



### ANGLOGOLD ASHANTI – A CORPORATE PROFILE

AngloGold Ashanti, one of the world's 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. In addition, we 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 Americas region are Argentina, Brazil, Colombia and the United States.

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 (2011: 230.9Moz) and total attributable Ore Reserve of 74.1Moz (2011: 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 United States

AngloGold Ashanti operates one, wholly owned mine in the United States, **Cripple Creek & Victor (CC&V)**. CC&V is a surface operation located between the communities of Cripple Creek, to the northwest, and Victor, in the south, in the state of Colorado. CC&V, which began production in 1994, is included in the group's Americas region.

Production from the United States operation decreased by 7% to 247,000oz in 2012. This was equivalent to 6.3% of group production.

Production from the mine life extension (MLE1) project, which involved expanding capacity at the heap-leach pad, began in 2011 and is expected to continue until 2016 at current mining rates. A further life extension and production expansion project (MLE2) was approved in 2012 and production is expected to increase to more than 375,000oz from about 2017.

As at the 31 December 2012, CC&V had an inclusive Mineral Resource of 12.90Moz with an Ore Reserve of 5.88Moz. This was equivalent to 5.3% and 7.9% respectively of group resources and reserves.

The average number of employees totalled 692 (2011: 581), of whom 485 were permanent employees and 207 contractors.

Capital expenditure at the United States operation amounted to \$100m for the year (2011: \$67m), bringing to \$353m the amount AngloGold Ashanti has invested in its United States operation over the past five years. Capital expenditure of approximately \$203m is forecast for the United States in 2013.

## Operational performance

The decline in production in 2012 was mainly due to the phasing in of the valley-leach facility and the reduced availability of areas for the stacking ore close to the liner where recovery times are faster. Production was also affected by the scarcity of water, a result of a drought in the mid-west United States. CC&V was able to buy sufficient water for its needs but irrigation of the side slopes of the valley-leach facility was problematic.

Total cash costs were 13% higher at \$638/oz, (2011: \$564/oz) caused mainly by the higher costs of lime, diesel, explosives, chemicals and maintenance supplies combined with lower placed grades.

Exploration activities were conducted under the Mine Life Extension 2 (MLE2) project as well as the underground project. MLE2 is evaluating the extension of the mine life by adding low-grade, heap-leach tonnes to the Ore Reserve with the construction of a plant to process high-grade zones of mineralisation that are intersected during the open pit mining activity. The underground programme is exploring for tonnes that can be mined underground to supplement plant feed.

## Sustainability performance

### Safety

AngloGold Ashanti's long-term goal is to operate a business free of occupational injury and illness, and its five-year objective is to reduce the AIFR to less than nine per million hours worked by 2014 and to zero by 2020.

Safety performance at CC&V improved in 2012 with an AIFR of 12.75 per million hours worked recorded for the year (2011: 19.80). The workforce was actively engaged in regular meeting to address and solve key safety issues. In terms of the number of actual lost-time injuries, there was a significant improvement of more than 50% in comparison with 2011 (LTIFR 2012: 5.67; 2011: 12.05). Again there were no fatalities in 2012, with CC&V maintaining its long-term fatality-free record.

CC&V was recommended by a third party auditor in October 2012 for continued certification to ISO 14001: 2004 standards. Our framework complements and builds upon the internationally recognised OHSAS 18001-certified safety management system established and maintained at each of our operations. CC&V maintained its compliance with OHSAS 18001.

### Health

The safety and health of our employees is one of our most important business considerations and we are committed to creating the safest possible working environment for employees, and one in which employees' well-being is safeguarded.

### Community

AngloGold Ashanti plays an active role in sustaining growth of the local economy by encouraging the development of local skills, providing business opportunities and platforms for technological enhancements, and supporting local suppliers so as to promote viable local business. The CC&V social engagement programme focuses on partnership and participation and CC&V works with local communities to ensure they reach their goals.

The increase in donations from the Denver office covered stakeholder engagement with state-wide historic preservation groups: Colorado Preservation Inc., Governor's Residence Preservation Fund, History Colorado Center, and Share in Care Colorado, the campaign to restore the Capitol Dome, educational outreach organisations and state-wide associations. CC&V increased its contribution to the community infrastructure in Cripple Creek, Victor and Teller County.

## Environment

As in previous years, there were no reportable environmental incidents at CC&V.

**Water:** CC&V's operations depend heavily upon access to substantial volumes of water for use in the mining and extractive processes. Any failure to secure access to suitable water supplies, or to achieve and maintain compliance with the requirements of the permits or licences could result production at the affected operation being curtailed or halted. CC&V has installed a "closed loop" system, to recycle all water used without discharging it into the environment, thus reducing the environmental impact, water consumption and the potential for water contamination, and containing costs.

AngloGold Ashanti has a significant global programme in place to reduce our environmental footprint. The total fluids management (TFM) standard for fuel and oil cleanliness has been implemented at CC&V.

**Waste:** Our chemical and waste management standards address the management of risks arising from the use of hazardous materials, including the waste mitigation hierarchy of avoiding, reducing, reusing, recycling, treating and disposing of waste.

**Cyanide:** Cyanide is used to efficiently and cost-effectively to extract gold from its host ore but its use is a source of stakeholder concern. Cyanide is, however, carefully and responsibly managed at AngloGold Ashanti operations. The company is a signatory to the International Cyanide Management Code, which the United States supports, for 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. CC&V was certified in 2007 and recertified in 2010.

**Land under management:** AngloGold Ashanti's United States operation has 2,424ha of land under management of which 152ha had been rehabilitated by year-end.

**Awards:** CC&V won the 2012 Environmental Stewardship Pollution Protection award as well as the 2012 Excellence in Hard Rock Reclamation award. These awards were granted for the mine's efforts with the Altman Backfill Reclamation project.

**Planning for mine closure:** As all mining operations eventually cease, on-going planning for closure is integral to operational planning. So too is the estimation of the associated liability costs and the assurance of adequate financial provisions to cover these costs. The United States operation complies with the group's closure and rehabilitation management standards.

## Key statistics – United States

	Units	2012	2011	2010
<b>Operation</b>				
Volume treated/milled	Mt	20.9	20.3	20.6
Gold production	000oz	247	267	233
Total cash costs	\$/oz	638	564	493
Capital expenditure	\$m	100	67	73
Productivity	oz/TEC	37.46	44.31	42.40
<b>Safety</b>				
No. of fatal accidents		–	–	–
All injury frequency rate (AIFR)	per million hours worked	12.72	19.90	12.26
<b>People</b>				
Total average no. of employees		692	581	646
– permanent		485	454	403
– contractors		207	127	243
Training and development	\$000	242	542	452
<b>Environment</b>				
Total water consumption	MI	1,860	2,207	1,676
Water usage intensity	MI/oz	0.008	0.008	0.007
Total energy usage	million GJ	2.46	2.13	1.83
Energy usage intensity	GJ/oz	9.96	7.98	7.85
Total greenhouse gas (GHG) emissions (CO <sub>2</sub> e)	000t	235	207	181
Total GHG emissions per ounce of gold produced	tCO <sub>2</sub> e/oz	0.951	0.775	0.777
Cyanide used	t	4,124	3,476	3,188
No. of reportable environmental incidents		–	–	–
Total rehabilitation liabilities	\$m	91.1	81.1	46.0
– restoration	\$m	87.1	77.0	42.9
– decommissioning	\$m	4.0	4.1	3.1
<b>Socio-economic contributions</b>				
Community investment <sup>(1)</sup>	\$000	908	603	699
Payments to governments	\$000	41,283	19,765	19,406
– dividends paid to government	\$000	–	–	–
– taxation paid	\$000	18,174	174	3,397
– withholding tax (STC, royalties etc)	\$000	394	926	590
– other indirect taxes and duties	\$000	–	–	–
– employee taxes and other contributions <sup>(2)</sup>	\$000	16,870	12,822	11,513
– property tax	\$000	1,120	1,136	1,089
– other (includes tax on exports, severance tax and mine tax)	\$000	4,725	4,807	2,817
Local procurement spend <sup>(3)</sup> within country	% of total spend	75	39	39

<sup>(1)</sup> Includes the Denver office.

<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 state of Colorado (currently includes indirect imports as well as locally produced goods).

AngloGold Ashanti's total rehabilitation liability at CC&V in 2012 was \$91.1m (2011: \$81m) of which \$87.1m was for restoration and \$4.0m for decommissioning.

### Socio-economic contributions

**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. It 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 EITI-compliant. AngloGold Ashanti's payments to the federal and state government in 2012 totalled \$41.3m (2011: \$19.8m). The increase in payments was largely due to the full utilisation of the prior year's net operating loss against 2011 income.

**Community:** Total community investment by AngloGold Ashanti in the United States increased to \$908,000 in 2012 (2011: \$603,000), as a consequence of a renewed focus on community investment.

**Local procurement:** Of CC&V's total procurement in 2012, 75% was spent locally within the state of Colorado compared to 39% the previous year.

### Shortage of mining skills

At AngloGold Ashanti we believe that 'people are the business'. Unfortunately AngloGold Ashanti and the broader mining industry face a significant skills shortage. Given the dearth of qualified professionals available for recruitment, AngloGold Ashanti continues to focus on the attraction, retention and development of people with initiatives including competitive remuneration, career development opportunities and partnerships with government institutions.

CC&V has expanded its search for talent by increasing its participation in local and regional career fairs, visiting colleges and trade schools, increasing its use of web-based advertisements, targeting newspapers in specific regions throughout the United States and employing several recruitment firms.

CC&V appreciates the importance of retaining its valuable talent and provides in-house opportunities for its employees to rotate into other roles both within their primary department and into other areas of the operation. In this way employees acquire a holistic view of the business as well as firsthand experience of different aspects of the operation.

### Product responsibility

AngloGold Ashanti's primary direct customers of gold are bullion banks acting as intermediaries for gold markets.

AngloGold Ashanti promotes our product in target markets, by supporting initiatives aimed at improving gold jewellery design. This is achieved primarily through the AuDITIONS programme, a global gold jewellery design competition launched by AngloGold Ashanti in 1999. Jewellery consumption in countries such as India and China constitute an important portion of physical gold demand and the competition aims to increase gold's desirability and push the envelope in gold jewellery design by encouraging bold new designs in high gold caratage.

The Responsible Jewellery Council (RJC) code of practices assesses the scope of environmental and social issues, safety and health, ethics and governance, labour issues, human rights, among others. At the end of 2011, AngloGold Ashanti withdrew from corporate membership of the RJC in favour of a phased approach to certification. CC&V is a member of the RJC and was independently certified in the first quarter of 2013.

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### Forward-looking statements

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More information on performance at Cripple Creek & Victor at an operational level is available in the related profile which is available at [www.aga-reports.com](http://www.aga-reports.com).