

OPERATIONAL PROFILE 2018

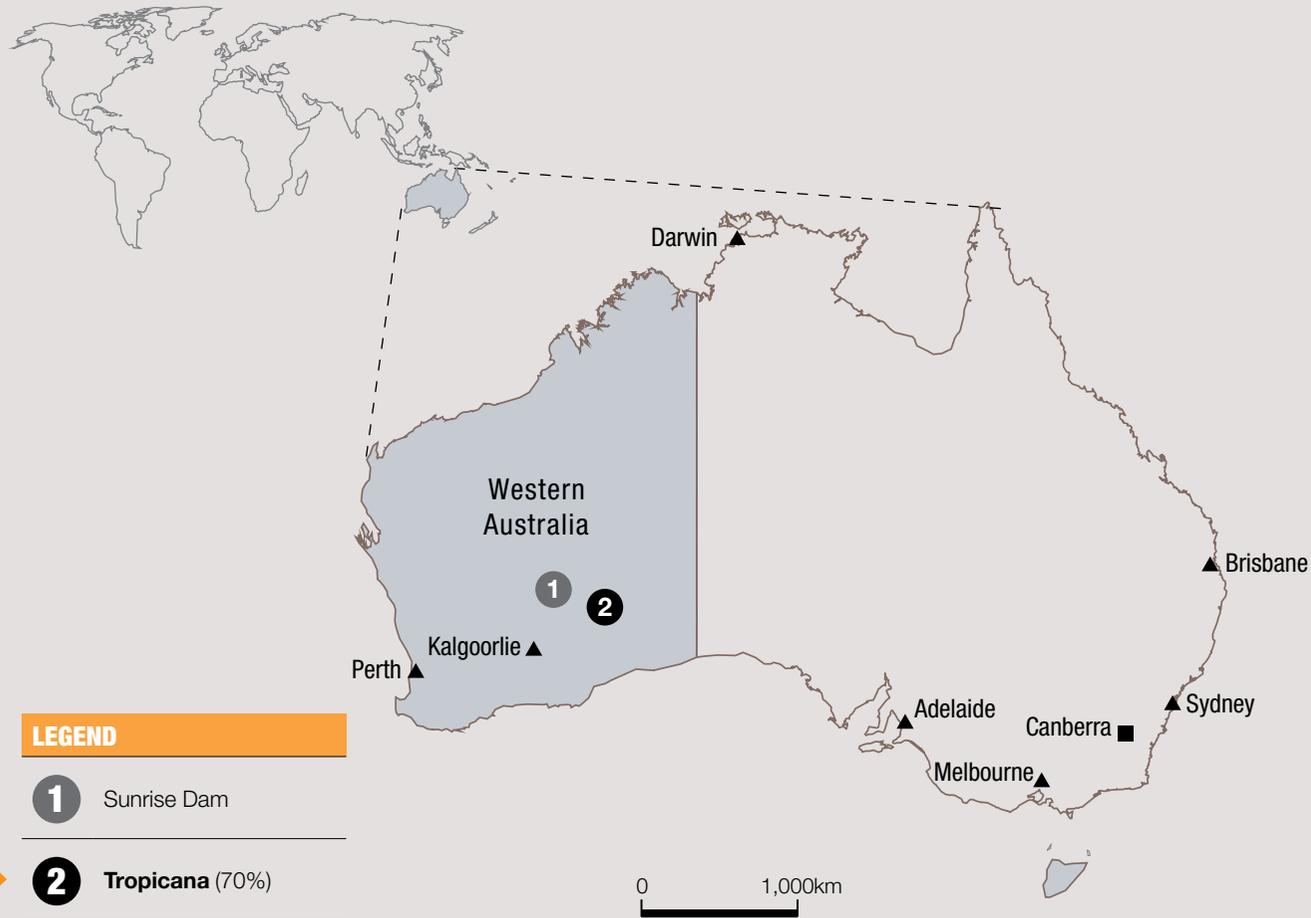
TROPICANA

AUSTRALIA



ANGLO**GOLD**ASHANTI

TROPICANA



Tropicana, a joint venture between AngloGold Ashanti (70% and manager) and Independence Group NL (30%), is located 200km east of Sunrise Dam and 330km east-northeast of Kalgoorlie. The operation poured first gold in September 2013. Tropicana is a large open pit operation with mining carried out by a contract mining company. The processing plant is owner-managed comprising conventional carbon-in-leach technology and high-pressure grinding rolls for energy-efficient comminution. A second ball mill was added to the grinding circuit in 2018 to optimise the circuit, improve metallurgical recovery and match mine output.

Tropicana is one of two AngloGold Ashanti operations in Australia.

PERFORMANCE 2018

HIGHLIGHTS

5% year-on-year increase in production due to higher feed grades and throughput

Second ball mill commissioned in November

Potential for an underground mine beneath the Boston Shaker pit

**Mineral Resource* of 5.39Moz (inclusive)
(2.00Moz below infrastructure)**

**Ore Reserve* of 2.62Moz
(0.22Moz below infrastructure)**

** As at 31 December 2018*

Operating performance

Production

Production at Tropicana in 2018 increased by 5% due to higher mill feed grades and higher mill throughput. The second 6MW ball mill was commissioned ahead of schedule in November with full ramp-up achieved within a week. The additional ball mill is expected to lift annual throughput to 8.2Mtpa and, through a reduction in grind size, to improve baseline metallurgical gold recovery by up to 3% to approximately 92%. The Long Island mining sequence was further optimised during 2018, with mining rates stabilising at approximately 95Mtpa. Grade streaming continued in 2018 with preferential processing of higher-grade ore while low-to-medium grade ore was stockpiled. Mining during 2018 focused on the Havana South, Havana 3 and Tropicana 2 pits. It is anticipated that mining of the Tropicana pit will be completed in the first half in 2019, while mining will begin in the Boston Shaker open pit cutback 4 during the second half of the year.

Costs and capital expenditure

All-in sustaining costs were 5% lower while total cash costs rose by 5% on the year.

Once-off capital expenditure at Tropicana included the construction and commissioning of the 6MW ball mill.

Growth and improvement

Late in 2018, the Tropicana joint venture partners committed to conduct a feasibility study into the development of an underground mine beneath the Boston Shaker pit after a prefeasibility study confirmed that underground mining was technically and financially viable. Approval is expected in the first half of 2019 with development of a portal likely to start in mid-2019. Infill drilling was carried out during 2018 to convert the Inferred Mineral Resource to an Indicated Mineral Resource, enabling a maiden underground Ore Reserve to be declared. Boston Shaker mineralisation remains open along strike and at depth.

Exploration in 2019 will focus on determining the potential at Boston Shaker underground, Havana underground and satellite targets on the tenement.

Sustainability performance

Safety and health

Workplace health and safety (WHS) legislation in Western Australia is undergoing significant reform. The WHS Bill in draft at the end of 2018 will be based on the content and structure of the national model WHS Act and is due to be debated in Parliament in 2019. There will be a set of general regulations and mining specific regulations. The act and regulations are currently scheduled for adoption as a total package in early 2020.

The project to research and trial fatigue monitoring tools continued at Tropicana during the year. Several CAT trucks were fitted with Caterpillar driver safety systems (camera recognition) to monitor operators, with information sent to a central control. Capital has been approved to fit the rest of the open-pit mining truck fleet and some other heavy mobile equipment with this technology in 2019.

Employees and labour relations

The Australasia region's tailored Fairness@AGAA programme, which uses the Company's values as a guide to leadership behaviour, continued to be rolled out for new employees and employees of major contractors. This programme incorporates hands-on exercises and real-life case studies to help participants understand unlawful discrimination, harassment and workplace bullying. These concepts are explained in terms of current legislation as well as the Australasia region's fairness in employment policy and grievance process. The programme is aligned with best practice in relation to Australian equal employment opportunity legislation.

Complementing this training is the two-day Supervision@AGAA programme for new managers. These programmes form part of a comprehensive framework focused on leadership and accountability.

PERFORMANCE 2018 continued

We continue to support the Women in Mining of Western Australia mentoring programme, with employees participating both as mentors and mentees. Women account for 19% of the workforce in the region.

Community development

We are actively involved in communities across the Western Australian goldfields, from Laverton to Kalgoorlie-Boulder and beyond, including remote Aboriginal communities such as Tjuntjuntjara. We support education, youth, community development and health programmes and local training, along with offering employment and business participation opportunities.

At Tropicana, we ran a unique entry-level opportunity for indigenous people in Western Australia's goldfields during the year. In 2018, eight indigenous participants successfully completed the *Get into Mining* programme at Tropicana and were transferred to traineeships in the mining and geology departments.

Get into Mining is a pre-employment programme carried out by training provider and indigenous mining contractor Carey Mining in partnership with AngloGold Ashanti Australia and Macmahon Holdings, the mining contractor at Tropicana. This was a unique entry-level opportunity for indigenous people in Western Australia's

goldfields region. It is intended that the programme will be run again in 2019. The programme was commended in the Western Australia Parliament by the Minister for Regional Development.

The Kalgoorlie Clontarf Academy, Kalgoorlie Girls Academy and Follow the Dream Programme all operate through AngloGold Ashanti Australia's school partnerships with Eastern Goldfields College, Kalgoorlie Boulder Community High School and John Paul College. The academies provide on-campus and extracurricular activities, mentoring and out of school support to assist students' academic performance, and personal and general health and well-being education. Sport is an added incentive used by two of the academies (Clontarf and Girls Academy). End-of-year camps and mentoring initiatives include former students. This is a prime example of the long-term funding approach to key youth programmes which assists with planning well in advance for more sustainable outcomes over time.

Environment

Environmental management

There were no environmental incidents in 2018. Tropicana achieved environmental certification under the new ISO 14001:2015, following audits conducted by Bureau Veritas in 2018.

Tropicana maintained its certification under the International Cyanide Management Code.

In 2018, submissions were made for approval of key environmental amendments to increase operational flexibility. Tropicana applied for amendments to its three existing approvals in preparation for the proposed Boston Shaker underground mining project. These submissions sought variations under the National Environment Protection and Biodiversity Conservation Act, a Section 45c application under the Western Australia Environment Protection Act to adjust the site's Prescribed Premises Licence and a Mining Proposal Application to authorise underground mining and backfilling of open pits.

Climate change

Tropicana fulfilled its 2018 reporting obligations under the annual National Greenhouse and Energy Reporting scheme (NGER), which forms part of a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production, energy consumption and other information specified under NGER legislation.

The Commonwealth Government Safeguard Mechanism is established through the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 (Safeguard Rule). It applies to

facilities whose annual covered emissions are more than 100,000 tonnes carbon dioxide equivalence (t CO₂-e), which includes Sunrise Dam, and assigns each facility an emissions baseline that must not be exceeded in net terms.

Water

At Tropicana, the risk caused by hypersaline water mounding below the tailings storage facility continues to be monitored and, during 2018, additional recovery bores were drilled and equipped to increase recovery rates and control rising water levels. A water balance model is being developed to more accurately model the dynamics of the system.

The Kamikaze borefield at Tropicana was expanded during the year and additional bores will be installed in 2019 following studies which determined that the aquifer was more substantial than originally modelled. There would be significant benefits to the operation should higher volumes of lower salinity water be drawn from the more proximate Kamikaze borefield. The improved water quality results in lower reagent consumption and lower operating costs.

Biodiversity

The Great Victoria Desert Biodiversity Trust (GVDBT) continued to make progress with the adaptive management partnership (AMP), which represents a co-ordinated

PERFORMANCE 2018 continued

approach to implementing adaptive management in the Great Victoria Desert, combining the philosophies and tools of landscape-scale management and collective action. The AMP will provide an 'umbrella' to co-ordinate activities, integrate science and action, and provide a monitoring and evaluation framework. Several funded projects in the Great Victoria Desert continued in 2018.

The independent GVDBT was created by the Tropicana joint venture as part of its offset strategy for the mine under the Federal Environmental Protection and Conservation Act 1999.

Integrated closure planning

The Australian government's Senate inquiry into the Rehabilitation of Mining and Resources Projects in relation to Australia's Commonwealth responsibilities was released on 28 November 2018. The report does not contain anything specific that would directly impact the Australian operations.

Tropicana's mine closure plan, submitted to the regulator in 2017, was approved in October 2018. The site is required to submit its next update only in 2022.

For further information on AngloGold Ashanti and its work and performance, as a group and in the Australasia region, see the <IR> and <SDR> which are available online at www.aga-reports.com

Key statistics

TROPICANA	Units	2018	2017	2016
Operating performance				
Cut-off grade ⁽¹⁾	oz/t	0.020	0.020	0.020
	g/t	0.70	0.70	0.70
Average recovered grade	oz/t	0.056	0.054	0.058
	g/t	1.91	1.87	1.87
Tonnes treated/milled	Mt	5.5	5.4	4.8
Gold production	000oz	336	321	292
Total cash costs	\$/oz	594	564	630
All-in sustaining costs	\$/oz	843	885	970
Capital expenditure	\$m	76	91	77
Productivity	oz/TEC	58.91	55.20	48.36
Safety performance				
No. of fatalities		0	0	0
All injury frequency rate (AIFR)	per million hours worked	7.34	6.11	10.87
People				
Total average no. of employees		475	485	503
– Permanent		130	130	125
– Contractors		346	355	378
Environmental performance				
Water use	ML	5,926	5,668	5,798
Water use efficiency	kL/t	0.76	0.74	0.84
Energy consumption	PJ	4.23	4.14	3.59
Energy intensity	GJ/t	0.54	0.54	0.52
Greenhouse gas (GHG) emissions	000t	255	250	223
GHG emissions intensity	t CO ₂ e/t	33	33	32
Cyanide use	t	2,619	2,809	3,452
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities	\$m	48	46	42
Social performance				
Community investment	\$m	–	–	–
Payments to government ⁽²⁾	\$m	82	74	84

⁽¹⁾ Based on the Ore Reserve.

⁽²⁾ Total paid to the Australian government for both Tropicana and Sunrise Dam.