

## COUNTRY FACT SHEET DEMOCRATIC REPUBLIC OF THE CONGO



### ANGLOGOLD ASHANTI – A CORPORATE PROFILE

AngloGold Ashanti, one of the foremost gold exploration, mining and marketing companies, has 21 operations and five projects in 12 countries as well as extensive brownfield, greenfield and marine exploration programmes in both established and new gold-producing regions. We also have an interest in Rand Refinery (Pty) Limited, a gold refining and smelting complex in South Africa, and own and manage the Queiroz refinery in Brazil.

Group activities are managed in four regions: South Africa, Continental Africa, Australasia and the Americas. The countries making up the Continental Africa region are the Democratic Republic of the Congo (DRC), Ghana, Guinea, Mali, Namibia and Tanzania.

AngloGold Ashanti employed 65,822 people, including contractors, in 2012 (2011: 61,242) and produced 3.94Moz of gold (2011: 4.33Moz), generating \$6.4bn in gold income, excluding joint ventures (2011: \$6.6bn). Capital expenditure amounted to \$1.9bn (2011: \$1.4bn).

As at 31 December 2012, AngloGold Ashanti had a total inclusive attributable Mineral Resource of 241.5Moz (2010: 230.9Moz) and a total attributable Ore Reserve of 74.1Moz (2010: 75.6Moz).

AngloGold Ashanti is listed on the Johannesburg Stock Exchange (JSE) – its primary listing – and the New York, London, Australia and Ghana stock exchanges. As at 31 December 2012, there were 383.3 million ordinary shares in issue and the company had a market capitalisation of \$12.0bn (2011: \$16.2bn). Shareholders are scattered around the world, with the largest proportion (44%) in the United States.

### AngloGold Ashanti in the DRC

AngloGold Ashanti currently has interests in two projects in the DRC, both in the northeastern part of the country.

- The **Kibali** joint venture project, which was approved for development by the AngloGold Ashanti Limited board in May 2012, is based on a concession covering an area of 5,487km<sup>2</sup>, adjacent to the town of Doko and 180km from Arua on the Ugandan border. When completed, the Kibali mine will be one of the largest of its kind in Africa. The project is co-owned by AngloGold Ashanti (45%), Randgold Resources (45%) and Société des Mines d'Or de Kilo-Moto (SOKIMO) (10%), a state-owned gold mining company. Randgold Resources manages and operates the project.
- The **Mongbwalu** project is situated 48km northwest of the town of Bunia and to the southeast of Kibali project. Mongbwalu is operated by Ashanti Goldfields Kilo (AGK), a joint venture between AngloGold Ashanti Limited (86.22%), which operates the mine, and Société des Mines d'Or de Kilo-Moto (SOKIMO) (13.78%), a state-owned gold mining company. The venture holds 15 licences covering an area of 3,784km<sup>2</sup> (known collectively as Concession 40). Belgian mining companies operated in this area on a relatively small-scale for around 50 years, before leaving in 1961. SOKIMO began mining here in 1966.

As at 31 December 2012, these two projects together had a total Mineral Resource of 10.56Moz which included Mineral Reserves at Kibali of 4.92Moz. This was equivalent to 4.3% and 6.6% respectively of group resources and reserves.

Attributable capital expenditure in the DRC in 2012 totalled \$340m, the bulk of which, \$263m (attributable), was spent at Kibali. Total capital expenditure by AngloGold Ashanti in the DRC over the past three years totals \$446m. Capital expenditure forecast to be spent in the DRC in 2013 is around \$330m.

### Project review

**Kibali:** Currently, the Kibali project is in the development and construction phase (pre-development work started in early

2011. The Kibali project entails development of a gold mining and processing operation that will comprise an integrated open pit and underground mine feeding a 6Mt a year processing plant. The plant will have a full flotation section for treating sulphide ore.

Plant commissioning is scheduled for the second half of 2013 with first gold expected from oxide ore in the first quarter of 2014 and that from sulphide ore later in the year. Steady state production is scheduled for 2015.

2012 was marked by a significant ramp-up in construction activity. Mining in the open pit began in July 2012 and significant progress was made on the box cut for the project's underground twin-decline system. The mill and hydro-turbine manufacture were also completed by the first quarter of 2013. Development of twin declines and the sinking of the vertical shaft for the underground mine fell behind schedule, however, additional open-cut satellite ore could offset the risk of delay.

**Mongbwalu:** While the preparatory work was completed, this small-scale project, planned initially as a springboard for future work in the region, has been suspended pending further technical reviews. The initial project was designed with a view to increasing its size as the regional exploration programme near the project site and across the greater concession identified new sources of ore. Mongbwalu was to consist of an underground mine in the Adidi area of the concession, with a processing plant and associated infrastructure.

## Exploration

**Kibali:** As part of the resource review, new block models were generated for Mengu Hill, Mengu Village, Megi, Kombokolo and the KCD deposits. While more work remains to be done at certain prospects, results from exploration activities carried out at KCD, Mengu Hill and the Pakaka Complex indicated positive mineralisation. The grade control drilling programme continued during the year at the KCD deposit, with 91,734m drilled. Results confirmed areas of high-grade shoots.

**Mongbwalu:** All paperwork for the renewal of 15 exploration licences was lodged by year-end for processing by the mining cadastre (CAMI). Exploration drilling in Concession 40 in 2012 focused on geotechnical and resource definition drilling for improved definition ahead of planned mining and greenfield drilling of blue sky areas. A novel development on site has been the use of portable drill rigs which are transported across the concession by helicopter.

## Sustainability performance

### Safety

The group's safety strategy and target of less than 9 per million hours worked has had a positive impact at **Mongbwalu**. An AIFR of 11.04 in 2011 improved to 4.57 in 2012, driven by the roll-out of the safety transformation plan, which focused on engagement, risk management, training and safety system development. This was supported by an expanded health and safety team that increased from five to 12 professionals to support the project expansion.

In parallel, a culture of safety is being developed. Areas of responsibility for safety, extending from individuals to line management, are being reinforced and compulsory safety education and training programmes introduced for all employees and contractors. Driver training and safety education programmes are among some of the successful initiatives rolled out in 2012 to the local workforce.

Unfortunately, there was one fatality during the year at Mongbwalu. A contractor succumbed to his injuries following a heavy mobile equipment incident on 3 November 2012. An investigation was undertaken and corrective action taken.

At **Kibali**, lost-time injuries are receiving unrelenting focus. Continuous safety training and awareness initiatives are in place, driving the safety standards required throughout the development of the project. A total of 26 lost-time injuries were reported for 2012, of which three were due to a single vehicle accident. The majority of reported incidents was related to hand or foot injuries. Congolese safety officers will help monitor and enforce vehicle safety.

### Health

**Kibali:** The malaria incidence remains high, with 2,951 cases reported during the year and for the project to date. This equates to an incidence rate of 6.16 per million hours worked. The malaria vector control programme has been updated to include bush-clearing and bi-monthly spraying of all accommodation and work sites. A medical outpost facility has been established at the remote Nzoro camp.

**Mongbwalu:** The focus in 2012 was on expanding medical capacity and the development of occupational and public health. Given the increased greenfield and project activity at Mongbwalu, the provision of occupational health has been enhanced with the recruitment of a doctor, three nurses and several paramedics as well as the acquisition of new equipment. A new 4WD ambulance for mass casualties has been commissioned and occupational and first aid equipment acquired. Strict monitoring of work fitness has significantly reduced medical problems on site.

An integrated malaria programme, based on that developed for Ghana, was rolled out in the second quarter of 2012 with assistance from the regional team. The first phase of the programme, including the spraying of the camps, was completed. All personnel were provided with mosquito nets and early detection and treatment are in place. Regular internal residual spraying, standing-water treatment and bush-clearing programmes have been implemented. Resistance will be monitored. This malaria programme is supported by a communication plan and data monitoring at the clinic site and at Mongbwalu Hospital to identify trends and plan accordingly.

A health feasibility study commissioned by the company in the third quarter of 2012 recommended that AGK partner with the Catholic Church and the Ministry of Health to upgrade the Catholic maternity health centre. The aim of this is to improve access to quality health care for employees and the host community.

## Key statistics – DRC

	Units	2012	2011	2010
<b>Operation</b>				
Capital expenditure – attributable	\$m	340	74	30
Average no. of employees (including contractors)		–	1,291	n/a
<b>Safety</b>				
Fatalities		1	–	1
All injury frequency rate (AIFR)	per million hours worked	4.47	11.04	n/a
<b>Socio-economic</b>				
Community investment	\$000	3,911	4,634	1,882
Payments to governments <sup>(1)</sup>	\$000	15,859	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	6,612	3,477	185
– employee taxes and other contributions <sup>(2)</sup>	\$000	2,985	2,642	920
– property tax	\$000	4,993	3,293	–
– other (includes tax on exports)	\$000	1,269	1,663	4,310
Local procurement spend <sup>(3)</sup> within country	% of total spend	–	60	n/a

<sup>(1)</sup> Where more than one operation is active in a country, the payments to government as reflected above are the aggregate of payments made by all operations in that country.

<sup>(2)</sup> Includes remittance made to government but borne by employees as individual taxation (for example, PAYE and UIF).

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

## Stakeholder engagement

Engagement with stakeholders is key to AngloGold's sustainability strategy in the DRC, which incorporates aspects on communities from the ISO 14001 management system and the ISO 26000 guidelines. Implementing such a strategy from the start of project development allows global best practice to be applied. Training of local people to assume roles currently held by expatriates is under way.

## Community

**Kibali:** The progress and success of this project relies largely on the successful relocation and resettlement of approximately 1,600 families, making up a total of eight villages located on the existing mine area, to the new Kokiza village. In 2012, 1,208 families were successfully resettled and the mining area vacated and secured. The total project scope has increased, with the number of houses required growing to more than 4,000. As a consequence, the scheduled completion date has moved from July to September 2013. Implicit in the relocation exercise is the safety of communities and their schools, along with the relocation of graves. The clearing of bush in the Kokiza extension has continued, and several fields were prepared and handed over to their new owners. Maize has been planted on some 140ha which is being farmed by local communities.

Food security in the area received a substantial boost with the handover of vegetable gardens to community structures – 9ha is currently being farmed, with positive input from the community. This initiative aims to reduce community dependence on artisanal and small-scale mining (ASM). Community engagement is undertaken by Randgold which has been very active in this regard, particularly around the relocation to Kokiza. The cost of the relocation action plan

(RAP) is estimated at \$74m and that of the associated social programme at \$13m.

**Mongbwalu:** A critical feature of AngloGold Ashanti's presence in the northeastern DRC is the investment required in local infrastructure to benefit not only the mines but also neighbouring communities and to promote regional stability.

AngloGold Ashanti has been involved in various projects, including:

- **Repair and maintenance of provincial roads:** this has been a key focus and includes the rehabilitation of the 60km Barrier-Mongbwalu road and of the Boulevard de la Liberation in Bunia;
- **Refurbishment of the Budana hydropower station and provision of reliable power supply:** the first phase, finalised in June 2012, provides 3.5MW of electricity, 3MW of which is provided as much needed power to the households of Bunia and neighbouring villages located along the Bunia-Mongbwalu transmission line. Further refurbishments are planned which will increase electrical capacity and improve security of supply to the local communities. The initiative arose from engagements between Ashanti Goldfields Kilo (AGK) and the local government; and
- **Water projects:** the rehabilitation of 14 water sources to supply the daily water needs of approximately 9,000 people at Mongbwalu.

AngloGold Ashanti lobbies strongly for local communities to identify and take ownership of projects such as the provision of eight fully-equipped classrooms for the "CECA 20" school in Mongbwalu and revamping of the Mongbwalu police station,

which was completed at the end of the year. AngloGold Ashanti has also supported the creation of a local forum which provides a platform for key stakeholders in Mongbwalu to conceive and implement sustainable projects that address their needs. It supports beneficiaries so as to foster partnerships that ensure long-term sustainability. The recruitment of local employees remains a key focus.

## Environment

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. Work is also under way on the compilation of a biodiversity standard to meet growing concerns in this area.

**Kibali:** Eleven minor environmental incidents were recorded in 2012, all of which were non-reportable and for all of which remediation work was carried out. On 21 August 2012, the Provincial Minister of Environment, Mr Faustin Lokinda, visited Kibali and commended the operation for having met environmental standards.

In order to address environmental concerns regarding the waste area and disposal of old oil and filters, a waste facility, including a waste incinerator, will be built once the project is commissioned.

The plant at the Kibali project has been designed in line with the standards of the International Cyanide Management Institute.

**Mongbwalu:** No environmental incidents were reported during 2012. Major achievements were approval in March 2012 of both the Environmental Social and Health Impact Assessment (ESHIA) and the Environmental Adjustment Plan (EAP) which enabled the project to begin. Also, as part of DRC regulatory requirements, Mongbwalu submitted its 2011 annual report to the relevant mining authorities in March 2012.

The Environmental Management Plan for construction as well as exploration activities was developed. Discussions were initiated with regulators regarding permit renewals for associated environmental studies and for the transfer of environmental liabilities from previous artisanal mining activities to the state (SOKIMO).

AngloGold Ashanti is sensitive to the environments in which our operations are located. AGK has collaborated with local communities on the preservation of indigenous flora and its use in land rehabilitation. Rehabilitation is both an ongoing and final closure responsibility of companies conducting mining activities in the country. Mongbwalu is located near the forest areas of Matete and Kodulu, which are populated by an indigenous pygmy group – the Mbuti (or Bambuti) community.

Mining companies are required, by law, to rehabilitate the areas they mine and AGK has thus put in place a partnership using local expertise. A tree nursery established in March 2012 supports a concurrent rehabilitation programme, thus reducing the company's direct environmental liabilities. As part of its rehabilitation programme, AGK rehabilitated 20 drilling platforms. It also twice engaged with the Mbuti pygmy population in 2012 to collect seeds and plants with a special focus on those of endangered species.

**Closure and rehabilitation:** On-going planning for closure is integral to project planning and development, as is the estimation of the associated liability costs and the assurance of adequate financial provisions to cover these costs.

Although managed by Randgold, the Kibali project complies with AngloGold Ashanti's closure and rehabilitation management standard.

## Socio-economic contribution

**Payments to government:** AngloGold Ashanti is an organisational supporter of the Extractive Industries Transparency Initiative (EITI) and is committed to fiscal transparency and good governance. All payments made to governments are disclosed, whether or not the country concerned is EITI-compliant. The DRC is a candidate member of the EITI. AngloGold Ashanti's payments to the DRC government in 2012 totalled \$15.9m (2011: \$11.1m).

**Community:** Total community investment by AngloGold Ashanti in the DRC was \$3.9m in 2012 (2011: \$4.6m).

**Local procurement:** Of total procurement spend by the DRC projects in 2012, 51% was spent locally (2011: 60%).

## Other matters of concern:

**Human rights and security:** The northeastern DRC is a post-conflict zone and security is a constant challenge. With the continued presence of the United Nations (UN) peacekeepers in the area and the active support and engagement of the country's national defence force, which is responsible for defending and maintaining peace in the country, the situation is slowly normalising in the vicinity of the project.

Militia activity has declined in frequency around Mongbwalu and been largely limited to bandit activities in and around poorly protected outlying settlements. Construction activities and logistics routes have not been directly affected. The M23 conflict in Goma has been limited to North Kivu province. Peace talks between the rebel group M23 and the DRC government continue. While the conflict did not directly affect the project, it contributed to general insecurity in the larger area and is being closely monitored.

Post year-end, a "Peace and Security Co-operation Framework" for the DRC, signed at African Union headquarters in Ethiopia on 24 February 2013 and involving 11 African Heads of State, aims to bring stability to the east of the DRC. The agreement allows for the establishment of a special UN response team and the appointment of a special UN envoy for the Great Lakes region. Under the new agreement, the Congolese government has agreed to address the root causes of the conflict and committed to fast-tracking security sector reform, particularly within its army and police, and to consolidate state authority in eastern parts of the country. The UN, African Union, African Development Bank and other international groups have agreed to support the effort.

Project security is provided by a private security contractor used globally by AngloGold Ashanti, supported by a provincial police unit. Both are fully compliant with the UN Voluntary Principles on Security and Human Rights (VPSHR) and undergo regular training.

While the security situation has not impacted **Kibali** fundamentally, it is closely monitored. Trouble spots are located some distance from the Doko area and the Kibali project, and militia activity has been infrequent. CSM, a private security contractor compliant with VPSHR and whose security personnel are trained according to the UN human rights standards, protects the assets. Petty crime exists but is not a major concern. The local police and military look after community issues.

**Artisanal and small-scale mining:** Artisanal mining remains of concern around **Mongbwalu**. Given the extent of Concession 40, the company has begun an extensive engagement process with artisanal miners, along with other stakeholders, so as to mitigate the risks associated with illegal mining.

A series of multi-stakeholder workshops was organised and a provincial steering committee established to oversee them and co-ordinate planning and implementation around the issue of ASM. This committee has facilitated the creation and maintenance of an “exclusion zone” around Adidi as a buffer between mine development and construction activities, and artisanal miners working in the area. This zone is necessary for safety and environmental reasons and to limit the potential for conflict.

The Continental Africa region’s broader ASM strategy, which is based on the UN Millennium Development Goals, is applied when dealing with ASM. This strategy involves developing partnerships with government and civil society in identifying alternative livelihoods for some of the artisanal miners. The stakeholder engagement programme plays a critical role in this exercise and during 2012, nine meetings were held with stakeholder representatives under the auspices of the provincial Mongbwalu ASM Steering Committee.

A study has identified potential opportunities that might enable more than 100,000 artisanal miners to make the transition to alternative livelihoods. In the meantime, AGK has already started

a pilot initiative with a local association involving former artisanal miners, customary leaders and local representatives of civil society to concretely demonstrate the feasibility of alternative livelihoods. Since September 2012, 70 former artisanal miners have been supplying AGK with gravel, sand and scree for mine construction. To date, 3,000m<sup>3</sup> of materials have been supplied for a value of \$90,000. If successful, this initiative may be replicated in future to encourage artisanal miners to change to safer and more sustainable income-earning activities, such as providing services to the mine, brick making and the cultivation of food crops.

**Supply chain:** Logistics and freight forwarding have taken longer than originally anticipated. Transport strikes in South Africa, Mombasa port delays and poor road conditions have all contributed to the delays. Workshops are being conducted with logistics companies to identify methods of optimising and addressing these constraints.

**Responsible gold:** AngloGold Ashanti engaged with the United States government, together with host African governments, in the debate around the consequences – whether intended and unintended – of the Dodd-Frank Act, with the specific objective of ensuring that this legislation is implemented in a way that is not damaging to African economies. The Dodd-Frank Act is aimed at ensuring supply-chain transparency regarding product sourced from the DRC and its neighbours.

During 2012, AngloGold Ashanti took an active role in the development of four complementary standards – those of the World Gold Council, the Responsible Jewellery Council, the London Bullion Market Association and the Organization for Economic Co-operation and Development – which underpin the need for gold mining companies to demonstrate that they can operate responsibly in conflict-affected areas and that they do not contribute to armed conflict.

#### Contact details for AngloGold Ashanti in DRC:

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

**Tel:** +243 990 900410/+243 815 258738

**Website:** [www.angogoldashanti.com](http://www.angogoldashanti.com)

#### Forward-looking statements

Certain statements contained in this document, other than statements of historical fact, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, cash costs and other operating results, return on equity, productivity improvements, growth prospects and outlook of AngloGold Ashanti’s operations, individually or in the aggregate, including the achievement of project milestones, commencement and completion of commercial operations of certain of AngloGold Ashanti’s exploration and production projects and the completion of acquisitions and dispositions, AngloGold Ashanti’s liquidity and capital resources and capital expenditures and the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental issues, are forward-looking statements regarding AngloGold Ashanti’s operations, economic performance and financial condition. These forward-looking statements or forecasts involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements and forecasts are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic, social and political and market conditions, the success of business and operating initiatives, changes in the regulatory environment and other government actions, including environmental approvals, fluctuations in gold prices and exchange rates, the outcome of pending or future litigation proceedings, and business and operational risk management. For a discussion of such risk factors, refer to the document entitled “Risk Factors related to AngloGold Ashanti’s suite of 2012 reports” on the AngloGold Ashanti online corporate report website at [www.aga-reports.com](http://www.aga-reports.com). These factors are not necessarily all of the important factors that could cause AngloGold Ashanti’s actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Consequently, readers are cautioned not to place undue reliance on forward-looking statements. AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this country fact sheet or to reflect the occurrence of unanticipated events, except to the extent required by applicable law. All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein. This communication may contain certain “Non-GAAP” financial measures. AngloGold Ashanti utilises certain Non-GAAP performance measures and ratios in managing its business. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies may use. AngloGold Ashanti posts information that is important to investors on the main page of its website at [www.angogoldashanti.com](http://www.angogoldashanti.com) and under the “Investors” tab on the main page. This information is updated regularly. Investors should visit this website to obtain important information about AngloGold Ashanti.

More information on performance in the DRC at project level is available in the profiles on Kibali and Mongbwalu which are available at [www.aga-reports.com](http://www.aga-reports.com).