

FACT SHEET

Headquartered in Johannesburg, South Africa, AngloGold Ashanti is the third largest gold producer in the world with operations around the globe. It has 20 operations in 10 countries on four continents as well as several exploration programmes in both the established and new gold producing regions of the world. Group activities are managed in four operational regions: South Africa, Continental Africa, Australasia and the Americas (both North and South America). The countries making up AngloGold Ashanti's Americas region are Argentina, Brazil, Colombia and the United States.

AngloGold Ashanti – a corporate profile

AngloGold Ashanti employed 61,242 people, including contractors, in 2011 (2010: 62,046) and produced 4.33Moz of gold (2010: 4.52Moz), generating \$6.6bn in gold income, excluding joint ventures (2010: \$5.3bn). Capital expenditure in 2011 amounted to \$1.5bn (2010: \$1.0bn).

As at 31 December 2011, AngloGold Ashanti had a total attributable Ore Reserve of 75.6Moz (2010: 71.2Moz) and a total attributable Mineral Resource of 230.9Moz (2010: 220.0Moz).

AngloGold Ashanti has its primary listing on the Johannesburg Stock Exchange (JSE) and is also listed on the New York, London, Australia and Ghana stock exchanges. As at 31 December 2011, there were 382 million ordinary shares in issue and the company had a market capitalisation of \$16.2bn (2010: \$18.8bn). Shareholders are scattered around the world, with the largest proportion (48%) being in the United States.

AngloGold Ashanti in Brazil

As at 31 December 2011, AngloGold Ashanti had interests in two operations in Brazil:

- the wholly owned AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração) and
- a 50% interest in Serra Grande, together with Kinross Gold Corporation. AngloGold Ashanti managed the operation.

Effective 28 June 2012, AngloGold Ashanti acquired the remaining 50% for a cash consideration of \$220m and as a result Serra Grande is now wholly owned.

Together, these two Brazilian operations had combined attributable gold production of 428,000oz, equivalent to 9.9% of group production.

As at 31 December 2011, the two Brazilian operations had an inclusive Mineral Resource of 12.65Moz, of which the Mineral Reserve amounted

to 2.42Moz. This is equivalent to 5.5% and 3.2% respectively of group resources and reserves.

In all, the average number of employees at these operations totalled 5,164, of whom 3,754 were permanent employees and 1,410 contractors.

Attributable capital expenditure at the Brazilian operations amounted to \$281m for the year, 67% up on that of the previous year (2010: \$168m) and bringing to \$867m the amount AngloGold Ashanti has invested in its Brazilian operations over the past five years. Capital expenditure of between \$228m and \$238m is forecast to be spent in Brazil in 2012.

AGA Mineração comprises two operational units, namely the Cuiabá and the Córrego do Sítio complexes. The Cuiabá complex includes the Cuiabá and Lamego mines and the Cuiabá and Queiroz plants. In operation for 26 years, the Cuiabá mine is principally a cut-and-fill mine accessed by ramp and shaft. Lamego is a new underground mine that exploits sulphide ore. Ore from the Cuiabá and Lamego mines is processed in the gold plant at the Cuiabá complex. The concentrate produced here is then transported 15km by aerial ropeway to the Queiroz plant where milling, flotation, roasting, leaching, precipitation and refining occur. Total capacity of the complete circuit is 1.65Mt/year and recoveries of 93% are achieved.

The Córrego do Sítio operation comprises one surface (oxide) and two underground (sulphide) mines, as well as a heap leach pad and sulphide plant. The latter, originally acquired from Eldorado late in 2008, has been refurbished.

Serra Grande is located in central Brazil, in the state of Goiás, about 5km from the city of Crixás. Serra Grande comprises three mechanised underground mines: Mina III, Mina Nova (which includes the Pequizão orebody) and Palmeiras – and an open pit on the outcrop of the Mina III orebody. One dedicated metallurgical plant treats all ore mined here. Annual capacity of the processing circuit, which has grinding, leaching, filtration, precipitation and smelting facilities, is 1.15Mt.

Key statistics – Brazil

		2011	2010
Operation			
Attributable tonnes treated/milled	Mt	2.3	2.2
Gold production – 100%	(000oz)	495	493
– attributable		428	415
Total cash costs	(\$/oz)	1,292	888
Capital expenditure	(\$m)	281	175
Average number of employees		5,164	4,694
– Permanent		3,754	3,451
– Contractors		1,410	1,243
Productivity	(oz/TEC)	16.52	17.81
Safety			
Fatal injury frequency rate	per million hours worked	0.07	0
All injury frequency rate (AIFR)	per million hours worked	3.93	3.80
Environment			
Water usage – total	ML	3,603	3,084
– groundwater	ML	486	446
– surface water	ML	3,118	2,638
– purchased	ML	–	–
Energy consumption – total	million GJ	1.62	1.47
– direct energy consumption	million GJ	0.36	0.38
– diesel	million GJ	0.36	0.38
– natural gas	million GJ	–	–
– heavy fuel oil		–	–
– indirect	million GJ	0.70	0.60
Greenhouse gas emissions (CO ₂ e)	000t	37	34
– direct	000t	31	29
– indirect	000t	6	5
Cyanide used	t	875	863
Reportable environmental incidents		–	–
Socio-economic			
Community investment	\$000	1,210	1,602
Community incidents reported (where applicable)		–	–
Payments to government	\$000	138,157	122,499
– dividends paid to government	\$000	–	–
– taxation paid	\$000	63,784	64,052
– withholding tax (STC, royalties, etc)	\$000	146	361
– other indirect taxes and duties	\$000	7,468	4,168
– employee taxes and other contributions ⁽¹⁾	\$000	53,060	44,179
– property tax	\$000	2,091	1,673
– other (includes tax on exports)	\$000	11,608	8,066
Local spend ⁽²⁾ within country	%	81	72.2

⁽¹⁾ Includes remittance made to government but borne by employees as individual taxation eg PAYE, UIF.

⁽²⁾ Local spend is defined as spend undertaken within the country (currently includes indirect imports as well as locally produced goods).

Performance in Brazil in 2011

Operational performance

AGA Mineração: The 7% higher output in 2011 followed the ramp-up at Lamego and the start of production from Córrego do Sítio. Production was, however, negatively impacted by lower tonnage at Cuiabá, due mainly to geotechnical and fleet availability issues.

Cash costs of \$525/oz were 29% up on the previous year, mainly due to labour cost inflation and higher energy consumption following the commissioning of the refrigeration plant in Cuiabá. Other factors were the stronger Brazilian real, lower volumes and higher unit costs from new Córrego do Sítio sulphide production. The increase in the price received for sulphuric acid, a by-product at the Cuiabá complex, had a positive impact on costs during the year.

Renewed focus was placed on training to improve safety and productivity in high-dip areas, while trial mining using the sub-level bench method was successfully piloted and will now be extended to other areas of the mine. This change also mitigated geomechanical instability which is expected to result in improved productivity in 2012 and 2013. Given the increased mining depth to more than 1,100m at Cuiabá by the end of 2011 and the resultant rise in working temperatures, a refrigeration plant was commissioned to service the deeper areas of the mine.

At Lamego, improved knowledge of the orebody at has enabled a high level of mining flexibility. At Córrego do Sítio, the underground sulphide mine was developed and the orebodies prepared for the start of production during 2011. This mine had reached production capacity of 40% by year-end. The metallurgical plant was commissioned in January 2012 and productivity at the oxide heap leach plant improved by 18%.

Growth and improvement: Commissioning and mine ramp-up of the Córrego do Sítio project proceeded during the year and full production at Lamego mine was achieved in 2011. Scoping studies are in progress for both mines to determine further expansion opportunities. At Córrego do Sítio, additional sources of oxide and sulphide ores will enable an expansion.

The underground sulphide operation is ramping up and is expected to reach full production by the end of 2012. One of the principal operating challenges is to control dilution from the sub-level stoping by a greater focus on grade control, while keeping the ramp-up on track with the development of ramps and ore drives to ensure appropriate flexibility.

The Lamego project was completed at the end of 2011, with only minor changes to civil infrastructure required at a cost of some \$2m. Meanwhile, further work is planned to improve knowledge of the upside in the oxide and sulphide endowment.

Work is underway at Cuiabá to stabilise production in narrow veins and to investigate use of satellite orebodies to further boost production. Management also began investigating mining at depths greater than those envisaged in the current mine plan, beginning with a drilling

campaign below the 24 level and the formation of a team to conduct improved geological mapping of the mine. Increased infill drilling will also be undertaken to facilitate the change of mining method.

Serra Grande: Attributable production in 2011 was 67,000oz, compared with 77,000oz in 2010. The reduction was due primarily to higher-than-expected dilution and the resultant impact on mined grades. This was partly offset by a 5% increase in the total ore mined at the operation to 1.33Mt, with strong performance from the open pit and the Palmeiras underground mine in particular.

To improve the grade mined at Serra Grande, an action plan was compiled and new operational control measures for dilution and close monitoring of the drilling and blasting processes were implemented. Total dilution for all Serra Grande's mining operations started in 2011 at more than 30% and closed the year with a significant reduction to 18%. Other factors which contributed to the decline in production included delays in development which in turn slowed the preparation of production stopes. Poor availability of drill rigs, as well as of heavy machinery and the equipment fleet, hampered underground drilling and overall operational performance.

In the plant, recoveries were curtailed by problems encountered in the grinding and filtering circuits. Each of these issues has been addressed with specific action plans developed to ensure they do not re-occur.

Total cash costs increased by 59% to \$767/oz as a result of reduced production as well as continued inflationary pressure on all mining-related inputs in Brazil and the impact of the stronger Brazilian real, which appreciated by 5% against the dollar in 2011.

Growth and improvement: A priority for Serra Grande's management is to facilitate closer co-operation between the geology, mine, plant and maintenance teams so as to reduce variability and so increase both underground mine output and plant throughput. This will assist in maintaining the required mill feed while rebuilding the strategic stockpile depleted in 2010. Optimisation of the gravity circuit is planned to be completed in mid-2012, with expected further improvements in recoveries.

An operational control centre has been established on site to improve maintenance and enhance the general skills level of operators to achieve better operational performance and reduce breakdowns. Pequizeiro and Palmeiras are the most recent discoveries and are the newest underground mines. Importantly, they have the highest grade reserves of all the Serra Grande operating areas but currently have modest development programmes, given that focus was previously on Orebody IV at Mina III. The focus now is on developing an optimal mine sequencing plan to make the best possible use of these higher grade areas.

Cost savings will also continue to receive attention, with benefits still flowing from the ongoing programme which began in 2005 to develop alternative sources of supplies. A new programme called MSG2020 will evaluate technical alternatives in mine design, sequencing and metallurgical processes to seek improvements in production and returns on invested capital.

Exploration

Both greenfield and brownfield exploration drilling campaigns continued at AGA Mineração, with the focus being to increase the gold resource base. In Brazil, early stage greenfield exploration comprised mapping and regional geochemical programmes, was undertaken on the wholly-owned Juruena Belt tenements. The Falcão joint venture with Horizonte Minerals commenced drill testing of greenstone hosted gold mineralisation, using a combination of aeromagnetic interpretations and gold-in-soil geochemistry to target initial drill holes. A total of 15 diamond holes for a total of 3,663m were completed in 2011. The drill testing produced some encouraging early results but no ore grade intercepts.

At the end of 2011, the latest brownfield exploration drilling campaign added 817,000oz to AGA Mineração's resource, taking this to 11.4Moz. Exploration drilling will also be conducted to determine the viability of restarting mothballed mining operations, closed previously during periods of low prices, and of locating satellite orebodies. Among the latter is the Nova Lima Sul project which envisages the development of smaller deposits close to current operations, which will use spare capacity at the Queiroz plant.

The 'fast-track exploration plan' at Serra Grande added 380,000oz to the inferred resource at this mature operation. About \$20m will be invested in this campaign in the coming two years with the aim of adding a total of 1Moz to resources to further extend the life of the operation. In the longer term, beyond 2013, the focus of the exploration effort at Serra Grande will shift to increasing the operation's mineral endowment to extend the mine life.

Sustainability

The major challenges for AngloGold Ashanti's operations in Brazil are:

Safety and health

AngloGold believes that safety and health are not only business imperatives, but are part of the company's obligation to operate with respect for human rights, and, as such, will continue to focus on improving the safety and health performance of operations. This will include further development of the safety transformation framework and its 22 governing standards. An incident investigation protocol has been developed and deployed and an incident management and tracking system developed with a global pilot already in progress. AngloGold Ashanti has a long-term goal of operating a business free of occupational injury and illness and a five-year objective of reducing the all injury frequency rate (AIFR) to less than nine per million hours worked.

Seismic activity is of particular concern in underground mining operations in Brazil due to the depth of mining and residual tectonic stresses. Mine layouts and support technology have been modified and other technological improvements employed in an effort to minimise the incidence and impact of seismic activity.

Following a survey undertaken during the year, a safety behaviour plan was launched at both AngloGold Ashanti's Brazilian operations. Initiatives included improvements to the new employee induction course, a review of on-the-job training processes, and standardisation of safety processes. Also a new approach to incident investigation and analysis was established during 2011. A proactive safety indicator to

evaluate the quality of processes has been developed and AngloGold Ashanti Brazil has set targets to reduce the all injury frequency rates to zero by 2020.

Regrettably, there was one fatality at AGA Mineração. A contractor died when he was run over by a tractor at the tailings facility construction site. The safety performance at AGA Mineração deteriorated when compared to 2010, recording an all injury frequency rate (AIFR) of 4.05 per million hours worked (2010: 2.62). Serra Grande's AIFR of 3.48 per million hours worked in 2011 compares with 7.22 in 2010. No lost time injuries have been reported for an impressive 19 months and no fatalities for more than three years.

Both operations have their awards for compliance with OHSAS 18001 – Occupational Health and Safety.

Environment

Environmental permitting and process water management:

AGA Mineração has had no reportable environmental incidents for five years. The company was awarded the PMGA – Environmental Management Minas Gerais Award and also holds the following certifications:

- ISO 14001 – Environment;
- ISO 17025 – Laboratory analysis;
- NBR 16001 – Social responsibility – 1st Brazilian mine company;
- International Cyanide Management Code; and
- ISO 9001 – Quality (Laboratory and smelter house).

Serra Grande was the first mining company to receive an award from the environmental agency in the state of Goiás. The company also holds the following certifications:

- ISO 14001 – Environment;
- International Cyanide Management Code; and
- ISO 9001 – Quality (Laboratory and smelter house).

Cyanide: in addition to their compliance with the international cyanide code, the Córrego do Sítio II metallurgical plant, which was acquired by AngloGold Ashanti with the São Bento operation in 2008, will be recommissioned during 2012 and will thereafter be included in the company's cyanide code certification programme. The site expects to register with the International Cyanide Management Institute (ICMI) during 2012 as a facility intending to seek certification, and will pursue certification within the three-year window period.

Socio-economic contribution

The Brazilian operations support environmental education programmes and social investments in the communities in which it operates. In and around Serra Grande, the company has had a positive and constructive relationship with its host community in Crixas for some time. During 2011, the company extended its engagement with local communities and also provided support for 11 cultural projects focused on education, sport and the preservation of Crixas' cultural heritage.

The company has an open-door policy with communities, communicating operational and environment-related information. Communities are informed in advance of the funds allocated to

community investments and the host communities themselves participate in the selection of the projects. The company also invites all stakeholders, including communities, companies, suppliers, employees, NGOs and local government, to participate in an annual forum to promote discussion regarding social policy and practices. The aim of this dialogue is to identify opportunities for improvement.

In Brazil, a 'public call for projects', an AngloGold Ashanti initiative, strives to ensure greater legitimacy and transparency regarding the company's community investment as well as to actively engage communities. In towns close to the company's operations in the states of Minas Gerais and Goiás, 25 projects were selected to receive company support.

In particular, AngloGold Ashanti's socio-economic contribution to Brazil is as follows:

- **Payments to government:** AngloGold Ashanti is a member of the Extractive Industries Transparency Initiative (EITI) and is committed to supporting its objectives of fiscal transparency and good governance and shares the EITI ethos that transparency and sound governance are essential in promoting sustainable economic development. All payments made to governments by the company are disclosed, whether or not the country concerned is an EITI member; Brazil is compliant with the EITI. AngloGold Ashanti's payments to the Brazilian government in 2011 totalled \$138.2m (2010: \$122.5m).
- **Community:** Total community investment by AngloGold Ashanti in Brazil was \$1.1m in 2011 (2010: \$1.6m).
- **Local procurement:** AngloGold Ashanti plays an active role in the sustenance and expansion of the local economy around its operations by encouraging the development of local skills, providing business opportunities and platforms for technology enhancements supporting local suppliers so as to promote sustainable local business. Of total procurement spent by AngloGold Ashanti at its Brazil operations in 2011, 81% was local spend.

Other challenges at AngloGold Ashanti's Brazilian operations include:

Skills shortages: From a resourcing perspective, AngloGold Ashanti and the broader mining industry are potentially faced with serious skills shortages, with few students studying mining engineering and related fields, and even fewer entering the industry. Preliminary internal findings of an overview of the global and regional training capacity for mining-related engineering skills suggest that globally, demand exceeds supply by a significant margin, particularly in respect of mining engineering, geology and metallurgical graduates as well as post-graduate mining related specialisations.

Implicit in achieving AngloGold's mission is the attraction, retention and development of people. AngloGold Ashanti competes for scarce skills with a variety of commodity producers across the entire mining, finance and engineering spectrum who may be based in more attractive locations.

The ongoing risk assessment of real and perceived threats to skills shortages therefore remains high on AngloGold's agenda and the company will continue to track the situation and key development opportunities as the company drives change through the implementation of the organisational model and manages the strategic challenges associated with developing and managing the company's long-term skills pipeline.

In 2011, the cost and availability of specialised mining skills remained key challenges in Brazil, where a surfeit of mining and engineering projects exacerbated an already tight labour market and inflated salaries. This trend is likely to continue for some time with additional mining and infrastructure projects set to proliferate in Brazil in coming years, along with additional development of iron ore capacity and preparations for the next FIFA World Cup in 2014 and the Olympic Games in 2016.

The recruitment of skilled workers is becoming increasingly competitive in Brazil as more mining development occurs nationally and regionally.

Compliance with changing regulatory and fiscal environment: Legislation on carbon pricing is under consideration in Brazil. The company is proactively engaging with governments in order to find a balance between effectiveness in addressing climate change and adverse impacts on the economy and business.

Planning for mine closure: Given that all mining operations eventually cease, on-going planning for closure is an integral aspect of operational planning, as are estimations of associated liability costs and the assurance of adequate financial provisions to cover these costs. The Brazilian operations have complied with the group closure and rehabilitation management standard.

Closure planning is an activity that starts at exploration and mine design stage and continues throughout the life of mine:

- The evaluation of new projects takes into account closure and associated costs in a conceptual closure plan.
- Our standard requires that an interim closure plan be prepared within three years of commissioning an operation, or earlier if required by legislation.
- This plan is reviewed and updated every three years (annually in the final three years of a mine's life) or whenever significant changes are made, and takes into account operational conditions, planning and legislative requirements, international protocols, technological developments and advances in practice.

For many of the group's older mines, closure planning and the evaluation of environmental liabilities is a complex process. This is particularly so in Brazil, where the long-life operations present environmental legacies that may have developed over a century or more.

AngloGold Ashanti's total rehabilitation liability in Brazil for 2011 was \$109.5m \$63.6m (2010) of which \$84.9m was for restoration and \$24.6m for decommissioning.

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