



ANGLO AMERICAN PLC / ANGLO AMERICAN CAPITAL PLC

(each incorporated with limited liability in England)

U.S.\$15,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed
in the case of Notes issued by Anglo American Capital plc by

Anglo American plc

This Supplementary Offering Circular (the “**Supplementary Offering Circular**”), to the Offering Circular dated 26 May 2017 (the “**Offering Circular**”), which comprises a base prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 and is prepared in connection with the U.S.\$15,000,000,000 Euro Medium Term Note Programme established by Anglo American plc (“**Anglo American**”) and Anglo American Capital plc (each an “**Issuer**” and together, the “**Issuers**”). Terms defined in the Offering Circular have the same meaning when used in this Supplementary Offering Circular.

This Supplementary Offering Circular is supplemental to, and should be read in conjunction with, the Offering Circular and all documents which are incorporated herein or therein by reference.

Purpose of this Supplement

The purpose of this Supplement is to:

- (i) incorporate by reference in to the Offering Circular the unaudited consolidated condensed financial statements of Anglo American for the six months ended 30 June 2017;
- (ii) update the no significant change statement of Anglo American and the Group in the section entitled “*General Information*” of the Offering Circular;
- (iii) update the section entitled “*Board of Directors*” of the Offering Circular following the announcement of changes to the Board of Anglo American;
- (iv) update the recent developments relating to the Group in the section entitled “*Description of Anglo American plc and the Anglo American Group – Recent Developments*” of the Offering Circular; and
- (v) update the section entitled “*Risk Factors*” of the Offering Circular,

each as further described below.

The Issuers and the Guarantor accept responsibility for the information contained in this Supplementary Offering Circular. To the best of the knowledge of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Offering

Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Offering Circular and this Supplementary Offering Circular can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

To the extent that there is any inconsistency between (a) any statement in this Supplementary Offering Circular or any statement incorporated by reference in the Offering Circular by this Supplementary Offering Circular and (b) any other statement in or incorporated by reference in the Offering Circular, the statements in this Supplementary Offering Circular will prevail.

Save as disclosed in this Supplementary Offering Circular, no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen or been noted, as the case may be, since the publication of the Offering Circular.

Incorporation by reference of the unaudited consolidated condensed financial statements for the six months ended 30 June 2017 and update to the no significant change statement

On 27 July 2017, Anglo American published its Half Year Financial Report for the six months ended 30 June 2017 (the “**Half Year 2017 Financial Report**”) which contained at pages 27 to 54 (inclusive) the unaudited consolidated condensed financial statements of Anglo American for the six months ended 30 June 2017 (such pages within the Half Year 2017 Financial Report, the “**Half Year 2017 Financial Statements**”). A copy of the Half Year 2017 Financial Report has been filed with the Financial Conduct Authority and, by this Supplementary Offering Circular, the Half Year 2017 Financial Statements are incorporated in, and form part of, the Offering Circular.

Any non-incorporated parts of the Half Year 2017 Financial Report referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Offering Circular.

There has been no significant change in the financial or trading position of Anglo American or the Group since 30 June 2017, being the date of the last published financial statements of Anglo American.

Board of Directors

Anglo American announced in June 2017 that Stuart Chambers will succeed Sir John Parker as Chairman on 1 November 2017. Mr Chambers joined the Board as a Non-Executive Director and Chairman Designate on 1 September 2017. Sir John Parker will step down from the Board on 31 October 2017.

Recent Developments

Ratings Upgrade

On 11 August 2017, Standard & Poor’s Credit Market Services France SAS revised the credit rating for Anglo American from BB+ to BBB-. On 4 September 2017, Moody’s Investors Services Ltd. revised the credit rating for Anglo American from Ba1 to Baa3.

Resumption of Dividend

On 27 July 2017, Anglo American announced that dividend payments were to be resumed following a reduction in net debt, establishing a pay-out policy at a targeted level of 40 per cent. of underlying earnings.

Bond buy-back and new issue

On 6 September 2017, Anglo American announced the launch of cash tender offers in respect of U.S. dollar denominated bonds with maturities in 2020.

On 11 September 2017, Anglo American Capital issued U.S.\$1,300,000,000 Senior Notes in two tranches, maturing in 2024 and 2027 respectively and guaranteed by Anglo American.

South African Mining Charter

On 15 June 2017, the Minister of Mineral Resources in South Africa (the “**Minister**”) published, without meaningful participation by the mining industry (and in a departure from past practice), the “Broad-Based Black Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry, 2017” in the government gazette (generally referred to as “**MCIII**”). While Anglo American and the South African Chamber of Mines contend that MCIII is not enforceable law, it is important to note that MCIII differs significantly from the Mining Charter provided for in section 100(2) of the Mineral and Petroleum Resources Development Act, 2003 (the “**MPRDA**”) and the subsequently gazetted “Amendment of the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry” (generally referred to as “**MC2**”) in the following respects, among others:

1. holders of mining and prospecting rights have only 12 months to meet most of the new targets of MCIII, and the penalty for not meeting such timelines are stated by MCIII to include criminal sanctions, suspension of operations and/or suspension or withdrawal of the mining right. The Group does not believe any of these penalties to be authorised in the MPRDA;
2. an ownership target of 30 per cent. of the equity of mining companies to be held by black people (who are South Africans) must be achieved and maintained, and black partners must directly and actively control their share of equity interest in the mining company, which must include participation in the transportation, as well as trading and marketing, of a proportionate share of production;
3. a holder of a new mining right must pay a minimum of 1 per cent. of its annual turnover in any given financial year to its black shareholders, prior to and over and above any distributions to the shareholders of the company (subject only to the solvency and liquidity requirements as set out in the South African Companies Act);
4. black owned companies must be given a “preferential” option to purchase any mining assets sold by a mining rights holder;
5. mining companies must achieve the following minimum black and black women demographic representation: 50 per cent. at executive management (board) level (25 per cent. of which must be black women), 60 per cent. at senior management level (30 per cent. of which must be black women), 75 per cent. at middle management level (38 per cent. of which must be black women), 88 per cent. at junior management level (44 per cent. of which must be black women) and 60 per cent. of the company's core and critical skills employees;
6. new procurement targets have been set which increase over a three-year transitional period until in the third year: (a) at least 70 per cent. of all mining goods procurement spend must be in respect of South African manufactured goods procured from a combination of black owned companies, black owned companies controlled by women or youth and Black Economic Empowerment (“**BEE**”) legislation compliant manufacturing companies (BEE Level 4 and 26 per cent. black owned) and 80 per cent. of all mining services must be procured from South African based companies and apportioned between black owned companies and black owned companies controlled by women or youth.

The Chamber of Mines, with the Group’s support, has indicated that it will challenge MCIII on several grounds, including its position that the MPRDA only authorises the development of the Mining Charter, and the development of MC2 and MCIII is outside the scope of the authority of the Minister and that MCIII is

unsustainably commercially onerous. Further, the Chamber of Mines contends that while MCIII purports to be enforceable law, the MPRDA does not authorise the enforcement of any charter and the Constitution of South Africa reserves the power to enact law to its legislature and the power to make regulations to officials duly authorised to do so under legislation enacted by the legislature. The Chamber of Mines has applied to the South African High Court for an interdict (which is currently scheduled to be heard on 14 and 15 September 2017) preventing the implementation of MCIII until the dispute is resolved.

Risk Factors

The risk factor on page 15 of the Offering Circular entitled “*Uncertainty and instability in the mining industry or other applicable regulation, legislation or tax regimes in any country in which the Group operates could adversely affect the Group’s business*” shall be deleted and replaced with the following risk factor:

“Uncertainty and instability in the mining industry, including the proposed amendments to the South African Mining Charter or other applicable regulation, legislation or tax regimes in any country in which the Group operates, could adversely affect the Group’s business.

The Group’s businesses may be affected by political, regulatory or legal developments in any of the countries and jurisdictions in which the Group operates. These may include changes to fiscal regimes or other regulatory regimes that may result in restrictions on the export of currency, expropriation of assets, imposition of royalties or new taxes and requirements for local ownership or beneficiation. Political instability can also result in civil unrest or nullification of existing agreements, mining permits or leases which may adversely affect the Group’s operations or results of operations. Uncertainty over future business conditions can lead to a lack of confidence in making investment decisions, which can influence future financial performance. The Group may in the future incur significant costs as a result of changes in the interpretation of existing laws and guidelines or the imposition of new conditions to the Group’s mining rights, including, among others, the requirements relating to equity ownership by black South Africans as a result of changes to legislation and the proposed amendments to the Mining Charter in South Africa (referred to as “**MCIII**”). Due to the lack of clarity and significant uncertainties in both details and implementation timeline of MCIII, combined with the legal processes currently being implemented (such as the Chamber of Mines’ application to the South African High Court for an interdict in relation to MCIII, which is currently scheduled to be heard on 14 and 15 September 2017), there is significant uncertainty as to when and how MCIII will impact the Group. For a description of MCIII and its current status, see “*Description of Anglo American plc and the Anglo American Group – Recent Developments*”.

If MCIII is implemented as originally drafted the Group may in the future incur significant costs as a result of changes in the interpretation of existing laws and guidelines or the imposition of new requirements relating to BEE in South Africa. Increased costs can also be incurred as a result of additional regulations or resource taxes, while the ability to execute strategic initiatives that reduce costs or divest assets may also be restricted.

Any of these risks may materially and adversely affect the Group’s results of operations, cash flows and financial condition or deprive the Group of the economic benefits of ownership of its assets.”