



MALI

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 Mali

AngloGold Ashanti currently has interests in three gold mining operations in Mali. In 2011, these operations – Morila, Sadiola and Yatela – together produced 615,000oz of which 249,000oz were attributable to AngloGold Ashanti, equivalent to 5.8% of group production.

All three mining operations are located in southern Mali:

- **Morila** is a joint venture between AngloGold Ashanti and Randgold Resources (which manages the mine) in which each has an interest of 40%. The Government of Mali owns the remaining 20%. Morila is situated 180km southeast of Bamako, the capital

of Mali. The operation treats low-grade stockpiles while the plant, which incorporates a conventional carbon-in-leach process with an upfront gravity section to extract the free gold, has annual throughput capacity of 4.3Mt. With the depletion of the orebody and the conclusion of mining in 2009, operations here currently involve processing of the stockpile which stood at 1.8Mt as at year-end.

- **Sadiola** is a joint venture between AngloGold Ashanti (41%) and IAMGOLD (41%) and the Government of Mali (18%). The Sadiola mine is situated in southwestern Mali, some 77km south-southwest of the regional capital Kayes. Mining activities take place in five open pits. On-site surface infrastructure includes a 4.9Mt per annum carbon-in-leach gold plant where the ore is eluted and smelted. Sadiola's future lies in the expansion of the Sadiola main pit and a new plant, construction of which is planned to start in 2012.
- **Yatela** is 80% owned by the Sadiola Exploration Company Limited, a joint venture between AngloGold Ashanti and IAMGOLD, giving each a 40% stake. The balance of 20% is owned by the Government of Mali. Yatela is situated in southwestern Mali, some 25km north of Sadiola and approximately 50km south-southwest of the regional capital Kayes. Ore extraction has been conducted from a number of pits including the Yatela main pit, Alamoutala, four Alamoutala satellite pits, KW18 and the north-west extension. Mining in most of these pits has been completed. For the remaining life of the mine, the focus will be on a final cutback in the Yatela Main pit (Pushback 8) as well as a new pit north of the Yatela Main pit. The ore mined is treated on heap-leach pads together with carbon loading. The carbon is then transported to Sadiola for elution and smelting.

Key statistics – Mali

| | | 2011 | 2010 |
|---|--------------------------|---------|---------|
| Operation | | | |
| Attributable tonnes treated/milled | Mt | 4.9 | 4.7 |
| Gold production – 100% | (000oz) | 615 | 675 |
| – attributable | (000oz) | 249 | 273 |
| Total cash costs | (\$/oz) | 886 | 707 |
| Capital expenditure – 100% | (\$m) | 38 | 29 |
| – attributable | (\$m) | 16 | 11 |
| Average number of employees – attributable | | 1,461 | 1,434 |
| – Permanent | | 650 | 638 |
| – Contractors | | 811 | 796 |
| Productivity | (oz/TEC) | 18.61 | 17.81 |
| Safety | | | |
| Fatal injury frequency rate | per million hours worked | 0 | 0.12 |
| All injury frequency rate (AIFR) | per million hours worked | 2.15 | 1.86 |
| Environment | | | |
| Water usage – total | ML | 7,028 | 6,521 |
| – groundwater | ML | 1,036 | 744 |
| – surface water | ML | 5,992 | 5,777 |
| – purchased | ML | – | – |
| Energy consumption – total | million GJ | 2.61 | 2.37 |
| – direct energy consumption (diesel) | million GJ | 2.61 | 2.37 |
| – indirect | million GJ | – | – |
| Greenhouse gas emissions (CO ₂ e) | 000t | 194 | 176 |
| – direct | 000t | 194 | 176 |
| – indirect | 000t | – | – |
| Cyanide used | t | 2,972 | 3,342 |
| Reportable environmental incidents | | – | 1 |
| Socio-economic | | | |
| Community investment – attributable | \$000 | 477 | 656 |
| Payments to government | \$000 | 164,108 | 170,320 |
| – dividends paid to government | \$000 | 52,232 | 67,617 |
| – taxation paid | \$000 | 45,251 | 43,021 |
| – withholding tax (STC, royalties, etc) | \$000 | 40,601 | 16,613 |
| – other indirect taxes and duties | \$000 | 11,335 | 14,735 |
| – employee taxes and other contributions ⁽¹⁾ | \$000 | 8,337 | 5,866 |
| – property tax | \$000 | 471 | 17,964 |
| – other (includes tax on exports) | \$000 | 5,881 | 4,504 |
| Local spend ⁽²⁾ within country | % | 70 | 82.5 |

⁽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).

As at 31 December 2011, AngloGold Ashanti's total Mineral Resource in Mali was 4.91Moz of which the Mineral Reserve amounted to 2.48Moz, equivalent to 2.1% and 3.3% of group resources and reserves respectively.

In 2011, AngloGold Ashanti employed an average of 3,607 people in total at these operations, of whom 2,003 were contractors. The attributable numbers are 1,461 and 811 respectively. The Mali operations have the highest rates of employee productivity among the Continental Africa operations.

Capital expenditure at the Mali operations in 2011 totalled \$38m (\$16m attributable), the bulk of which (\$33m) was spent at Sadiola on the Sulphide Deep Project. In all, AngloGold Ashanti's total contribution to capital expenditure over the past five years is \$51.5m. Total forecast capital expenditure in Mali for 2012 is estimated at between \$49m and \$51m.

Performance in Mali in 2011

Operational performance

Morila: In line with improvements, attributable gold production rose 4% to 99,000 ounces. Tonnages were 4% higher, reaching 4.5Mt. Following the primary crusher breakdown in January 2010 and its repair, the plant was more effectively used in 2011. However, crushing and milling improvements will be difficult to sustain given the limits of the carbon-in-leach operation. Total cash costs increased by 13%, with direct operating costs adversely affected by large price increases for diesel and reagents.

Sadiola: Attributable gold production increased to 121,000oz in 2011 with the total volume of tonnes treated increasing to 4.0Mt from 3.6Mt, countering a 7% decline in grade recovered to 1.90g/t. Higher stripping ratios and lower grades encountered during the year point towards the need to mine higher volumes.

Total cash costs were 22% higher at \$792/oz (2010: \$650/oz), driven by increases in fuel prices and higher dollar prices for a number of consumables.

Yatela: The mine plan was adjusted in 2011 to allow for the completion of the Yatela main pit. Mining, which has now been completed, was then advanced in the Alamoutala main and satellite pits. As Yatela approaches closure, the grade of the ore has declined incrementally. The increase in tonnages mined failed to compensate for the lower grades, which had a knock-on effect on gold production which declined to an attributable 29,000oz. Total cash costs rose to \$1,543/oz as a result of higher input costs, including efforts to extend the life of mine and the hauling of material over a relatively long distance from Alamoutala to the Yatela plant.

Growth and improvement

Morila: Stay-in-business capital of \$1m was expended largely on process enhancements at the plant essentially to maintain capacity. Feasibility studies were undertaken during the year to investigate possible extensions to and reclamation of the tailings storage facilities. During the year, work by the mineral resources team on the tailings storage facility retreatment project indicated that the mine's life could be extended by up to seven years to 2020. A final decision has yet to be taken.

Sadiola: Productivity initiatives focused on a number of activities, from truck and shovel utilisation to haul road optimisation, along with the implementation of the fleet management system which provides a dispatch and high-level data capture system for analysis. In the plant, a crusher has been installed to pre-treat feed material which should enhance throughput and reduce delays owing to damage caused by rocks and other hard material through the plant.

AngloGold Ashanti's internal business improvement initiative has been implemented at Sadiola. The operation is currently stabilising and with better planning, resourcing and scheduling, it is anticipated that plant availability will improve, which should have a positive impact on production. Sadiola's focus will be on mining the FE3 and FE4 pits in 2012. Mining is then expected to extend into the Tambali and level 3 pits. Preparatory work on the detailed design of the plant and operational readiness for the Sadiola Sulphide Project has begun. This project will give access to the deeper sulphide material and includes construction of a new plant.

The project's environmental study and impact assessment (ESIA) have been approved and work on the associated powerline is currently in progress. Long-lead items, including mining equipment, have been ordered and are expected to start arriving on site in 2012. The project is awaiting final board approval in 2012 with project operations expected to begin towards the end of 2012.

Yatela: Two pits, the Yatela main pit and Yatela North, are to be mined during 2012. Mining in the main pit was delayed in 2011 due to the pit's re-optimisation so as to reduce stripping ratios on the one hand, and maintain practical mining widths on the other. With only three years' life of mine remaining, there is an intense focus on optimising any residual opportunities.

Exploration

AngloGold Ashanti undertakes mainly brownfield exploration in Mali, principally at and around Sadiola and mainly relating to the Sadiola Deep Sulphide Project. In 2011, exploration conducted involved the sterilisation of land proposed for infrastructure planned for the project. Preliminary results indicate the existence of economic quantities of molybdenum in addition to gold and desk-top studies are under way to investigate the viability and economic benefit of mining it as a by-product.

The Sadiola Deep Sulphide Project is one of the larger brownfield projects in AngloGold Ashanti's portfolio. The feasibility study has been completed and the environmental permit application has been approved by the authorities. Progress has been made also with negotiations regarding Sadiola's connection to the power grid.

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.

The implementation of this strategy across the region will involve the development of sustainability strategies by mine, including the Mali operations, that are based on the United Nations Millennium Development Goals.

The major challenges faced by AngloGold Ashanti in Mali are:

Safety and health

Safety programmes at the Malian operations are conducted in line with AngloGold Ashanti's long-term goal of eliminating all occupational injuries. Safety statistics for Morila are reported by Randgold Resources, the operator, and are not included in AngloGold Ashanti's statistics.

At Sadiola, an increase in finger injuries prompted a finger safety campaign at Sadiola. A comprehensive and integrated safety programme focused on leadership, the reinforcement of risk assessments in the planning phases and on refresher training for safety officers. The AIFR for the year was 2.44 per million hours worked (2010: 1.65). The mine maintained its OHSAS 18001 certification in 2011.

At Yatela, the AIFR was 1.52 per million hours worked in 2011 (2010: 2.28). Intensive efforts remain focused on safety campaigns and risk assessments.

Environment

Environmental management remains a critical area of focus and ongoing initiatives are in place to control dust and emissions, and also to ensure compliance with all relevant legislation. No reportable environmental incidents were recorded in the year.

At Sadiola, community engagement processes proceeded well during the year and with the Integrated Development Action Plan project in particular. No reportable environmental incidents were recorded. ISO 14001 recertification is scheduled for 2012. Yatela maintained its ISO 14001 certification with recertification scheduled for 2013.

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; Mali is compliant with EITI. AngloGold Ashanti's payments to the Malian government in 2011 totalled \$164.1 million (2010: \$170.3 million), the second largest amount paid by the company to a national government.

Community

Total attributable community investment by AngloGold Ashanti in Mali was \$477,000 in 2011, compared to \$656,000 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. Of total procurement spend by Sadiola and Yatela, 67% and 74% respectively was spent locally.

Other challenges encountered in Mali are:

Skills shortage

The shortage of mining related skills is a challenge at the Malian operations. To mitigate the skills shortage, the company conducts an intensive employee training and capacity building programme. The government is also working to establish a Mining School in Mali so as to promote mining professionals in the country and in the sub-region. AngloGold Ashanti's support of this initiative will be determined once the related feasibility study has been completed.

Labour relations

The hiring process at these operations is based on the principle of equal employment opportunity. There is no unfair discrimination on the basis of age, race, sexual orientation, religion or origin or disability.

An agreement exists between local community authorities and the mines to fill 50% of job vacancies not requiring qualifications from the surrounding local communities. Additionally a localisation plan has been implemented whereby Sadiola and Yatela identify potential local employees who are then developed to take over from expatriates when their contracts expire.

Currently, 91% of middle managers are local citizens, with just over 62% of Malian citizens in senior management; 99% of employees at junior management level and below are local citizens.

At Yatela, which is in closure mode, voluntary retirements are being encouraged, and the only positions which filled in the last year are those critical to production targets. The temporary labour complement is being reduced by 5% annually, and contracts are not being renewed.

Small-scale and artisanal mining (ASM)

ASM is less of a challenge at the Mali operations than in other Continental Africa countries although there is a tradition of small-scale mining in the surrounding communities, given the nature of the mineral reserves in the region where AngloGold Ashanti operates and that small-scale mining is included in community development initiatives such as the Integrated Development Action Plan (IDAP) and stakeholder forums.

Human rights and security

There were no major security incidents in Mali in 2011. Those that did occur involved theft or attempted theft and were addressed in collaboration with the national gendarmerie and legal Malian institutions, following national regulations.

Changes to regulatory environment

A new mining code was promulgated in February 2012 that is applicable in general to new mining permits. From a sustainability perspective, the new mining code focuses on community development, environmental and social impact assessments).

The code is also stricter about rehabilitation and mine closure issues even though neither major changes nor very restrictive regulations have been adopted. It does not impact AngloGold Ashanti's operations nor its strategy since company standards exceed national regulations about sustainability.

AngloGold Ashanti will abide by the new mining code and will review and adapt its initiatives accordingly if needed.

Land compensation

This has not been an issue in Mali as yet. However, we will have to relocate some places in the near future if the new Power Line and SSP projects are launched. Land compensation, RAP will be done following AGA and international standards.

According to Malian regulations, all land with title of ownership, belong to the Government. However populations could use these lands for cropping or crazing. In case there is damage on these cropping lands or plantations, the compensation will be based of the values of the efforts made by the farmer. This value is evaluated by Administration and paid to the land user.

Planning for 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 will comply by December 2012. During 2011, in preparation for this, the company engaged with stakeholders regarding future land use objectives and undertook studies to understand likely effects and risk associated with closure during 2011.

In particular, at **Morila**, closure preparations continue, including implementation of the social plan. An employee assistance fund, managed by the unions, has been created. An agri-business project aims to sustain livelihoods post closure, although some land ownership issues still require resolution and management is in negotiations with the local authorities and government. Other pilot projects include animal husbandry, poultry farming, honey production and fish breeding, along with the establishment of a micro credit facility (CAMIDE).

As the **Yatela** operation approaches closure, management has focused on putting in place steps to foster sustainable development in surrounding communities. The rehabilitation target to date is 312ha of which 214ha had been rehabilitated by year-end. This is less than targeted as a result of changes to the mine plan and the unavailability of equipment.

AngloGold Ashanti's total rehabilitation liability (for restoration) regarding its Malian assets at 2011 year-end was \$44.6m (2010: \$37.6m), of which \$24.9m was for restoration and \$19.7m for decommissioning.

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