



### Highlights of the year

In 2012, production at Iduapriem declined to 180,000oz, equivalent to 5% of total group production and 12% of production for the Continental Africa region.

There was an average of 1,549 employees for the year at Iduapriem (2011: 1,453) – 698 permanent and 851 contractors – with a productivity rate of 15.61oz/total employee costed (TEC) (2011: 16.97oz/TEC).

Capital expenditure at Iduapriem in 2012 was \$95m, an increase of 30% on the \$73m spent in 2011, bringing total capital expenditure for the five years from 2008 to 2012 to \$268m.

As at 31 December 2012, Iduapriem's Mineral Resource measured 6.6Moz and its Ore Reserve 2.2Moz.

### DESCRIPTION

This operation forms part of the Continental Africa region and is one of two, wholly owned and managed operations in Ghana. Iduapriem's acquisition followed the merger between AngloGold Limited of South Africa and Ashanti Goldfields Company Limited of Ghana and the formation of a new entity, AngloGold Ashanti Limited, in April 2004.

The Iduapriem mine, which has been wholly owned by AngloGold Ashanti since September 2007, comprises the Iduapriem and Teberebie properties in a 110km<sup>2</sup> concession. This mine is situated in the southwestern region of Ghana, some 70km north of Takoradi and approximately 10km southwest of the town of Tarkwa.

Iduapriem is an open-pit mine which began operations in 1992. Its processing facilities include a carbon-in-pulp (CIP) plant with a gravity circuit. The gravity feed recovers about 30% of the gold and the CIP plant recovers the remainder.

### PERFORMANCE IN 2012

#### Operational performance

Difficulties associated with the valves on the plant tailings discharge line in 2011 were largely resolved in 2012, with the installation of a second tailings discharge pipeline and elimination of the valves. This resulted in smoother operations and better performance. Record plant performance was achieved in August 2012. Additional improvement is envisaged in 2013 to enable the plant to further improve throughput.

Total cash costs per ounce of gold produced were adversely affected by lower production volumes. The decrease in production was attributable to the decline in the grade of the ore fed to the plant and the delay in the start-up of mining at Ajopa.

Currently stockpiles at Iduapriem measure 6.6Mt at 0.84g/t, allowing for more than one year's run-of-mine (ROM) feed to the plant.

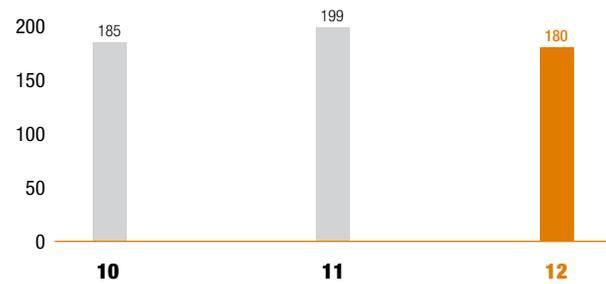
## Contribution to group production

(%)



## Iduapriem – annual production

(000oz)



## Growth and improvement

In line with all group operations, Iduapriem has adopted the Business Process Framework (BPF). The tenets of the BPF flow through to work management, performance measurement and analysis and improvement at the carbon-in-leach plant and crushers. The application of this framework resulted in a number of improvement initiatives being adopted and implemented during the year. More work remains to be done in 2013.

A conceptual study into a plant expansion has opened up prospects of growing the surface operations. As a result, and given renewed interest in brownfields exploration, a drilling programme was started in March 2012 so as to increase confidence and convert the down-dip Inferred Resource to the Measured and Indicated categories. The drilling programme is expected to be completed in December 2014.

The Ajopa satellite pit project, estimated to entail capital expenditure of \$12m, began in mid-2012, after approval was received from the Ghanaian regulatory authorities. Ajopa hosts an Ore Reserve estimated at 4.97Mt at a grade of 2.05g/t, which is equivalent to about 363,000oz of gold. First ore delivery was in mid-October 2012.

In mid-2012 a conceptual study was completed and identified five expansion options to boost production from current levels. While all options delivered positive financial results, the two options indicating highest value were selected for further evaluation. On assessment of the results, a prefeasibility study was approved to evaluate means of quickly expanding the asset through an accelerated and capital effective upgrade of the existing processing facility. The prefeasibility study for phase 1 of this expansion study will be completed in 2013.

## Exploration

Iduapriem is a mature operation and there is little prospect of adding to its Mineral Resource. The main potential for expansion is to determine an economically viable mining method to mine the down-dip ore. Geological data over the proposed area is in the blue sky category. A drilling programme, begun in March 2012, is underway to upgrade the resource to the Measured/Indicated category.

## Sustainability performance

A comprehensive and transformative sustainability strategy has been compiled for AngloGold Ashanti's Continental Africa region. This will enable the region to fulfil its growth potential while broadening regional social and economic development. The strategy will be executed primarily through development of mine sustainability plans that are based on the United Nations Millennium Development Goals.\*

Key components of the sustainability strategy are: enhanced stakeholder engagement; community projects focused on delivering sustainable value; and partnering with government on a range of issues including the formalisation of artisanal and small-scale mining (ASM). The model is designed to proactively address key issues relevant to all parties, namely, community disputes, failure to meet environmental standards and poor compensation practices.

The Minerals Commission of Ghana has drafted guidelines for corporate social responsibility (CSR) as benchmarks for implementing and assessing CSR activities and programmes by mining companies. The document is underpinned by 10 broad themes including corporate governance and ethics, human rights, workplace and labour standards, health and safety, environmental stewardship, risk assessment, community and social development, stakeholder agreement, compliance and reporting. AngloGold Ashanti attended the stakeholder forum in February 2012 to review the document. The final version of the guidelines is yet to be released.

## Safety

AngloGold Ashanti has a long-term goal of operating a business free of occupational injury and illness and has a five-year objective of reducing the AIFR to less than nine per million hours worked.

The AIFR at Iduapriem improved markedly to 3.06 injuries per million hours worked in 2012 (2011: 6.61). This improvement was marred by a fatality at the site in September 2012.

A safety improvement plan, integrating Continental Africa's safety management plan and incorporating local initiatives, has been developed at Iduapriem. The plan has been piloted and is scheduled for implementation in 2013. Safety accountabilities

\* The Millennium Development Goals (MDGs) are eight international development goals, established in 2000, following the adoption of the United Nations Millennium Declaration. All 193 United Nations member states and at least 23 international organizations have agreed to achieve these goals by the year 2015. The goals are: eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality rates, Improving maternal health, combating HIV/AIDS, malaria, and other diseases, ensuring environmental sustainability, and developing a global partnership for development.

## Iduapriem – key statistics

	Units	2012	2011	2010
<b>Operational performance</b>				
Volume treated/milled	Mt	4.6	4.3	3.4
Pay limit	oz/t	0.034	0.03	0.04
	g/t	1.11	0.92	1.47
Recovered grade	oz/t	0.036	0.042	0.050
	g/t	1.22	1.44	1.70
Gold production	000oz	180	199	185
Total cash costs	\$/oz	1,034	853	666
Total production costs	\$/oz	1,213	1,075	868
Capital expenditure	\$m	95	73	17
Productivity	oz/TEC	15.61	16.97	16.44
<b>Safety</b>				
No. of fatal accidents		1	0	0
All injury frequency rate (AIFR)	per million hours worked	3.08	6.61	9.73
<b>People</b>				
Total average no. of employees		1,549	1543	1,483
– permanent		698	741	729
– contractors		851	802	754
Employee turnover	%	4.9	5.25	4.68
Training and development expenditure	\$000	331	508	776
<b>Environment</b>				
Total water consumption	ML	582	408	99
Water usage intensity	ML/oz	0.003	0.002	0.001
Total energy usage	million GJ	1.01	0.98	1.03
Energy usage intensity	GJ/oz	5.61	4.92	5.57
Total greenhouse gas (GHG) emissions (CO <sub>2</sub> e)	000t	94	89	95
GHG emissions per ounce	tCO <sub>2</sub> e/oz	0.522	0.447	0.514
Cyanide used	t	1,220	1,594	1,252
No. of reportable environmental incidents		2	0	5
Total rehabilitation liabilities	\$m	43	44.3	35.1
– restoration	\$m	28.4	28.8	
– decommissioning	\$m	14.6	15.5	

are now included in leadership role descriptions. Twelve people, drawn from both AngloGold Ashanti mines in Ghana, were trained in advanced incident investigation and a further 12 in incident investigation.

A fatigue management review was carried out by BSS, recognised experts in the field. Iduapriem is implementing its recommendation to reduce the risk of accidents resulting from tiredness. Fatigue management training was also conducted.

Iduapriem is currently compliant with OHSAS 18001, following the certification audit conducted during August 2011. Recertification is expected during 2014 with an OHSAS 18001 surveillance audit scheduled for February 2013.

### Health

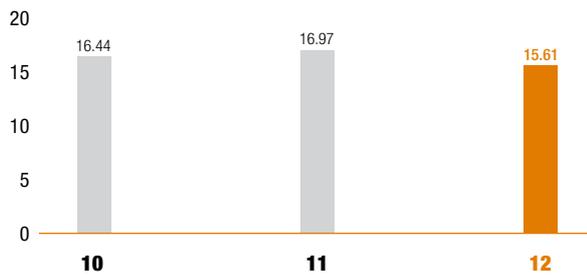
The Continental Africa region has continued to work on aligning its approach with that of the Global Health Strategic Framework. The main objectives are the development of specific plans and activities to optimise operating systems and processes, to integrate with non-health systems and to develop mutually beneficial sustainability-based initiatives.

The Health Institutions and Facilities Act, recently published in Ghana, will require recertification of the company's health facilities at Iduapriem once the Ghana Health Service has established the necessary requirements and the relevant regulatory body for licensing of health facilities.

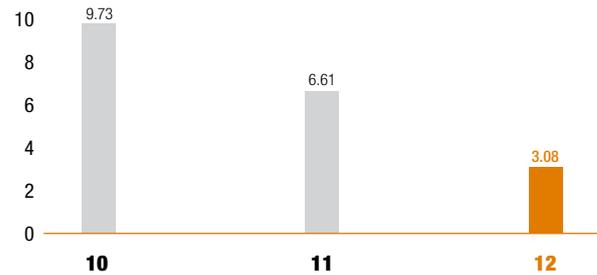
**HIV/Aids:** In all, 664 employees and contractors attended voluntary counselling and testing (VCT) programmes during 2012 (2011: 66). As in 2011, four people were on anti-retroviral treatment (ART).

**Noise-induced hearing loss (NIHL):** NIHL remains a challenge in Continental Africa and an integrated approach involving prevention, monitoring, evaluation and mitigation is being introduced to better address the issue. To this end, a Hearing Conservation Programme Committee was established and plans are in place to re-launch an NIHL awareness campaign with co-operation from local labour unions. In the meantime, enforcement of the use of hearing protection has been intensified and construction of soundproof cubicles for compressor house attendants was well advanced at year-end.

### Iduapriem – productivity (oz/TEC)



### Iduapriem – AIFR (per million hours worked)



At Iduapriem mine, no NIHL cases were diagnosed in 2012 compared to two cases in 2011.

**Malaria:** Despite significant progress in vector and disease control over recent years, malaria remains the most significant non-occupational disease across the Continental Africa region. Malaria control programmes continue to reduce the incidence of the disease and work is on-going to review the effectiveness of each programme and to ensure consistency and quality.

There were 173 recorded cases of malaria at Iduapriem in 2012 (2011: 720). Iduapriem’s malaria lost-time injury (LTI) frequency rate was 29.72 in 2012 compared with 113.01 in 2011. The incidence of malaria on site has declined by 25% since the programme was launched in 2010.

### Stakeholder engagement

Implementation of the revamped stakeholder engagement strategy, which dictates a more streamlined and robust approach to stakeholder engagement across the Continental Africa region, has begun. Progress to date includes completion of an external stakeholder mapping project in partnership with the Wharton Business School. The project identified key stakeholders at Iduapriem, their issues and networks of influence. The mapping project was concluded with the drafting of a report that will form the foundation for the mine’s stakeholder engagement strategy. Work plans will be generated from the strategy and these will be accompanied by a communications plan. Also under development is a Stakeholder Knowledge Platform. This will be a repository for all engagement tools, procedures and standards. The goal is for Iduapriem to develop more strategic and well-planned stakeholder engagement that is closely aligned with the mine’s sustainability strategy.

### Community

The Iduapriem Trust Fund, a requirement of the 2004 stability agreement, was successfully launched this year. The fund is covered by a community board and steering committee.

Hand-in-Hand, an alternative livelihood programme endorsed by Iduapriem, includes an agricultural project which supports farmers with the production, processing and marketing of their crops. Local entrepreneurs are given guidance and support in growing their businesses and are offered an opportunity to supply the mine with produce.

The Ajopa resettlement programme was approved by the Environmental Protection Agency (EPA) and was followed by a workshop to help ensure a successful outcome for all stakeholders and the community in particular.

### Environment

AngloGold Ashanti is committed to improving processes to prevent pollution, minimise waste, increase carbon efficiency and make efficient use of natural resources, and is continually developing innovative solutions to mitigate environmental and climate risks.

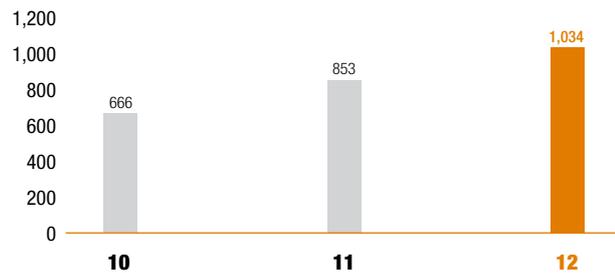
There were two reported environmental incidents at Iduapriem during 2012 (2011: 0). The recertification ISO 14001 audit was conducted during the year with results indicating 100% conformity to standard.

**Water:** AngloGold Ashanti’s operations are heavily dependent on water and require access to substantial volumes of water for use in the mining and extractive processes. Water quality and usage are a priority across all operations and none more so than in Ghana where water management, particularly in respect of legacy issues at both the group’s mining sites, have presented one of the most significant challenges in recent years. A task team led at executive level has developed a holistic strategy to address legacy and operating issues relating to water. A mine-wide water balance model has been developed and implemented to effectively account for water use on the mine.

In June and July 2012, enforcement notices were received from the EPA and Minister of Environment stipulating zero discharge of process water or any other water from all operational facilities. The enforcement notice also contained a directive to pump all

## Iduapriem – total cash costs

(\$/oz)



tailings storage facilities (TSF) stormwater run-off from silt traps onto the TSF pool. In the interim, the water was pumped to the P2W water treatment plant for treatment and discharge into the environment. The rehabilitation and revegetation work on the TSF has progressed satisfactorily and the interim TSF, constructed in 2010, will no longer require treatment of turbid water and discharge.

**Cyanide:** The use of cyanide by the gold mining industry has been a significant source of stakeholder concern since its introduction and cyanide is carefully managed at AngloGold Ashanti's operations. The group is a signatory to the International Cyanide Management Code, 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.

Iduapriem is on course to be certified by 2014, once the cyanide detoxification plant has been built and commissioned in 2013. Cyanide destruction technology is being installed to reduce the weak-acid dissociable cyanide on the tailings facility.

**Closure and rehabilitation:** Mining operations will eventually fully exploit their resources and operations making closure an integral part of operational planning. This process includes the assessment of associated liabilities and the assurance of adequate financial provisions to cover these costs. For many older mines closure planning and evaluation of environmental liabilities is a complex process. These issues have been addressed in Iduapriem's closure plans, an updated version of which was completed in December 2012.

Iduapriem's rehabilitation liabilities for 2012 totalled \$43m (2011: \$44m).

**Land compensation:** A legacy of poor compensation practices in the past has made it difficult for AngloGold Ashanti to gain access to new land. Iduapriem continues to provide assistance in repairing houses in the Teberebie village, while finalising land-for-land compensation on improved terms in a bid to create better relationships with the host community.

## 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 operational profile 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.anglogoldashanti.com](http://www.anglogoldashanti.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.

Additional information from a country perspective can be obtained from the Ghana country fact sheet, which is available at [www.aga-reports.com](http://www.aga-reports.com).