

# OPERATIONAL PROFILE 2018

**GEITA**  
TANZANIA

# GEITA



Geita, one of our flagship mines, is located in north-western Tanzania, in the Lake Victoria goldfields of the Mwanza region, about 120km from Mwanza and 4km west of the town of Geita. The Geita gold deposit is mined as a multiple open-pit and underground operation, with the underground operation having begun in 2016. The mine will continue to operate as a mixed open-pit and underground operation until the entire economic open-pit Mineral Resource is exhausted. The mine is currently serviced by a carbon-in-leach processing plant with an annual capacity of 5.1Mt.

# PERFORMANCE 2018

## HIGHLIGHTS

**Production up 5% on the year**

**Improved operating performance driven by Operational Excellence initiatives**

**Development of the Star & Comet and Nyankanga underground projects is progressing**

**Inclusive Mineral Resource\* of 6.26Moz**

**Ore Reserve\* of 1.33Moz**

\* As at 31 December 2018

### Operating performance

Geita continued its solid performance, building on the previous year and delivering 564,000oz of gold in 2018, an increase of 5% compared to 2017. The increase was due to a range of operational improvements which assisted in accessing higher-grade ore particularly in the fourth quarter of 2018. These improvements included advance grade control and underground mining efficiencies. This was driven by a 5% year-on-year increase in recovered grade as a result of the higher-grade underground ore mined at Nyankanga and Star & Comet.

### Costs

All-in sustaining costs were down marginally, reflecting mainly the year-on-year drop in capital expenditure. Total cash costs were however impacted by increased mining costs compared to the previous year and the operational challenges in the primary crusher in the second half of the year.

### Capital expenditure

Ore Reserve development projects continued for the Star & Comet and Nyankanga underground operations. The capital spend was used to improve asset reliability and to ensure safe mining and production. Capital expenditure was 62% lower year-on-year as the mine completed the underground ramp up. The lower expenditure is also attributable to the

commissioning of the power plant which is now in full operation.

### Growth and improvement

Approximately 4,130m of development was completed for the Star & Comet and Nyankanga underground sections, to access new areas for stope mining and for further exploration.

Open pit mining at Nyankanga and Geita Hill continued with Geita Hill reaching the end of its economic life and Nyankanga scheduled to be completed in the first half of 2019.

Surface exploration continued at Selous, a satellite pit 2.4km from Star & Comet expected to supplement the underground operation in the near term.

Other notable projects at Geita were completion of the 40MW power plant and the purchase of underground mining plant and equipment. The power plant was commissioned in August and is currently in full operation, providing reliable, low-cost power to the mining operations.

The purchase of the underground mining plant and equipment is in line with the strategy to transition to owner mining at Star & Comet, planned for the first half of 2019, with the full change over for the rest of the mine's sections expected to follow in coming years.

### Sustainability performance

#### Regulatory and political issues

Following legislative changes, we continued to seek engagement with the government of Tanzania to obtain clarity regarding the new laws and regulations. The changes apply to those companies that have in place long-standing mine development agreements. Arbitration proceedings began in July 2017. AngloGold Ashanti's focus remains the pursuit of collaborative dialogue with the government of Tanzania. The arbitration proceedings have been suspended until July 2019.

#### Security and human rights

No human rights violations were recorded during the year. Implementation of the Human Rights Framework across the region continued. The focus for 2018 is covered in the <SDR>.

The Voluntary Principles on Security and Human Rights (VPSHR) are the key driver for our security management practices.

There were changes in the security service provider at Geita during the year. As part of ongoing local content initiatives and following a thorough evaluation and vetting process, a decision was made to award the contract to a locally-owned and registered company within Tanzania. A transition plan to facilitate the change in service provider was developed and initiated to ensure a seamless transition.

## PERFORMANCE 2018 continued

There was a marked reduction in community injuries recorded as a result of security interventions, from 18 injuries in 2017 to six in 2018.

### Employees and labour relations

The labour relations climate remained peaceful and stable during the year. We concluded a compressed working week agreement with the union for implementation at Geita.

### Community development

In Tanzania, community development is one of the material issues to which we are committed. Our support at Geita was guided by the community investment procedure. In July 2017, the parliament of Tanzania amended the Mining Act, 2010, and introduced section 105 which describes the procedure for mineral right holders to prepare and execute their corporate social responsibility (CSR) plans.

The Geita mine is the first in the country to execute its social and economic projects under the new legislation. Most of these are infrastructure projects.

**Malaria:** The positive impacts of the community-based malaria programme continued to be seen at Geita with the recording of a significantly low incidence of malaria of 0.17% for employees and contractors affected by malaria in 2018.

This community-based malaria control programme extends to Geita Town, where around 90% of employees, contractors and families reside. The programme is based on a private-public partnership model with government authorities, NGOs and academic institutions to ensure sustainability and alignment with national priorities.

**Geita Town market frames:** The company contributed approximately \$600,000 towards establishment of the Geita Town market. Construction of the market frames is underway and upon completion, spinoffs from the market will include transportation, catering and the supply of goods and services to traders. About 5,000 employment opportunities will be created from this initiative.

**Geita Town roundabout:** In collaboration with the Geita Town council, the company has financed the construction of the Geita Town traffic roundabout. The facility was installed at the request of the local authorities to cordon-off high-traffic areas to reduce road accidents. The total cost for the project is \$45,000.

**Classrooms:** During the year, Geita committed to facilitating the construction of 295 classrooms in the Geita district. Construction works are underway and 198 classrooms had been completed at

year end. The new classrooms will help to provide a conducive learning environment for the students whose performances has been impacted by challenging learning conditions.

**Health facilities:** During the reporting period, Geita funded the construction of the Nyamalembu Health Centre at a cost of \$115,000. The centre will provide host communities with access to much-needed medical treatment and care. Three dispensaries are currently under construction at the Nyakahongola, Katoro and Ikulwa villages to facilitate easy access to healthcare services in rural areas. The total cost for the project is \$550,000.

**Support to other districts in the Geita region:** In consultation with the office of the Regional Commissioner, Geita extended support to other districts, in terms of providing building materials for health and education facilities. The company assisted in the construction of a modern operating theatre at the Chato District Hospital. Materials delivered to three districts cost some \$145,000.

**Handover of the paddy storage facility:** In 2018, Geita mine constructed a paddy storage facility at Saragulwa village to store harvested rice and was officially handed over to the farmers' co-operative, Nyabusakama. The farming

co-operative also owns the sunflower oil mill which is currently under construction at Kasota village, for which Geita mine is constructing and equipping an oil mill. For the 2019 CSR plan, Geita will focus on creating a positive legacy through Geita's economic development projects. These projects aim to improve the welfare of the local farming community and to provide alternative sustainable livelihoods for host communities. The construction of a sugar factory is a priority for 2019.

Of total procurement by Geita, 76% was spent locally within Tanzania.

### Environment

Geita was successfully audited and certified to the ISO 14001:2015 standard during the year. There were no environmental incidents during the year.

For further information on AngloGold Ashanti and its work and performance, as a group and in the Continental Africa region, see the <IR> and <SDR> which are available online at [www.aga-reports.com](http://www.aga-reports.com).

## PERFORMANCE 2018 continued

### Key statistics

GEITA	Units	2018	2017	2016
<b>Operating performance</b>				
Cut-off grade <sup>(1)</sup>	oz/t	0.042	0.041	0.041
	g/t	1.45	1.40	1.40
Average recovered grade	oz/t	0.096	0.089	0.080
	g/t	3.28	3.13	2.74
Tonnes treated/milled	Mt	5.3	5.4	5.4
Gold production	000oz	564	539	489
Total cash costs	\$/oz	804	608	530
All-in sustaining costs	\$/oz	940	941	844
Capital expenditure	\$m	59	157	119
Productivity	oz/TEC	21.84	22.65	20.94
<b>Safety performance</b>				
No. of fatalities		0	0	0
All injury frequency rate (AIFR)	per million hours worked	0.60	0.43	0.39
<b>People</b>				
Total average no. of employees		4,567	4,251	3,748
– Permanent		1,828	1,768	1,682
– Contractors		2,739	2,483	2,066
<b>Environmental performance</b>				
Water use	ML	3,711	4,689	3,637
Water use efficiency	kL/t	0.69	0.88	0.66
Energy consumption	PJ	3.90	3.49	3.07
Energy intensity	GJ/t	0.73	0.65	0.56
Greenhouse gas (GHG) emissions	000t	266	238	228
GHG emissions intensity	t CO <sub>2</sub> e/t	50	44	41
Cyanide use	t	1,519	1,323	1,197
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities	\$m	62	57	55
<b>Social performance</b>				
Community investment	\$m	4	6	4
Payments to government	\$m	168	141	133

<sup>(1)</sup> Based on the Ore Reserve.