



GUINEA

FACT SHEET

Headquartered in Johannesburg, South Africa, AngloGold Ashanti Limited (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

In 2011, AngloGold Ashanti employed 61,242 people, including contractors (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 Guinea

Sigui, a multiple open-pit oxide gold mine, is AngloGold Ashanti's sole operation in the Republic of Guinea. AngloGold Ashanti holds an 85% interest in Sigui with the balance of 15% being held by the Government of Guinea.

The Sigui mine covers a concession area of 1,500km² in the relatively remote district of Sigui, around 850km northeast of the country's capital Conakry. The area, which has significant potential for gold mining, has long been an area of traditional artisanal mining. Local economic activity is closely connected to gold mining.

Conventional mining is undertaken by contractors in multiple open pits using conventional techniques. On surface, Sigui's gold processing plant treats about 30,000 tonnes daily. In 2011, Sigui produced a total of 293,000oz, of which 249,000oz were attributable to AngloGold Ashanti. This was equivalent to 5.8% of total group production.

As at 31 December 2011, Sigui had an inclusive Mineral Resource of 5.18Moz, of which the Mineral Reserve amounted to 2.31Moz. This is equivalent to 2% and 3% respectively of group resources and reserves.

Sigui had an average of 3,666 employees in 2011, of whom 1,718 were permanent and 1,948 contractors.

Attributable capital expenditure at Sigui totalled \$15m for the year, bringing to \$83m the amount AngloGold Ashanti has invested here over the past five years. Capital expenditure at Sigui in 2012 is forecast at between \$53m and \$55m.

Key statistics – Guinea

| | | 2011 | 2010 |
|---|--------------------------|--------|--------|
| Operation | | | |
| Attributable tonnes treated/milled | Mt | 9.7 | 8.8 |
| Gold production – 100% | (000oz) | 293 | 321 |
| – 85% | (000oz) | 249 | 273 |
| Total cash costs | (\$/oz) | 862 | 643 |
| Capital expenditure | (\$m) | 18 | 12 |
| Average number of employees | | 3,666 | 3,170 |
| – Permanent | | 1,718 | 1,531 |
| – Contractors | | 1,948 | 1,639 |
| Productivity | (oz/TEC) | 12.03 | 14.75 |
| Safety | | | |
| Fatal injury frequency rate | per million hours worked | – | 0.14 |
| All injury frequency rate (AIFR) | per million hours worked | 1.27 | 5.15 |
| Environment | | | |
| Water usage – total | ML | 6,097 | 5,267 |
| – groundwater | ML | 254 | 205 |
| – surface water | ML | 5,843 | 5,061 |
| – purchased | ML | – | – |
| Energy consumption – total | million GJ | 2.44 | 2.37 |
| – direct energy consumption | million GJ | 2.44 | 2.37 |
| – diesel | million GJ | 1.26 | 1.22 |
| – natural gas | million GJ | – | – |
| – heavy fuel oil | million GJ | 1.18 | 1.15 |
| – indirect | million GJ | – | – |
| Greenhouse gas emissions (CO ₂ e) | 000t | 184 | 179 |
| – direct | 000t | 184 | 179 |
| – indirect | 000t | – | – |
| Cyanide used | t | 2,993 | 1,550 |
| Reportable environmental incidents | | – | – |
| Socio-economic | | | |
| Community investment | \$000 | 772 | 556 |
| Payments to government | \$000 | 98,454 | 96,344 |
| – dividends paid to government | \$000 | 13,500 | 13,500 |
| – taxation paid | \$000 | 50,297 | 49,306 |
| – withholding tax (STC, royalties, etc) | \$000 | 29,710 | 25,622 |
| – other indirect taxes and duties | \$000 | – | 339 |
| – employee taxes and other contributions ⁽¹⁾ | \$000 | 4,947 | 7,570 |
| – property tax | \$000 | – | – |
| – other (includes tax on exports) | \$000 | – | 7 |
| Local spend ⁽²⁾ within country | % | 67 | 74 |

⁽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 at Siguiri in 2011

Operational performance

Attributable gold production declined by 9% to 249,000oz. Lower-than-anticipated grades had the most significant impact on production. Mining operations were also hampered in the year by a community protest which interrupted production for three days, while mining of the Sanutinti push back hampered excavator productivity, with the wet ground conditions encountered resulting in increased mining costs. Other challenges were the lower grade in the saprolite stockpile, which also contained some hard oxide materials, causing delays in material supply.

Throughput tonnes in 2011 were 10% higher year-on-year at 9.7Mt (2010: 8.8Mt), helping to mitigate the impact of lower grades. Recoveries in the plant were marginally down to 89%, attributable mainly to lower grades and higher throughput, and a leach tank maintenance programme.

The lower volumes drove costs up, with unit cash costs 34% higher at \$862/oz (2010: \$643/oz). Higher labour costs and fuel prices also contributed to increased cash costs.

Growth and improvement

In mid-2011, a programme was initiated to accelerate the upgrade of the inferred oxide resource to an indicated resource. This programme aims to replace depletions in the Ore Reserve until 2013, and thereafter is expected to add a further 17% to reserves. An assay laboratory upgrade and expansion is planned for 2012.

A modular mining fleet management system was installed on trucks and primary loaders to improve productivity and reduce costs. An initiative is currently being implemented in the mining and geology department to reduce unit costs by working more efficiently.

A new growth strategy shows that by expanding the current plant, Siguiri could significantly increase production. The expanded plant will have the capacity to treat 18Mt of material annually by 2017, reaching capacity in 2018. To support this expansion strategy, significant exploration projects to find new reserves are under way.

Exploration

AngloGold Ashanti undertakes both greenfield and brownfield exploration in Guinea. The greenfield exploration team is exploring the Birimian terrane in the regional tenements over a combined area of 1,685km². A number of prospects here indicate potential. Brownfield exploration has taken in and around the Siguiri mine.

Sustainability performance

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. In Guinea in particular, AngloGold Ashanti acknowledges that in managing and operating Siguiri it must target value creation beyond extraction of the orebody and address the needs of a broad range of stakeholders.

A sustainable development plan, aligned with the United Nations Millennium Development Goals (MDG), has been launched in

conjunction with the Millennium Village NGO. In terms of this plan, AngloGold Ashanti is committed to achieving measurable development objectives and addressing key environmental and social opportunities, threats and liabilities resulting directly from our operations. The intention is to maximise tangible community benefits while actively engaging with stakeholders. Community engagement guidelines are being compiled so as to promote participation and collaboration by and with stakeholders.

AngloGold Ashanti faces three distinct but interdependent challenges at Siguiri:

- **Low levels of economic development.** The Siguiri region has a high level of dependence on gold mining with limited access to alternative livelihoods. The challenge for AngloGold Ashanti is to co-operate with government, civil society organisations and individuals around our mining operations to facilitate socio-economic development.
- **A strong culture of artisanal mining or 'orpaillage'** which is endemic to the region. This form of mining is labour intensive and is largely carried out with little regard for workers' health and safety or environmental impact. In terms of the mining licence agreements in place at Siguiri, artisanal miners are permitted to mine on the concession, provided they do not work in areas which are actively being mined by the company.
- **Growth in the number of artisanal miners** operating around the concession. Economic activity in the region of Siguiri and the prevailing high price of gold have attracted a significant number of immigrants from surrounding areas. This has caused significant disruptions to and posed safety issues for the operation. The increase in artisanal mining activity has led to health, safety and environmental concerns and created a security challenge. In 2011, community protests blocked access to the mine and the number of arrests for trespassing in the active work area doubled. Management continues to engage with social and leadership structures although these are in flux. A study underway should provide additional guidance on alternative means of livelihood to counter the perception that the mine is the only source of employment in the area.

The complex, dynamic and increasingly challenging situation in Siguiri makes it a prime candidate for the development of a new approach to operating, both for AngloGold Ashanti and for the region. In accordance with the sustainable development framework developed for the business as a whole, this new approach emphasizes community engagement rooted in reliable operating processes that address:

- Environmental and social impacts;
- Improved community relationships;
- Co-investing in communities to meet the MDGs;
- Partnering with local communities to identify, design and implement initiatives that benefit both them and the mine;
- Strengthening government capacity, local empowerment and the ownership of development plans; and
- Mobilising and diversifying AngloGold Ashanti contributions to local development plans which currently include the government, international donors, NGOs, individual and other private sector contributors.

Safety and health

Employee safety, as at all AngloGold Ashanti operations, is of paramount importance and all employees of the company in Guinea 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.

The all injury frequency rate at Geita fell to 1.27 per million hours worked from 6.15 in 2010. Safety remains a primary focus of AngloGold Ashanti, both at a group and operational level.

OHSAS 18001 recertification will be conducted during 2012.

Environment

Environmental management remains critical and ongoing initiatives are in place to control dust and emissions, and to ensure compliance with all relevant legislation. No reportable environmental incidents were recorded in the year. A pipeline from the tailings facility, which previously contributed to the bulk of incidents, is expected to be replaced in 2012.

Following a series of geological studies, two inactive pits – Santchoro and Kozan – were identified for backfilling as they were found to be economically unfeasible. Backfilling of the Santchoro Pit began in 2011 and the earthworks have been completed. Half of the entire surface area has been spread with topsoil, ready for revegetation in 2012. Backfilling of the Kozan Pit began this year with 35% of the earthworks having been done to date.

Given the open cast nature of mining at Siguiri and the semi-aridness of the region, dust management is important. Siguiri undertook the watering of linking roads between villages at a total cost of \$619,000. These initiatives support the target to reduce reportable environmental incidents by 30% by 2015 from the 2010 baseline. ISO 14001 certification was successfully completed and is valid until July 2015.

Socio-economic contribution:

Payments to government

As a member of the Extractive Industries Transparency Initiative (EITI), AngloGold Ashanti is committed to supporting its objectives of fiscal transparency and good governance and shares the EITI ethos that these are essential in promoting sustainable economic development. All payments made to governments are disclosed, whether or not the country concerned is an EITI member. AngloGold Ashanti's payments to the Guinean government in 2011 totalled \$98.5 million (2010: \$96.3 million).

Community

Total community investment by AngloGold Ashanti in Guinea was \$772,000 in 2011, substantially up on that of \$556,000 in 2010.

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. Total procurement spend in Guinea in 2011 amounted to 67% of total procurement spend by Siguiri.

Other matters of concern:

Skills shortage

The scarcity of critical skills, particularly those of engineers, geologists and technicians, makes operating a mine challenging. The skills capacity of Siguiri's employees is being uplifted by means of training programmes, practical experience and coaching. Siguiri has also partnered with technical schools and universities and offers bursaries and sponsorship of students to promote education in the required areas of study.

Human rights and security

A number of security challenges were encountered during the year, related mainly to the increasing number of illegal miners in the Siguiri mining area and community protests which blocked access to the mine. Linked to this is political instability, particularly at election time. These can interrupt mining activity which in turn has an adverse effect of production and revenue generation.

Land compensation

Farm land has been compensated as a matter of course since operations began at Siguiri. As a rule, this process is conducted by officials from the Ministry of Agriculture. Siguiri is seeking greater involvement so as to ensure that farm land is adequately compensated and the process is conducted in terms of local laws and regulations.

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.

AngloGold Ashanti's total rehabilitation liability (for restoration) regarding its Guinean assets at 2011 year-end was \$53.1m (2010: \$28.2m), of which \$23.7m was for restoration and \$29.4m for decommissioning.

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