



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 AngloGold Ashanti's 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 Mali

AngloGold Ashanti currently has interests in three gold mining operations in Mali, all located in southern Mali. They are:

- **Morila** is a joint venture between AngloGold Ashanti and the mine's operator, Randgold Resources, in which each has an interest of 40%. The government of Mali owns the remaining 20%. Morila, which began production in October 2000, is 180km south-east of Bamako, the capital of Mali. The operation treats low-grade (1.14g/t) stockpiles while the plant has annual throughput capacity of 4.3Mt. With the depletion of the orebody and the conclusion of mining in 2009, operations currently involve processing of the full grade ore stockpile.
- **Sadiola**, the largest of the three Malian operations, is a joint venture operation by AngloGold Ashanti (41%), IAMGOLD (41%) and the government of Mali (18%). The mine, which began operating in 1996, is managed by AngloGold Ashanti. Mining takes place in five open pits. On-site surface infrastructure includes a 4.9Mt/pa carbon-in-leach (CIL) gold plant. Sadiola's future is linked to expansion of the Sadiola main pit, the Sadiola Sulphide Project (SSP) and a new sulphide plant, the feasibility study for which has been completed.
- **Yatela** is 80% owned by the Sadiola Exploration Company Limited, a joint venture between AngloGold Ashanti (40%), IAMGOLD (40%) and the government of Mali (20%). AngloGold Ashanti operates the mine which began operations in 2001. Traditionally at Yatela, ore is extracted from a number of pits which are approaching the end of their lives. The future focus will be a final cutback in the main pit (Pushback 8) as well as a new pit to the north of the

main pit. Ore mined is treated on heap-leach pads and the resultant product is then transported to Sadiola for elution and smelting.

Total attributable gold production from the Malian operations declined by 16% to 210,000oz in 2012 and was equivalent to 5% of group production. In all, the average attributable number of employees at these operations totalled 1,509 (2011: 1,461), of whom 655 were permanent employees and 854 contractors.

As at 31 December 2012, the total attributable Mineral Resource in Mali was 4.15Moz, which includes an attributable Ore Reserve of 2.23Moz. This was equivalent to 2% and 3% respectively of group resources and reserves.

Attributable capital expenditure at the Malian operations amounted to \$40m for the year (2011: \$16m), bringing to \$83m the amount AngloGold Ashanti has invested in its Malian operations over the past five years. Capital expenditure of approximately \$57m is forecast for Mali in 2013.

Operational performance

Morila: Given that this mine is approaching the end of its life, and operations involve processing of the remaining stockpile, production is declining.

The Morila operation was previously faced with closure, but the life of mine has been extended to 2021 with new projects (the development of Pit 4 and treatment of TSF material) coming on stream. A closure committee, established by government and consisting of representatives from all stakeholder groups (including government, communities, employees and management), continues to convene to monitor the operation's closure plans.

Sadiola: 2012 was a difficult year. Many challenges were encountered, some prompted by the political coup which toppled the government early in the year; flooding; the transition in ore types; and evolving labour relations that resulted in unprotected strikes.

Operational challenges, such as declining grades, ore losses and an extended mill shut-down, contributed to the fall in production and increased costs. The rainy season was problematic and in a single rainfall event during August, 135mm fell in less than 10 hours, flooding the pits and limiting pit access for an extended period. Protracted wet conditions and muddy material also affected the crushers, resulting in belt stoppages and a shortfall in feed throughput.

The coup resulted in shut borders and limited access to reagents and other chemicals for sulphide treatment. Business

improvement initiatives were also hampered given the restricted site visits in April, May and June. Despite the coup, mining continued uninterrupted but employee morale suffered, given difficult conditions and concern for families evacuated from site. While political uncertainty persists along with the conflict in Mali's northern region – albeit a considerable distance from site – workforce morale remains low, as has the company's ability to attract and retain appropriate skills.

The coup initially slowed the progress of the SSP through the necessary government channels. These delays have been resolved following constructive discussions with some key government ministers. Power purchase contracts and fiscal concessions have been agreed. The project, which will access the deeper sulphide material, will absorb skilled and experienced personnel from the neighbouring Yatela operation, which is reaching the end of its life, as Sadiola moves from contractor to owner mining.

The SSP has been granted a five-year corporate tax exemption. This followed successful negotiations with the government of Mali which granted the SSP the advantages of the fiscal and custom duties that are applicable to the 1991 mining code. These important developments follow on an agreement reached to extend the life of the Sadiola mine.

On 22 March 2012, the National Committee for the Return of Democracy and the Restoration of the State (CNRDR) took over leadership of Mali. Since this difficult period of political unrest, AngloGold Ashanti has been co-operating with the ruling government to ensure employee safety and security.

Yatela: Mining in most of the pits at Yatela has been completed, save for activity during the year in Yatela's main pit and at Yatela North. Grades have fallen incrementally as the mine approaches the end of its life and increased tonnages have failed to compensate for this.

Exploration

Sadiola: The exploration strategy aims to expand understanding of the remaining oxide potential in the short term and to extend the operation's sulphide potential in the longer term. Oxide exploration on the Sadiola concession is reaching maturity and exploration work focussed primarily on follow-up drilling at various prospective targets and identifying new targets. Assay results from the SSP exploration demonstrated the continuity and width of the mineralisation and a potential underground resource.

Yatela: Given the limited life remaining at Yatela, exploration during 2012 focused on finding additional oxide potential that can be converted into Ore Reserves in the short term.

Key statistics – Mali

	Units	2012	2011	2010
Operation				
Volume treated/milled – attributable	Mt	4.8	4.9	4.7
Gold production – 100%	000oz	520	615	675
– attributable	000oz	210	249	273
Total cash costs	\$/oz	1,063	880	707
Capital expenditure – attributable	\$m	40	16	11
Productivity	oz/TEC	15.32	18.61	17.81
Safety*				
No. of fatal accidents		–	–	1
All injury frequency rate (AIFR)	per million hours worked	1.64	2.15	1.86
People				
Total average no. of employees (attributable)		1,509	1,461	1,434
– permanent		655	650	638
– contractors		854	811	796
Environment*				
Total water usage	MI	8,444	7,028	6,521
Water usage intensity	MI/oz	0.026	0.019	0.015
Total energy usage	million GJ	2.87	2.62	2.37
Energy usage intensity	GJ/oz	9.00	7.08	5.39
Total greenhouse gas (GHG) emissions (CO ₂ e)	000t	213	194	176
Total GHG emissions per ounce of gold produced	tCO ₂ e/oz	0.668	0.524	0.400
Cyanide used	t	3,830	2,972	3,342
No. of reportable environmental incidents		1	–	1
Total rehabilitation liabilities	\$m	44.1	44.6	37.5
– restoration	\$m	22.4	24.9	21.3
– decommissioning	\$m	21.7	19.7	16.8
Socio-economic				
Community investment	\$000	770	477	656
Payments to governments ⁽¹⁾	\$000	132,263	164,108	170,320
– dividends paid to government	\$000	42,744	52,232	67,617
– taxation paid	\$000	44,466	45,251	43,021
– withholding tax (STC, royalties etc)	\$000	23,254	40,601	16,613
– other indirect taxes and duties	\$000	13,644	11,335	14,735
– employee taxes and other contributions ⁽²⁾	\$000	6,510	8,337	5,866
– property tax	\$000	441	471	17,964
– other (includes tax on exports)	\$000	1,204	5,881	4,504

⁽¹⁾ 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.

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

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

* Excludes Morila

Mineralisation appears to be generally confined to narrow, high-grade quartz veins with short strike lengths that are unlikely to be economically viable.

Sustainability performance

In line with AngloGold Ashanti's sustainability strategy, a comprehensive and transformative sustainability strategy has been compiled for the Continental Africa region to enable it to reach its growth potential while contributing to broader regional social and economic development. Key to this strategy is its alignment with the United Nations Millennium Development Goals. Within this transformation model, a start was made in 2012 with the development of a five-year sustainability strategy that is to be completed in 2013.

The drive to transform and integrate the region's sustainability agenda across the safety, health, environment, community and security units of the operation will continue in 2013. The programme will be guided by AngloGold Ashanti's organisational frameworks.

Some successes have already been achieved. Various community projects, including the Mali African Mining School, have helped to develop a constructive relationship with the government, an important stakeholder.

Safety

Safety is a primary concern at AngloGold Ashanti which makes every effort to ensure that occupational injuries are eliminated. Safety programmes are conducted in line with AngloGold Ashanti's goal of eliminating all occupational injuries and as a result, the operations were fatality-free.

Safety and health statistics for Morila are reported by Randgold Resources, the operator, and are not included in AngloGold Ashanti's statistics.

An AIFR of 1.64 per million hours worked was recorded for the Mali operations in 2012, an improvement on the 2.15 recorded in 2011, owing mainly to various campaigns undertaken during the year including training in defensive driving, continuous communication and visibility off front-line supervisors. 60% of the operational standard operating procedures were also translated from English into French to make them more user-friendly to the target population. The Mali operations maintained their OHSAS 18001 certification in 2012.

Given the importance of safety, the operations engage in training initiatives that include safety meetings, personnel briefings, safe-workplace procedures, risk management, emergency preparedness, fatigue management, and defensive driving courses, all aimed at focussing awareness on safety and to address and mitigate safety issues and concerns.

Health

Both HIV/Aids and malaria are concerns at the Sadiola and Yatela operations. A total of 1,487 people attended voluntary counselling and testing (VCT) programmes in 2012 (2011: 811) while 23 were on antiretroviral therapy (ART) (2011: 26).

A total of 703 malaria cases were reported in 2012, a regression on the 281 reported cases in 2011. The higher incidence of malaria was a result of the higher-than-normal rainfall in the area.

AngloGold Ashanti donated \$100,000 in emergency funding to avert an interruption of the Mass Drug Administration (MDA) programme fighting a range of neglected tropical diseases (NTDs) that are endemic to Mali. A donation was made to The End Fund, a non-governmental organisation committed to providing access to treatment for these NTDs.

Stakeholder engagement

This integrated (local regional-national) model for promoting transparency, dialogue and participation in mine sustainability and local development planning is recognised as having a pivotal role to play in future efforts to maximise shared opportunities, to go beyond zero harm and to leave AngloGold Ashanti host communities in Mali better off.

The annual multi-stakeholder forum (MSF) was followed throughout the year by monthly and quarterly MSF committee meetings with Sadiola/Yatela communities where questions such as safety, employment, water, cyanide and extension projects were discussed.

Also vital to AngloGold Ashanti's engagement strategy in Mali is the Integrated Development Action Plan (IDAP) which is vital in engaging with communities regarding the socio-economic development of areas affected by mining. The IDAP aims to improve the living conditions of surrounding communities by implementing appropriate sustainable development activities; which are likely to survive once the mines have ceased operating; supporting and consolidating civil society organisations in promoting sustainable development initiatives; and planning capacity building among beneficiaries. Since the inception of its programme, the IDAP has been well received by the communities and the positive effects of its activities are being felt.

Community

Political instability in Mali had a negative impact on AngloGold Ashanti's sustainable development initiatives in the country. In 2012, engagement with government representatives continued during the year, in particular around permitting for the SSP, the creation of working relations with the new Government of Mali appointed after the coup, and all related issues.

In Mali, the Kayes region was among the worst affected by a poor 2011 rainy season and the resulting poor harvest, lack of pasture, crop deficits, very low water levels in rivers and high food prices. These conditions had a profound effect on surrounding rural communities and the most vulnerable households, which could not meet their essential needs.

In support of these communities, AngloGold Ashanti, in partnership with its joint venture partners IAMGOLD and the Malian State, contributed US\$60,000 to a US\$49,000 fund, jointly set up for the benefit of the communities of Diamou and Sadiola in a bid to help meet the essential needs of households threatened with drought and severe food insecurity. The grant was used to purchase and distribute rice and millet in all the villages in their respective jurisdictions. All 24 villages in Diamou and 46 villages in Sadiola benefited from food distribution.

AngloGold Ashanti also contributed a \$150,000 grant towards Africare's Assistance Project to Vulnerable Groups in Sadiola Commune. The project aimed to reduce food insecurity and increase self-sufficiency through improved availability of food and management of the food supply.

Sadiola also contributed to temporary structures in Medine village before completion of the school and donated some 50 tables for school pupils. The KEKAYES "Foire Exposition Internationale de Kayes 2012", an artistic and cultural event, was sponsored by Sadiola and Yatela, which received an award from the Kayes Governor in recognition of their participation in the event.

While closure of the Yatela operation is imminent, AngloGold Ashanti is committed to ensuring that employees are able to sustain their livelihoods post closure. An employee assistance fund, managed by the unions, has been created whereby senior Malian employees contribute to the fund which supports community projects.

As part of the IDAP, an agri-business project has been set up to help sustain livelihoods. Several pilot projects, aimed at establishing alternative livelihoods exist and will be improved, including animal husbandry, poultry farming, honey production and fish breeding, as well as the establishment of a micro-credit facility (CAMIDE).

Environment

AngloGold Ashanti remains committed to environmental management and a number of initiatives are in place to control dust and emissions and to ensure compliance with all relevant Malian legislation. Environmental incidences in Mali included:

- **Morila:** as in the previous year, no significant environmental incidents were reported.
- **Sadiola:** one environmental incidence was reported in 2012, compared to the previous year when no incidents were recorded.
- **Yatela:** as in 2011, no environmental incidences were reported in 2012.

The operations received their ISO 14001 certification in 2012.

Environmental statistics for Morila are reported by Randgold Resources, the operator, and are not included in AngloGold Ashanti's statistics. Processing of the remaining stockpile is expected to be completed by end 2013, at which time Morila will start with TSF retreatment and a new Pit 4 pushback.

On 27 November, untreated sewage water was found flowing from a collector located inside the mine village. The flow was circulated into a seasonal stream that joined the communal water course. Following the investigation, it was found that kitchen waste and tree roots were blocking the sewage system. Additional collectors were built up on the sewage water reticulation, and trees and solid debris were removed along the piping network. A sensitisation campaign was scheduled to enhance domestic workers' knowledge of the sewage system.

Cyanide: Sadiola and Yatela were recertified and therefore remained International Cyanide Management Institute (ICMI) compliant and demonstrated their continued commitment to the safe management of cyanide.

Closure and rehabilitation: With the SSP, the Sadiola mine is expected to close in 2028 and, without the SSP, in 2019. In line with company policy, rehabilitation liability costs have accrued over the life of mine. In 2012, \$656m was provided for closure costs.

Planned closure for Yatela is 2017, at which time the mine will commence decommissioning the plant and equipment.

At Yatela, a total of 397ha were rehabilitated in 2012.

Socio-economic contribution

Payments to government: AngloGold Ashanti is an organisational supporter of the Extractive Industries Transparency Initiative (EITI) and is committed to supporting its objectives of fiscal transparency and good governance. All payments made to governments by the company are disclosed, whether or not the country concerned is EITI-compliant. AngloGold Ashanti's payments to the Malian government in 2012 totalled \$132.3m (2011: \$164.1m).

Community: Total attributable community investment by AngloGold Ashanti in Mali was \$770,000 in 2012 (2011: \$477,000), an increase of 61%.

Local procurement: AngloGold Ashanti plays an active role in sustaining and expanding the local economy by encouraging the development of local skills and supporting local suppliers. Of total local procurement spend, 59% of Sadiola's was spent locally within Mali and 92% of Yatela's.

Other matters of concern

Skills shortages: As elsewhere within the global mining sector, the Malian operations are faced by skills shortages, which the company is attempting to mitigate through an intensive employee training and capacity building programme. The government of Mali is working to establish a mining school in the country in order to promote mining professionals.

The hiring process at Malian operations centres on the principle of equal employment opportunity and as such there is no discrimination based on age, race, sexual orientation, religion or disability. In Mali, an agreement exists between

local community authorities and the mines to fill 50% of job vacancies not requiring qualifications from the surrounding local communities. In 2012, 37% of our workforce was deemed to be local. Currently none of senior management is local.

Small-scale artisanal mining (ASM): ASM does not present a great challenge at the Malian operations when compared to other countries in the Continental Africa region. However, given the nature of mineral reserves in the region of operation, there is a tradition of small-scale mining in the surrounding areas. Small-scale mining forms part of community development initiatives such as the Integrated Development Action Plan (IDAP) and stakeholder forums.

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Forward-looking statements

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More information on performance in Mali at an operational level is available in the profiles on Morila, Sadiola and Yatela which are available at www.aga-reports.com.