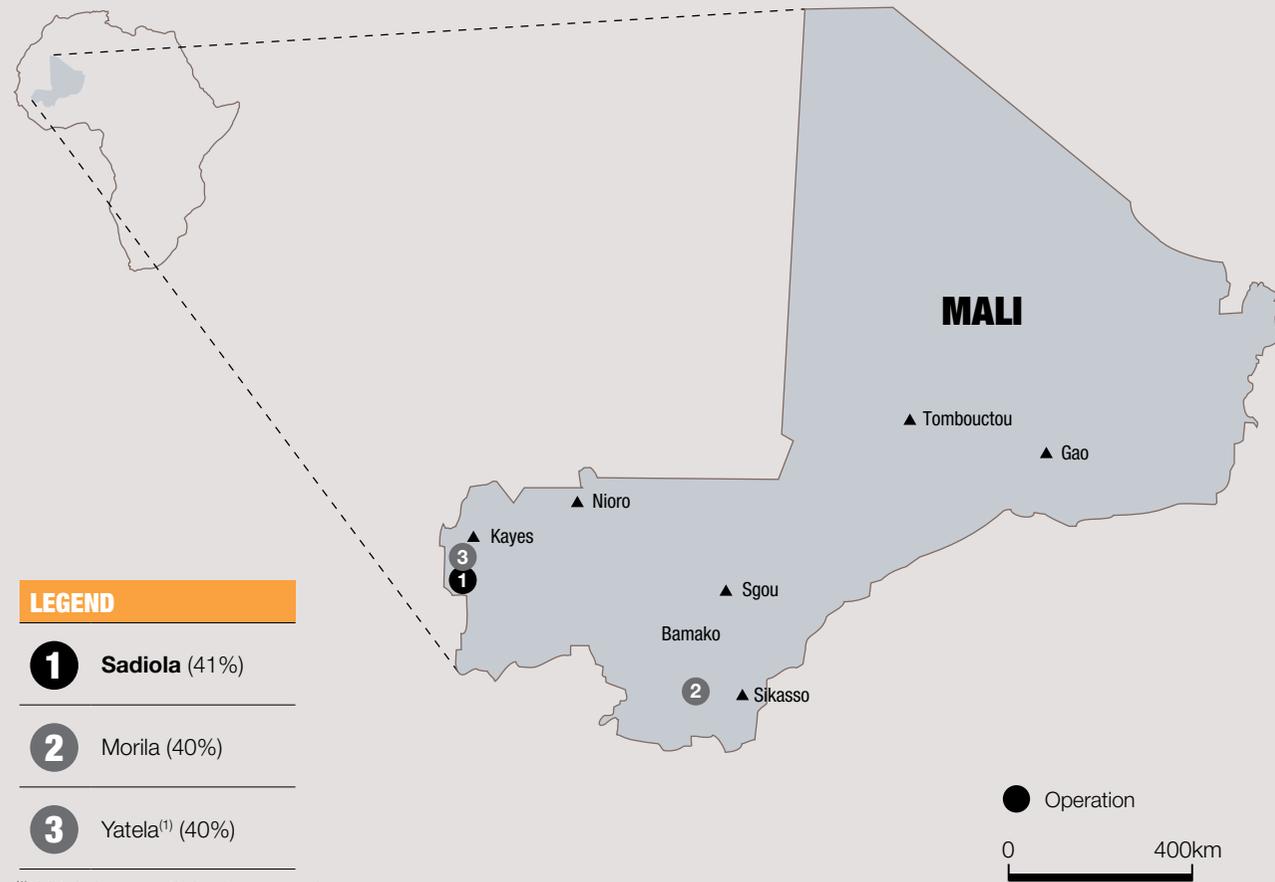




# OPERATIONAL PROFILE 2018

**SADIOLA**  
MALI

# SADIOLA



<sup>(1)</sup> Yatela is currently in closure mode.

Sadiola is a joint venture between AngloGold Ashanti (41%) and IAMGOLD (41%). The government of Mali owns the remaining 18%. The Sadiola mine is situated in south-western Mali, 77km south-southwest of the regional capital Kayes. On-site surface infrastructure includes a 4.9Mt per annum carbon-in-leach gold plant, where the ore is eluted and smelted. The mine, which began operating in 1996, ceased mining during the year and transitioned to a stockpile treatment plan.

# PERFORMANCE 2018

## HIGHLIGHTS

**Mining operations have ceased and treatment of the stockpile has begun**

**Sale process for Sadiola being considered**

**Mineral Resource\* of 3.23Moz (inclusive)**

**Ore Reserve\* of 1.63Moz**

*\* As at 31 December 2018*

### Operating performance

Production declined due to a 9% drop in the recovered grade owing to the limited availability of oxide ore with the in-situ oxide ore depleted as mining had ceased by the end of March 2018. The mine had begun transitioning to its stockpile treatment plan at the beginning of the year, partly compensated for by a 3% increase in tonnes treated as a result of newly-installed variable speed drives in the mill. Production for the rest of the year was from a blend of the remaining full grade and marginal ore stockpiles.

Plant operations were efficient and consistently exceeded planned throughput, with a 3% increase in tonnes treated compared to the previous year. This helped to partly offset the lower feed grade and provided flexibility to maintain a steady production and revenue profile for the year.

### Costs

All-in sustaining costs were \$1,019/oz, a 3% decline, while total cash costs at Sadiola were \$939/oz, up 4% year-on-year.

### Capital expenditure

There was minimal capital expenditure at Sadiola as the sulphide project was suspended pending further negotiations with the government of Mali. The parties have now initiated a sale process, albeit this is at a very preliminary stage.

Open-pit mining was completed during the year and treatment of stockpile material has begun. The mine is expected to embark on a phase of suspended exploitation towards the latter part of 2019.

### Sustainability performance

#### Regulatory and political issues

In Mali, presidential and parliamentary elections during the year heightened in-country political tensions and instability. In addition, community discontent continued to escalate due to concerns and uncertainty around the future of the Sadiola and Yatela operations.

### Status of Sadiola

To ensure the Sadiola sulphide project generates good returns, an agreement with the government of Mali on the terms for investment in the Sadiola sulphide project is needed, to also prevent the mine from being placed on suspended exploitation. While this agreement has not yet been reached, AngloGold Ashanti and IAMGOLD, who collectively own an 82% interest in Sadiola, have initiated a process to identify third parties that may be interested in acquiring their collective interests in Sadiola. The process is at a very preliminary stage and there is no certainty of its outcome.



## PERFORMANCE 2018 continued

### Security and human rights

No human rights violations were recorded during the year. The Human Rights Working Group (HRWG) representatives at corporate, regional and operational levels continued to implement the Human Rights Framework across the region. The focus for 2018 remained on training and awareness, ensuring adequate grievance mechanisms are available for all stakeholders and that human rights due diligence is included across our supply chain. Online human rights training was made available to all management levels and 47% have successfully completed the training.

During the past year, security continued to focus on an integrated approach, working with other sustainability disciplines to enable effective management of the multifaceted challenges facing the operations. Implementation of the five-point security plan includes active community involvement, focusing on regenerating and sustaining relationships with communities, public security, pertinent governmental agencies and security at sites, and is aimed ultimately at removing people from risk. The Voluntary Principles on Security and Human Rights (VPSHR) remain the key driver for our security management practices.

Harm to people involved in illegal activities on our mine sites remains a significant challenge, and tragically 33 community

members were fatally injured, in four separate incidents, while engaged in illegal activities at Sadiola and Yatela, during the year.

Notably, in one incident 27 illegal miners were fatally injured in a single incident at our dormant Yatela main pit (close to Sadiola), a result of a fall of ground. It was reported that the illegal miners were using explosives in the pit to obtain gold-bearing material, when the tragic incident occurred.

Following the incident, local authorities were engaged to assist with the deployment of additional public security to prevent access to the area. Three hundred public security force members were deployed and succeeded in clearing the area of illegal activities and unauthorised entry. After gaining control of the area, a contingent of 50 force members were deployed to maintain progress made. Authorities, however, subsequently withdrew this contingent without any notice to management, as a result of which, the local community invaded the pit once again. Our security members were then withdrawn to prevent any possible conflict. Continued engagement remains in place in an effort to resolve the matter.

### Employees and labour relations

The labour relations climate remained peaceful and stable during the year, despite

some labour stoppages challenges.

A three-day joint capacity-building workshop on how to build peaceful and sustainable working relationships was organised for the mine negotiating team (general management representatives and union leadership). This capacity-building forum resulted in the development of an agreed internal mediation framework that provides a mechanism for resolving disputes and restricts recourse to a third party.

An agreement between AngloGold Ashanti and employees at these operations was successfully concluded and implemented to phase retrenchments as necessitated by restricted and suspended mining operations. The agreement, effective from 31 May 2018, focused on providing an additional social package, among others, to help alleviate the impact of the retrenchments.

In terms of training and development, efforts are underway by management to address compliance matters relating to protected jobs and expatriate employment legislation, and to continue promoting employment opportunities for local nationals and co-ordinated succession plans for identified local national employees.

In Mali, the mine labour relations climate continued to be influenced by the

uncertainty relating to the Sadiola sulphides project. Negotiations relating to the phased retrenchments necessitated by restricted and suspended mining operations were successfully concluded and implemented. These were effective from 31 May 2018. The final agreement focused mainly on providing an additional social package, thereby helping to alleviate the social impact of the retrenchments. This agreement nullified any wage increases for 2018 and 2019.

### Community development

Sadiola continued with malaria control efforts and spraying was conducted in surrounding villages.

Of total procurement by AngloGold Ashanti's Malian operations, 74% was spent locally within Mali.

### Environment

Sadiola was successfully audited and certified to the ISO 14001:2015 standard during the year. The mine had 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

SADIOLA	Units	2018	2017	2016
<b>Operating performance</b>				
Cut-off grade <sup>(1)</sup>	oz/t	0.022	0.022	0.019
	g/t	0.77	0.77	0.65
Average recovered grade	oz/t	0.025	0.028	0.032
	g/t	0.87	0.96	1.09
Tonnes treated/milled	Mt	2.1	2.1	2.0
Gold production	000oz	59	63	70
Total cash costs	\$/oz	938	900	991
All-in sustaining costs	\$/oz	990	1,019	1,066
Capital expenditure	\$m	1	7	7
Productivity	oz/TEC	16.66	12.62	13.97
<b>Safety performance</b>				
No. of fatalities		0	0	0
All injury frequency rate (AIFR)	per million hours worked	0.27	1.25	1.56
<b>People</b>				
Total average no. of employees		435	592	588
– Permanent		318	398	392
– Contractors		117	194	196
<b>Environmental performance</b>				
Water use	ML	4,201	3,476	3,940
Water use efficiency	kL/t	0.81	0.69	0.80
Energy consumption	PJ	1.31	1.55	1.40
Energy intensity	GJ/t	0.25	0.31	0.28
Greenhouse gas (GHG) emissions	000t	89	106	104
GHG emissions intensity	t CO <sub>2</sub> e/t	17	21	21
Cyanide use	t	1,890	1,779	1,926
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities	\$m	27	27	27
<b>Social performance</b>				
Community investment <sup>(2)</sup>	\$000	442	455	449
Payments to government <sup>(3)</sup>	\$m	26	25	34

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

<sup>(2)</sup> Includes Yatela.

<sup>(3)</sup> Total payments made to the Malian government on behalf of all AngloGold Ashanti operations in Mali.