



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 in all, 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 Namibia

AngloGold Ashanti has one wholly owned mining operation in Namibia, **Navachab**, an open-pit mine, near the town of Karibib.

Production at Navachab rose 12% to 74,000oz in 2012, equivalent to 1.9% of total group production and 5% of that for the Continental Africa region.

As at 31 December 2012, Navachab's total Mineral Resource was 4.41Moz, which includes an Ore Reserve of 2.10Moz. This was equivalent to 1.8% and 2.8% respectively of group resources and reserves.

The average number of employees at Navachab was 953 in 2012 (2011: 790).

Capital expenditure at Navachab amounted to \$15m for the year (2011: \$48m), spent mainly on the filtration project. This brought to \$109m the amount AngloGold Ashanti has invested in its Namibian operation over the past five years. Capital expenditure of approximately \$6m is forecast for 2013.

Operational performance

Production rose despite industrial action, principally as a result of the higher grade mined and improved recoveries. Total cash costs were 10% lower at \$929/oz (2011: \$1,038/oz), a consequence of higher production. Adjusted gross profit was \$38m for the year. (2011: \$25m).

The two-week legal strike at the beginning of the third quarter was a result of the failure of the company and the Mineworker's Union of Namibia (MUN) to reach agreement on the 2011/2012 wage increases for employees in the bargaining unit.

Following implementation of Project ONE's Business Process Framework (BPF) component which began in mid-2011, savings of approximately \$20m had been achieved by year-end 2012, a result of enhanced mill efficiencies and increases in plant throughput. Given the industrial action during the year, however, year-end results do not fully reflect these improvements.

Exploration

A prefeasibility drilling programme aimed at determining the viability of a proposed expansion, as well as optimisation of mine and process efficiencies, was conducted early in 2012. Exploration in 2012 involved the completion of 181 holes totalling 23,741m.

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, which applies to Navachab.

Safety

There were no fatalities at Navachab during 2012. A total of 18 injuries were reported during the year, resulting in an AIFR of 8.22 per million hours worked (2011: 2.00). Following the 2011 audit to identify non-conformances, the operation was re-audited and has since been awarded its OHSAS 18001 certification. The next surveillance audit is due in March 2013.

AngloGold Ashanti has a long-term goal of operating free of occupational injury and illness, and a five-year objective of reducing the AIFR to less than nine per million hours worked. In line with this group objective, Navachab remains committed to achieving 'zero injuries'.

Health

Factors affecting the health of employees at Navachab include high blood pressure and related illnesses. These are addressed by means of awareness campaigns focussed on continuous health monitoring. Work has begun on an upgrade of the medical facilities at Navachab.

Stakeholder engagement

Stakeholder engagement is a key element of Navachab's sustainability strategy. Stakeholder mapping and analysis are underway. By year-end, Navachab management had engaged extensively with key stakeholders, particularly in government, to strengthen relations.

Community

The company has compiled a set of standards, which include community aspects from the ISO 14001 management system and the ISO 26000 guidelines, to guide its interaction and relations with communities. The aim of these community-focused management standards is to define expectations for community and social performance and to more effectively integrate community and environmental systems.

AngloGold Ashanti plays an active role in the expansion of the local economy by encouraging the development of local skills, and providing business opportunities and platforms for technology enhancements that support local suppliers so as to promote sustainable local business.

The following major community initiatives were embarked on at Navachab during 2012:

- Planned a massive and successful campaign to clean the town of Karibib, in support of its municipality and the Karibib Beautification Project;
- Renovated and equipped the community gym to promote healthy living among the community; and
- Supported Bicycles for Humanity, a non-governmental organisation (NGO) established in Perth, Western Australia. A team of volunteers collects bicycles in Perth, and packs and ships them in a container to Namibia where Navachab oversees their distribution.

Environment

Environmental initiatives in place at Navachab are aligned with AngloGold Ashanti's global environmental management strategies. These are focused on continuously improving environmental performance, in line with the business target of reducing reportable incidents by 60% by 2013 from the 2008 baseline. No reportable environmental incidents have been recorded at Navachab for the past five years. Initiatives for 2013 include further studies of the rehabilitation of waste rock dumps, with the assistance of the University of Namibia. These studies will focus on testing various growth mediums for different types of plants.

The operation is ISO 14001 certified with recertification scheduled for March 2013.

Water: Situated in an arid region, Navachab is heavily dependent upon reliable access to water for use in the mining and extractive processes. Where recycled water will not adversely affect the process plant's performance, AngloGold Ashanti operates a "closed loop" system, recycling all water used in operations without discharging it to the environment. This has the added benefit of helping to contain costs, reducing the environmental impact, as well as water consumption and the potential for water contamination.

Generally, water-use permits govern usage and require, among other things, that mining operations maintain a certain water quality upon discharge. Water quality and usage remain priorities as incidents of water pollution or shortage can impact the health and safety of neighbouring communities. Despite the increase in production, Navachab's water consumption declined by 5%.

Dust: Given the location and the nature of open-pit mining at Navachab, dust management is a priority. Water is used to suppress dust on roads, while dust on tailings facilities is controlled by a combination of surface binding agents, water and vegetation. These measures are aimed at protecting both employees and the surrounding communities from dust exposure.

Key statistics – Namibia

	Units	2012	2011	2010
Operation				
Volume treated/milled	Mt	1.4	1.4	1.5
Gold production	000oz	74	66	86
Total cash costs	\$/oz	929	1,038	727
Capital expenditure	\$m	15	48	14
Productivity	oz/TEC	6.43	7.00	10.46
Safety				
No. of fatal accidents		–	–	–
All injury frequency rate (AIFR)	per million hours worked	8.22	2.00	25.60
People				
Total average no. of employees		953	790	687
– permanent		953	790	687
– contractors		–	–	–
Environment				
Total water consumption	MI	989	1,043	1,080
Water usage intensity	MI/oz	0.013	0.016	0.013
Total energy usage	million GJ	0.75	0.59	0.54
Total energy intensity	GJ/oz	10.14	8.94	6.28
Total greenhouse gas (GHG) emissions (CO ₂ e)	000t	43	31	28
Total GHG emissions per ounce	tCO ₂ e/oz	0.581	0.470	0.326
Cyanide ⁽¹⁾ used	t	680	638	620
No. of reportable environmental incidents		–	–	–
Total rehabilitation liabilities	\$m	5.5	3.3	3
– restoration	\$m	3.1	1.3	1.1
– decommissioning	\$m	2.4	2.0	1.9
Socio-economic				
Community investment	\$000	201	54	133
Payments to governments	\$000	10,897	9,241	14,014
– dividends paid to government	\$000	–	–	–
– taxation paid	\$000	2,765	615	8,689
– withholding tax (STC, royalties etc)	\$000	3,719	4,076	1,606
– other indirect taxes and duties	\$000	–	–	–
– employee taxes and other contributions ⁽¹⁾	\$000	4,264	4,444	3,618
– property tax	\$000	148	105	97
– other (includes tax on exports)	\$000	1	1	4
Local procurement spend ⁽²⁾ within country	% of total spend	82	89	83

⁽¹⁾ Includes remittance made to government but borne by employees as individual taxation (for example, PAYE and UIF).

⁽²⁾ Local spend is defined as spend undertaken within the country (currently includes indirect imports as well as locally produced goods).

Cyanide: Cyanide is used in the extraction of gold at the Navachab operation, with 680t (2011: 638t) having been used during the year. The use of cyanide by the gold mining industry is a significant stakeholder concern. Cyanide use is carefully managed at AngloGold Ashanti operations. The company is a signatory to the International Cyanide Management Code (ICMC), which supports the responsible use, transportation and disposal of cyanide in gold mining, enhances measures for the protection of human health, and reduces the potential for environmental impacts. Navachab received its cyanide compliance certification on 15 March 2010.

Closure and rehabilitation: All mining operations will eventually cease and on-going planning for closure is thus an integral aspect of operational planning, as is estimating the associated liability costs and the assurance of adequate financial provisions to cover these costs. Navachab complies with the group closure and rehabilitation management standard.

AngloGold Ashanti's total rehabilitation liability regarding Navachab at 2012 year-end was \$5.5m (2011: \$3.3m).

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. AngloGold Ashanti's payments to the Namibian government in 2012 totalled \$10.9m (2011: \$9.2m). The introduction of a withholding tax for foreign services in 2012 contributed to the slight increase.

Community: Total community investment by AngloGold Ashanti in Namibia increased to \$201,000 in 2012 (2011: \$54,000), a consequence of a renewed focus on community investment.

Local procurement: Of total procurement spend by Navachab in 2012, 82% was spent locally. To promote local business, AngloGold Ashanti has implemented various initiatives aimed at improving the skills available to local businesses.

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Forward-looking statements

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Other

Employees and skills shortages: With the demand for specialist skills exceeding supply, particularly for mining engineering, geology and metallurgical graduates, AngloGold Ashanti and the broader global mining industry are faced with a critical skills shortages. Fewer students are studying mining engineering and related disciplines, and even fewer enter the industry.

The company continues to focus on building capabilities, retaining key skills and developing and managing a reliable, long-term skills pipeline. Navachab has seven bursars in the fields of mining, engineering, geology, metallurgy and surveying. The aim of the bursary scheme is threefold: social responsibility to the country and national education; to upgrade skills; and lastly to create a management pipeline and facilitate succession planning.

In 2010, the company established a management/graduate trainee policy that aims to provide graduates in all fields with the necessary skills and to develop them for future managerial roles. Currently, there are five management trainees at Navachab.

Labour relations: The two-week long industrial action adversely affected labour relations at Navachab. To counter this, initiatives have been put in place, including:

- more regular communication with employees using various media across site;
- business acumen training for all employees in the bargaining unit;
- updating and reviewing of all role descriptions at the lower levels as part of the Systems for People process;
- training of the MUN branch executive committee on the new Labour Act; and
- reviewing and updating the mine's Code of Conduct.

At Navachab, 93% of the workforce and 88% of senior management are deemed to be local.

More information on performance in Namibia at an operational level is available in the operational profile on Navachab which is available at www.aga-reports.com.