



DEMOCRATIC REPUBLIC OF THE CONGO

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 included in the Continental Africa region are the Democratic Republic of the Congo (DRC), Ghana, Guinea, Mali, Namibia and Tanzania.

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 DRC

AngloGold Ashanti currently has two greenfield projects – Kibali and Mongbwalu – in development in the DRC.

The **Kibali** gold project is a joint venture between AngloGold Ashanti and Randgold Resources, with each owning a 45% stake, and Société des Mines d'Or de Kilo-Moto (SOKIMO), a state-owned gold company, which owns the balance. Kibali, acquired with the purchase of Moto Goldmines in 2009, lies in the north-eastern DRC, adjacent to the town of Doko, a staging point for the project and 180km by road from Arua, on the Ugandan border. Jersey-based Randgold, also AngloGold Ashanti's partner at the Morila gold mine in Mali, is the operator and project manager at Kibali. Pre-development work on the

project began in early 2011, and first gold production is scheduled for the beginning of 2014. Full production is expected in 2015.

The **Mongbwalu** gold project in the northeastern DRC, is a venture between AngloGold Ashanti, which owns an 86.22% stake, and SOKIMO, the state-owned gold company, which owns the balance. The deposit lies about 48km northwest of the town of Bunia, a staging point for the project. Preparatory work at the project has been completed, and first gold production is also scheduled for the beginning of 2014. Historically, Belgian mining companies operated on a relatively small scale in the area for about 50 years before leaving in 1961, while SOKIMO began mining in 1966. The area around Mongbwalu has historical recorded gold production of about 2Moz of gold. The venture holds 18 tenements which, at the end of the year, covered an extensive area of 5,487m². About 600 people are currently employed on site.

As at 31 December 2011, these two projects together had a total Mineral Resource of 10.44Moz which included Mineral Reserves at Kibali of 4.52Moz. This was equivalent to 4.5% and 6% respectively of group resources and reserves.

AngloGold Ashanti employed 1,291 people (including contractors) at these two projects in 2011.

Capital expenditure in the DRC in 2011 totalled \$75m, the bulk of which, \$73m (attributable), was spent at Kibali. Total capital expenditure by AngloGold Ashanti in the DRC over the past two years totals \$107m. Capital expenditure forecast to be spent in the DRC in 2012 is between \$370m and \$388m.

Key statistics – Democratic Republic of the Congo

		2011	2010
Operation			
Capital expenditure – attributable	(\$m)	75	32
Average number of employees (including contractors)		1,291	n/a
Safety			
Fatal injury frequency rate	per million hours worked	–	0.84 ⁽¹⁾
All injury frequency rate (AIFR)	per million hours worked	11.04 ⁽¹⁾	n/a
Socio-economic			
Community investment	\$000	4,663	1,882
Payments to government in terms of EITI	\$000	11,076	10,494
– dividends paid to government	\$000	–	–
– taxation paid	\$000	1	5,079
– withholding tax (STC, royalties, etc)	\$000	–	–
– other indirect taxes and duties	\$000	3,477	185
– employee taxes and other contributions ⁽²⁾	\$000	2,642	920
– property tax	\$000	3,293	–
– other (includes tax on exports)	\$000	1,663	4,310
Local spend ⁽³⁾ within country	%	60	n/a

⁽¹⁾ Mongbwalu only.

⁽²⁾ Includes remittance made to government but borne by employees as individual taxation eg PAYE, UIF.

⁽³⁾ Local spend is defined as spend undertaken within the country (currently includes indirect imports as well as locally produced goods).

Performance in 2011

Operational performance

AngloGold Ashanti's two projects in the DRC are in line with the company's strategic focus on growing the business and promoting organic growth by means of effective project development. These projects are integral to plans to AngloGold Ashanti's achieving its planned production targets in years to come.

Kibali

By the end of 2011, the construction crew had started mobilising on site, a process expected to be completed during the first quarter of 2012. Long-lead plant and equipment items were secured, key contractors selected and a development management team assembled.

The final feasibility study and integrated execution plan for the project is due to be presented to AngloGold Ashanti's board for approval in the first half of 2012. Until then, AngloGold Ashanti has agreed to continue to fund its share of the critical path items needed to ensure the timeline for the project was not compromised. Final capital, production and cost estimates will accompany the announcement of the project's final approval.

The Kibali mine will comprise an integrated open pit and underground mining operation, feeding a 6Mt a year processing plant which will include a full flotation section for treating sulphide ore. The complex will ultimately be served by four hydropower stations supported by a thermal power station for low rainfall periods and back-up. The core capital programme is scheduled to run over the next four years.

Phase 1 of the project, required to deliver the mine's first gold production, will cover the metallurgical facility, one hydropower station and a back-up thermal power facility, construction of a tailings storage facility, relocation of villages, open-pit mining and all shared infrastructure. This phase will run over a two-year period.

Phase 2, which will run concurrently with Phase 1 but will extend over four years, will focus primarily on development of the underground mine and include a twin-decline and vertical shaft system, along with three hydropower stations. This is expected to bring the underground operation into first production by the end of 2014, with steady state production targeted for the end of 2015.

Mongbwalu

The preliminary scoping work envisaged an initial underground mine in the Adidi area of the resource, with the necessary infrastructure designed to generate cash flow to fund further exploration and expansion activities within the demarcated area belonging to the venture.

The feasibility study for the project was completed in March 2011, after which the business and technical development teams conducted the normal optimisation process. Approval by the venture board is expected in March 2012, when the final feasibility study and integrated execution schedule is to be presented.

The project is a beachhead for AngloGold Ashanti in the highly prospective Kilo greenstone belt. The initial project will be designed and built with a view to increasing its size as the aggressive regional exploration programme identifies new sources of ore. Capital and cost estimates for the project will be released along with the announcement of its approval. Upgrading of staff accommodation on site was undertaken during the year.

The brownfield exploration team continued drilling in support of the project on the Adidi and Kanga Mineral Resource. Greenfield exploration activities continued on five targets, namely Lodjo, Issuru, Dala, Alosi Camp 3 and Petsi. An IP survey was completed for Camp 3 (Kilo Central) while diamond drilling continued at Pili Pili (Pluto North-Issuru). Trenching and soil sampling continued in Kilo Central and Kilo North.

Exploration

In addition to these projects, AngloGold Ashanti also has an extensive greenfield exploration programme that covers the fertile Kilo greenstone terranes in the eastern DRC. It holds an 86.22% interest in Ashanti Goldfields Kilo (AGK), with the remaining 13.78% being held by the state-owned gold company SOKIMO. In terms of an agreement with the government, of the 7,443km² previously held under exploitation licences by SOKIMO, 5,447km² have been transferred to AGK, with 399km² pending transfer at the end of 2011.

Significant progress was made with regional soil geochemistry programmes that are expected to provide significant coverage over much of the landholding during 2012. This, combined with detailed geologic mapping and structural interpretation, has enabled the ranking and prioritisation of drill targets. During 2011, 4,009 diamond metres were drilled, with some encouraging results. A total of 789 trench samples were taken at a number of prospects, some of which returned promising gold grades.

Exploration expenditure planned for 2012 is estimated at between \$370m and \$380m. This will be spent on, among other things, a feasibility study at Mongbwalu.

Sustainability

In line with the group sustainability strategy, a comprehensive and transformative sustainability strategy has been compiled for AngloGold Ashanti's Continental Africa region, to enable the region to fulfil its potential for growth while contributing to broader regional social and economic development. The implementation of this strategy across the region will involve the development of sustainability strategies by mine, including the DRC operations, that are based on the United Nations Millennium Development Goals. AngloGold Ashanti's sustainable development framework is underpinned by our working with local communities and governments to define areas of mutual value creation.

Incorporated in the development process of its greenfield projects, such as Kibali and Mongbwalu, AngloGold Ashanti is incorporating sustainability principles right from the start of exploration through to project development and onto the operating life of the project until mine closure.

Safety and health

Employee safety, as at all AngloGold Ashanti operations, is of paramount importance and all employees of the company in the DRC receive the same safety awareness training as do those elsewhere in the group. 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. Good progress was made with employee safety and occupational health in 2011, with the safety strategy being implemented across the Continental Africa region and

22 safety standards executed. At Mongbwalu an AIFR of 11.04 per million hours worked was recorded as compared to 21.77 in 2010.

Baseline health assessments were commissioned during the course of last year to determine the risks and benefits of developing and operating a new mine in the region.

Malaria is a major health risk in the DRC and, in preparation for the roll out of an integrated malaria programme, a mosquito resistance survey was undertaken at Mongbwalu as part of a health baseline study that will inform decisions on the types of insecticides to be used in indoor residual spraying. Much of what has been learnt about combating malaria in Ghana and Tanzania will be applied to support communities in and around its projects in the DRC.

Environment

Given the increased competition for shared resources, such as access to potable water, land for agriculture and other purposes and energy, AngloGold Ashanti strives to ensure that natural resources in mining processes are used as efficiently and carefully as possible and to achieve the long-term business target of operating without reportable environmental incidents. Environmental management at our operations is being improved with the implementation of company-wide standards covering the areas of greatest potential impact, such as water, land use, waste and dust control. Work is also in hand on the compilation of a biodiversity standard to meet growing concerns in this area.

At the projects in the DRC, environmental baseline assessments were commissioned during 2011 to determine the risks and benefits of developing and operating new, modern mines in the area.

Kibali has an improved environment adjustment plan, which is the legal permit required before mining commences. An environmental and social impact assessment has been undertaken to comply with new environmental legislation, and to provide guidance for the development of an integrated environmental management plan that allows the mine to be constructed and operated responsibly and minimises future liability for shareholders.

At **Mongbwalu**, a concerted focus was placed on sustainability issues to support environmental and community development over the life of the project, which promises to be an important source of economic and social development both for the immediate region and for the DRC as a whole. Crucial to this process are the health and environmental baseline assessments commissioned during the year to determine risks and benefits of developing and operating a new, modern mine in the area.

In addition, in an effort to reduce AngloGold Ashanti's generation of greenhouse gases, the installation of low-carbon electricity generation capacity (hydropower) and energy-efficient technologies, such as efficient compressed air systems, are being considered for the projects in the DRC. If projects meet the international criteria, carbon credits will be generated and traded.

Potential for energy shortages

Globally, AngloGold Ashanti continues to focus on improving energy performance. A renewed emphasis on minimising energy consumption and securing energy supplies for the future is a key feature of the company's energy strategy, with site-based strategies to be developed as soon as possible.

Socio-economic contribution

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 are disclosed, whether or not the country concerned is an EITI member; the DRC is currently a candidate member of the EITI. AngloGold Ashanti's payments to the DRC government in 2011 totalled \$11.1 million (2010: \$10.5 million).

Community

Total community investment by AngloGold Ashanti in the DRC was \$4.6 million in 2011 (2010: \$1.9m). Much of this was expended in and around Mongbwalu on the commissioning of a multi-million dollar project involving the re-construction of a 4.2km road (60km in all) through Bunia and repairs to the Budana Hydropower Dam that provides electricity to the city of Bunia.

Local procurement

AngloGold Ashanti plays an active role in the expansion of the local economy 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. Local procurement spend by the company in the DRC in 2011 was equivalent to 60% of total spend by AngloGold Ashanti's interests in the DRC.

Other challenges faced include:

Delivery on production targets

In terms of its growth plans, it is important to AngloGold Ashanti that its projects come on line and into production on time. While some delays have been experienced in the DRC, the projects here will be instrumental in meeting growth targets.

Skills shortages

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. Demand exceeds supply, particularly in respect of mining engineering, geology and metallurgical graduates. The company will continue to focus on building capabilities, retaining key skills and developing and managing a reliable, long-term skills pipeline.

Human rights and security

In line with its philosophy of respecting the human rights of all, AngloGold Ashanti's goal is to apply ongoing human rights due diligence to all operations, as stipulated by the United Nations Guiding Principles. A key component of these principles is to establish grievance mechanisms to ensure that those adversely impacted by our activities have the opportunity to report their complaints, have these examined and, as appropriate, addressed.

The group participated in an International Council on Mining and Metals-driven pilot project to develop and establish a draft community grievance mechanism in co-operation with community members in and around Mongbwalu. Design of the grievance mechanism should be completed by the end of 2012.

Globally, AngloGold Ashanti's security is provided by internal security personnel and private security companies. However in the DRC, risk assessments categorise threats as being serious enough to require the inclusion of public security forces on a near-permanent basis. National police and/or military units provide additional security in accordance with specific agreements with the competent authorities or at the authorities' own initiative. These will be phased out if the threat and risk diminish through stronger community-enhanced policing initiatives. The role of public security in our areas of operation is to maintain law and order and must complement our security efforts and ensure respect for the human rights of all parties. Unfortunately there has been an increase in the number of injuries to security personnel.

AngloGold Ashanti also continues to implement its global security framework based on embedding the Voluntary Principles on Security and Human Rights (VPSHR) into its security management practices, aimed at both employees and private security providers. The VPSHR is a set of principle developed to guide businesses on meeting security needs while maintaining respect for human rights and fundamental freedoms.

Responsible gold

AngloGold Ashanti is an active participant in several international initiatives aimed at addressing concerns within the gold production process, including the Organisation for Economic Co-operation and Development (OECD), the International Council on Mining and Metals (ICMM), the World Gold Council and the Responsible Jewellery Council. These initiatives are in response to societal concerns about the environmental and social impacts of gold mining, and especially those concerns expressed under the US Dodd-Frank Act section 1502 around the financing of armed conflict in the DRC. These organisations are developing chain-of-custody standards to enable members to demonstrate that the process of producing gold, from mine to smelter to refinery and beyond, is responsible and especially that it does not contribute to conflict.

AngloGold Ashanti has engaged extensively with the DRC government, among others, on the rules and regulations to be issued by the United States Securities Exchange Commission (SEC) under the Dodd-Frank Act to ensure that together they address the core objectives of this legislation without prejudicing gold produced responsibly in the country. For gold particularly, the annual reports of the United Nations Group of Experts on the DRC have consistently highlighted the small but significant role that artisanally-mined gold has played in funding the conflict in that country.

In particular, Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) requires companies that file periodic reports with the US Securities and Exchange Commission (SEC) to perform due diligence at operations in the DRC and adjoining countries. This includes AngloGold Ashanti. The due diligence is to determine whether a company's supply chain makes use of any of the so-called 'conflict minerals' (tin, tungsten, tantalum and gold). Should this be the case, the company will be required to submit a report to the SEC. The company will also have to demonstrate that the sourcing of these minerals in no way funds or benefits armed groups in the DRC or its neighbours. In addition, the due diligence must be subject to an independent audit. The SEC's final rules and regulations are expected to be published in 2012.

Small-scale and artisanal mining (ASM)

The higher gold price in recent years and increasingly more difficult economic conditions have led to an increase in the number of people

involved in ASM activity. This is a particular concern in the DRC as public reports, produced by organisations such as the United Nations, have linked ASM to the funding of conflict in the country.

AngloGold Ashanti is addressing ASM on two levels: at a strategic level globally, it is collaborating in efforts to identify and develop best practice, and at an operational level locally, it is tailoring solutions applicable to each situation, which varies by country and region. A global framework and guidelines are necessary to guide and develop local ASM strategies. This will involve partnerships with governments, community engagement, land negotiations as well as specific community interventions including environmental improvements and the formalisation of ASM activity. AngloGold Ashanti has begun engaging actively with industry participants and relevant international agencies to advance this debate. It supports initiatives to formalise ASM to the benefit of local economies and to create sustainable livelihoods and is increasingly co-operating with host governments.

The potential impact of the Dodd-Frank Act has been assessed and the group has participated actively in the setting of standards regarding 'responsible gold'. An extensive baseline analysis of ASM was conducted in the DRC in 2011. This included on-site discussions with affected parties at each location and the development of plans to improve conditions.

Community

AngloGold Ashanti aspires to be a responsible member of the communities hosting its operations. The company has compiled a set of standards to guide its interaction and relations with these communities, the aim of which is to define expectations for community and social performance through community-focused management standards and to more effectively integrate community and environmental systems.

These standards, which include community aspects from the ISO 14001 management system and the ISO 26000 guidelines, are based on international good practice and will support the development of a more consistent approach to community relations and socio-economic contributions across the group.

They became effective in October 2011 and cover, among other aspects: ASM, community complaints and grievances, community engagement, socio-economic contribution and land access and resettlement.

In particular, **Kibali's** community development plan seeks to support food security initiatives so as to reduce community dependence on artisanal and small-scale mining.

At **Mongbwalu**, the venture contributed support to staff at the Mongbwalu hospital and also to the area's schools, benefitting 60 teachers and more than 2,000 students. Equipment and materials were also provided to assist in rebuilding the area's primary schools which were damaged in the country's recent conflict. Funds were

committed for the rehabilitation of 12 water sources in the area. At the request of the community, a bridge over the Tili River was rebuilt and assistance provided for the refurbishment of the city offices.

During the year, a literacy and microsavings programme commenced that now reaches throughout the concession and includes mostly women's groups but also small groups of artisanal miners saving in order to create new opportunities. In addition, these groups receive business training. It is envisaged that as they save and develop solidarity they will create enterprises that may grow along with the regional economy.

One such group has already purchased a flour mill and another has begun raising animals. The venture also held workshops on women's issues and on artisanal mining.

Land compensation practices

At Kibali, the relocation programme for nearby villages – a critical component of Kibali's pre-development phase – progressed smoothly through the year, with two of the 14 villages affected already resettled in the new model village of Kokiza by December. Five local contractors are building houses at the rate of 300 per month, thereby assisting with local economic development in the region.

Planning for mine closure

Given that all mining operations eventually cease, on-going planning for closure is an integral aspect of operational planning as is the estimation of the associated liability costs and the assurance of adequate financial provisions to cover these costs.

A group closure and rehabilitation management standard was completed in 2009 and all operations were required to comply with the standard by December 2011. The Continental Africa operations have been granted an extension to December 2012.

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.

AngloGold Ashanti's total rehabilitation liability (for restoration) regarding the DRC assets at 2011 year-end was \$7.9m (2010: \$10.3m).

Contact details for AngloGold Ashanti in Democratic Republic of the Congo:

Address: TOUR BCDC 11em Etage, Boulevard du 30 juin, Gombe, Kinshasa

Tel: +243 990 900410/+243 815 258738

Website: www.anglogoldashanti.com