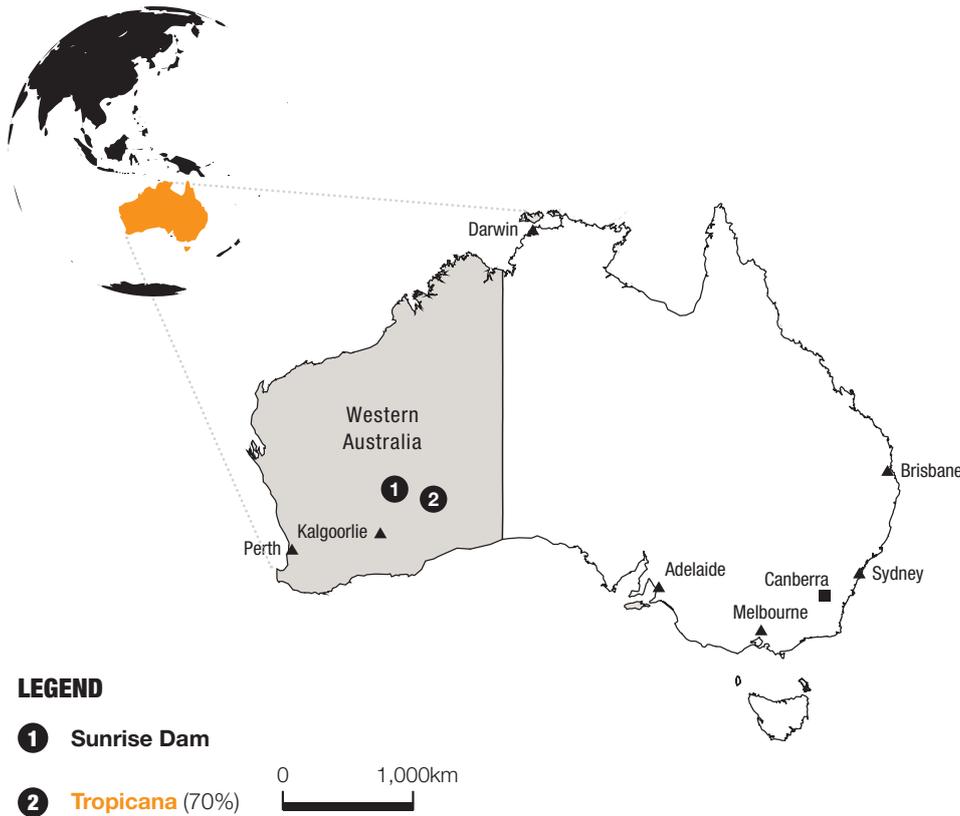


TROPICANA

AUSTRALIA



Tropicana, a joint venture between AngloGold Ashanti (70%) and Independence Group (30%), is located 200km east of Sunrise Dam and 330km east-northeast of Kalgoorlie. AngloGold Ashanti is manager and operator of the open pit operation, where extraction is conducted by contractor mining.

FEATURES OF THE YEAR

RECORD PRODUCTION

on increased mill throughput

COSTS DECLINE

on improved efficiencies

BOSTON SHAKER

underground growth project underway

ANNUAL TONNES MINED

at record high – increased 11% to 6.1Mt

4.91Moz

inclusive Mineral Resource as at 31 December 2019

PERFORMANCE 2019

Operating performance

Production

Production at 360,000oz for the year, was 7% higher year-on-year. Higher mill throughput, which set new records in December 2019, offset lower feed grades in the second half of the year and contributed to the increase in gold production. Annual tonnes mined also broke site records in 2019. The Tropicana open pit was completed during the year and mining continued in the Havana South, Havana and Boston Shaker pits. In 2020, it is planned that open pit mining will be focused on the Havana pit.

Costs

Total cash costs were 15% lower year-on-year at \$504/oz. Tropicana's total cash costs declined due to higher volumes and improved efficiencies, partially offset by unfavourable grades, royalties and inflation.

Capital expenditure

Capital expenditure at Tropicana increased by \$30m predominately due to the start of the Boston Shaker underground growth project at \$21m. An increase in waste stripping capital expenditure due to the scheduling of open pit cutbacks was partially offset by a reduction in stay-in-business capital.

Growth and improvement

Development of the Boston Shaker underground mine at Tropicana began in May 2019 and at year-end the project was on track to deliver high-grade ore in the second half of 2020 as planned. The decision to go ahead with the project was announced after a feasibility study confirmed that underground mining was technically and financially viable, demonstrating robust economics with an anticipated internal rate of return of 39% for a capital investment of \$79.3 million (100%).

Boston Shaker is expected to contribute higher-grade mill feed, resulting in an improved gold production profile and enhanced cash flow, during 2021-2023 when the mine plan includes periods of higher waste stripping in the Havana open pit.

The feasibility study was based on the mining of 6.58 million tonnes, grading 3.84g/t, assuming the systematic conversion of Mineral Resource to Ore Reserve over the life of the mine. The average underground mining rate will be approximately 1.1Mtpa (including development) over an eight-year mine life to 2026 to produce a total of 732,000oz. Mining methods will comprise conventional mechanised mining and underhand sub-level open stoping.

The two raises bore holes required for ventilation and emergency egress were tracking ahead of schedule by year end, and underground development of 1,640m was ahead of plan. Underground reverse circulation grade control drilling began in October. Recruitment of the underground workforce is in line with plan and the underground operation remains on track to deliver first gold in the second half of 2020. Operational excellence work is focused on remote bogging, the mechanical operator-controlled digging of ore from surface, and on optimising level spacing and extraction ratios.

Sustainability performance

Safety

Tropicana ended the year with a record safety performance in terms of the AIFR and the lost-time injury frequency rate (LTIFR), achieving 14 months without a lost-time injury.

Health

As part of employee wellness, a programme was initiated to improve health, safety and productivity outcomes by identifying and supporting people with sleep disorders. Since the start of the programme in mid-2018, there has been a 51% reduction in fatigue alarms among haul truck operators. In 2019, this project was a finalist in the Work Health and Safety Excellence Awards, organised by the government of Western Australia's Department of Mines, Industry Regulation and Safety. See case study entitled, *Tropicana implements programme to address sleep disorders* in the <SR>.

Community development

AngloGold Ashanti is actively involved in communities across the Western Australian goldfields, from Laverton to Kalgoorlie-Boulder and beyond, including remote Aboriginal communities such as Tjuntjuntjara. Our community projects support education, youth, community development and health programmes and local training. We also offer employment and business participation opportunities.

There were no reportable incidents in 2019 at either Australian operation and both sites met all their regulatory reporting obligations during 2019.

In the first half of the year, all necessary approvals were received to enable development of the Boston Shaker underground mine at Tropicana to proceed on schedule. During the year, the Great Victoria Desert (GVD) Biodiversity Trust, established in 2013 by the Tropicana joint venture as part of the biodiversity offset approach for the Tropicana operation, had a range of projects underway in 2019. Tropicana is on the GVD's western edge and the trust supports research and on-the-ground conservation in two of the desert's six ecological sub-regions.

The trust funded the first Sandhill Dunnart Research and Adaptive Management Plan for the GVD, which incorporates traditional owner land management expertise. This work identified two new Sandhill Dunnart sites, recorded 52 more fauna species and increased total bird and mammal species records for the region to 172. The Sandhill Dunnart, a small carnivorous marsupial, is an endangered species. The trust supports activities to capture and apply traditional ecological knowledge and facilitate indigenous land management participation. Projects include research to increase fire-management capability and introduce traditional fire management practices, as well as traditional owner ranger training.

Governance

AngloGold Ashanti drafted a whistle-blowing policy for the region, which is also aligned with group policy, to address specific requirements of the Australian Whistle-blowing Act.

PERFORMANCE 2019 CONTINUED

Key statistics

Tropicana	Units	2019	2018	2017
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	g/t	1.85	1.91	1.87
Tonnes treated/milled	Mt	6.1	5.5	5.4
Gold production	000oz	360	336	321
Total cash costs	\$/oz	504	594	564
All-in sustaining costs	\$/oz	757	843	885
Capital expenditure	\$m	106	76	91
Productivity	oz/TEC	52.54	58.91	55.20
Safety performance				
No. of fatalities		0	0	0
All injury frequency rate (AIFR)	per million hours worked	3.14	7.34	6.11
People				
Total average no. of employees		570	475	485
– Permanent		134	130	130
– Contractors		436	345	355
Environmental performance				
Water use	ML	6,801	5,926	5,668
Water use efficiency	kL/t	0.79	0.76	0.74
Energy consumption	PJ	5.01	4.23	4.14
Energy intensity	GJ/t	0.58	0.54	0.54
Greenhouse gas (GHG) emissions	000t	303	255	250
GHG emissions intensity	t CO ₂ e/t	35	33	33
Cyanide use	t	773	2,619	2,809
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities	\$m	51	48	46
Social performance				
Community investment ⁽²⁾	\$000	701	742	684
Payments to government ⁽³⁾	\$m	95	82	74

⁽¹⁾ Based on the Ore Reserve.

⁽²⁾ Total community investment for both Sunrise Dam and Tropicana.

⁽³⁾ Total paid to the Australian government for both Tropicana and Sunrise Dam.

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