,800,600	2,927,800	2,329,500	2,610,000	7%	(1)%
Total coal production	20,810,400	22,464,300	23,542,000	21,454,000	19,684,000	6%	(7)%
Sales volumes							
Australia							
Metallurgical – Export ⁽⁵⁾	4,947,400	4,926,900	5,223,100	4,836,700	4,228,900	17%	-
Thermal – Export	473,200	699,000	862,000	1,118,800	697,900	(32)%	(32)%
South Africa							
Thermal – Export	4,693,300	5,825,200	4,159,300	4,744,000	4,343,200	8%	(19)%
Thermal – Other domestic	394,300	485,100	389,700	341,600	368,600	7%	(19)%
Thermal domestic – Eskom	6,359,200	7,288,500	7,871,900	6,577,500	6,246,400	2%	(13)%
Thermal domestic – Isibonelo	964,600	1,168,900	1,260,800	1,268,100	1,213,600	(21)%	(17)%
Third party sales	1,567,800	694,600	2,181,800	1,608,600	1,566,700	-	126%
Colombia							
Thermal - Export	2,646,300	2,722,300	2,905,100	2,843,800	2,339,000	13%	(3)%

(1) Comparatives have been restated to exclude production from Foxleigh, which was sold on 30 August 2016, and Callide, which was sold on 31 October 2016.

(2) Thermal export – Primary is export quality product. Comparatives have been restated to align with current presentation.

(3) Thermal export and domestic – Secondary is lower quality product that can be sold into either the export or domestic markets. Comparatives have been restated to align with current presentation. In 2016, ~60% of secondary production was sold into the export market.

(4) Restated to exclude domestic secondary coal production from mines other than Isibonelo.

(5) Includes both hard coking coal and PCI sales volumes.

Coal by mine (tonnes)	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q1 2017 vs. Q1 2016	Q1 2017 vs. Q4 2016
Australia							
Capcoal (incl. Grasstree)	1,785,400	1,230,200	1,637,300	2,205,400	1,760,000	1%	45%
Dawson	1,092,100	1,273,000	1,185,900	1,143,800	1,006,000	9%	(14)%
Drayton	-	82,300	317,100	418,200	349,900	(100)%	(100)%
Grosvenor	709,800	539,100	685,700	331,200	203,000	250%	32%
Jellinbah	718,000	882,100	820,200	821,600	758,400	(5)%	(19)%
Moranbah North	1,416,100	1,948,400	1,277,300	1,015,500	824,900	72%	(27)%
	5,721,400	5,955,100	5,923,500	5,935,700	4,902,200	17%	(4)%
South Africa							
Goedehoop	1,222,100	1,134,200	1,286,500	1,266,600	1,001,300	22%	8%
Greenside	1,004,800	1,036,900	1,111,400	990,700	806,300	25%	(3)%
Zibulo	1,439,400	1,407,200	1,571,800	1,638,600	1,390,000	4%	2%
Khwezela ⁽¹⁾	1,596,100	2,230,000	2,137,100	1,849,000	1,969,600	(19)%	(28)%
Mafube	441,400	435,400	506,000	438,500	379,100	16%	1%
New Vaal	3,414,300	3,994,800	4,350,500	4,027,700	3,521,800	(3)%	(15)%
New Denmark	954,400	773,200	777,300	392,600	604,300	58%	23%
Kriel	1,338,500	1,659,400	1,834,000	1,503,300	1,339,800	-	(19)%
Isibonelo	896,300	1,037,500	1,116,100	1,081,800	1,159,600	(23)%	(14)%
	12,307,300	13,708,600	14,690,700	13,188,800	12,171,800	1%	(10)%
Colombia							
Carbones del Cerrejón	2,781,700	2,800,600	2,927,800	2,329,500	2,610,000	7%	(1)%
Total Coal production	20,810,400	22,464,300	23,542,000	21,454,000	19,684,000	6%	(7)%

(1) The merger of Kleinkopje and Landau.

NICKEL

Nickel		Q1 2017	Q1 2016	Q1 2017 vs. Q1 2016	Q4 2016	Q1 2017 vs. Q4 2016
Nickel	t	9,900	11,200	(12)%	10,900	(9)%

Nickel – Nickel production decreased by 12% to 9,900 tonnes due to unplanned maintenance of Barro Alto's electric furnaces.

Full Year Guidance

As a consequence, full year production guidance has been revised to 43,000 – 45,000 tonnes (previously ~45,000 tonnes).

Nickel (tonnes) unless stated otherwise ⁽¹⁾	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q1 2017 vs. Q1 2016	Q1 2017 vs. Q4 2016
Barro Alto							
Ore mined	1,023,500	364,300	974,100	835,300	457,000	124%	181%
Ore processed	523,900	579,800	610,000	569,200	598,100	(12)%	(10)%
Ore grade processed - % Ni	1.70	1.77	1.76	1.76	1.77	(4)%	(4)%
Production	7,800	8,800	9,000	8,800	8,900	(12)%	(11)%
Codemin							
Ore mined	-	-	-	6,800	-	-	-
Ore processed	143,600	142,900	144,000	151,300	151,400	(5)%	0%
Ore grade processed - % Ni	1.65	1.73	1.72	1.72	1.68	(2)%	(5)%
Production	2,100	2,100	2,300	2,300	2,300	(9)%	0%
Total Nickel segment nickel production	9,900	10,900	11,300	11,100	11,200	(12)%	(9)%
Sales volumes	10,400	11,400	11,600	11,100	10,800	(4)%	(9)%

(1) Excludes Anglo American Platinum's nickel production.

EXPLORATION AND EVALUATION

Exploration and evaluation expenditure for the quarter increased by 9% to \$50 million. Exploration expenditure for the quarter was \$20 million, a 31% decrease, whilst evaluation expenditure was \$30 million, a 76% increase.

NOTE

This Production Report for the first quarter ended 31 March 2017 is unaudited.

Note:

Production figures are sometimes more precise than the rounded numbers shown in the commentary of this report. The percentage change will reflect the percentage change using the production figures shown in the Production Summary of this report.

Forward-looking statements:

This contains certain forward looking statements which involve risk and uncertainty because they relate to events and depend on circumstances that occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements.

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Notes to editors:

Anglo American is a globally diversified mining business. Our portfolio of world-class competitive mining operations and undeveloped resources provides the raw materials to meet the growing consumer-driven demands of the world's developed and maturing economies. Our people are at the heart of our business. It is our people who use the latest technologies to find new resources, plan and build our mines and who mine, process and move and market our products to our customers around the world.

As a responsible miner - of diamonds (through De Beers), platinum and other precious metals, copper, nickel, iron ore and coal - we are the custodians of what are precious natural resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders and for the communities and countries in which we operate – creating sustainable value and making a real difference.

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Registered office as above. Incorporated in England and Wales under the Companies Act 1985.

Registered Number: 3564138 Legal Entity Identifier: 549300S9XF92D1X8ME43

