



DESCRIPTION

The Morila mine, one of the three operations in Mali, 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 situated 180km south-east of Bamako, the capital of Mali.

The operation treats low-grade (1.14g/t) stockpiles while the plant, which incorporates a conventional carbon-in-leach process with an upfront gravity section to extract the free gold, 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 which stood at 1.4Mt at the beginning of 2012.

PERFORMANCE IN 2012

Operational performance

Although mining concluded in 2009 with the depletion of the orebody, operations at Morila currently take the form of processing the stockpile, which had 1.4Mt remaining at the end of 2012.

Highlights of the year

In 2012, Morila produced an attributable 81,000oz, a decline of 18%. This was equivalent to 2% of group production and 5% of the Continental Africa region's production. Together with the other two Malian operations, it contributed 5.3% (2011: 5.8%) to AngloGold Ashanti's production in 2012.

The mine employed an average of 859 people in 2012, consisting of 433 permanent employees and 426 contractors. The total employee complement in the previous year averaged 820. Productivity measured in ounces per total employee costed was 35.72 in 2012 (2011: 42.00oz/TEC).

Capital expenditure in 2012 amounted to \$3m, of which \$1m was attributable to AngloGold Ashanti. This brings expenditure over the past five years by AngloGold Ashanti on Morila to \$8m.

As at 31 December 2012, AngloGold Ashanti had a total Mineral Resource in Mali of 3.78Moz (2011: 4.40Moz), and an Ore Reserve of 2.22Moz (2011: 2.30Moz), of which Morila accounted for an attributable 0.27Moz and 0.06Moz respectively.

Growth and improvement

The stay-in business capital expenditure was spent mainly to maintain plant capacity and was handled by Fraser Alexander. The tailings storage facility (TSF) re-treatment consists of re-pulping the tails by high pressure water guns and pumping the slurry into the carbon in leach (CIL circuit). New tailings will be diverted to the pit.

A push back project on the south of the current pit is being investigated. A preliminary study showed a total resource of 23.8Mt to be mined – including 22.6Mt waste and 1.2Mt @ 3.00g/t ore to produce 106,000oz of recovered gold, over 22 months of activity from April 2013. For cost saving reasons, 100% of the waste mined will be in-pit dumped.

Processing of the remaining stockpile is expected to be completed by end 2013, at which time Morila will start with the re-treatment of the tailings storage facility (TSF) and a new Pit 4 pushback.

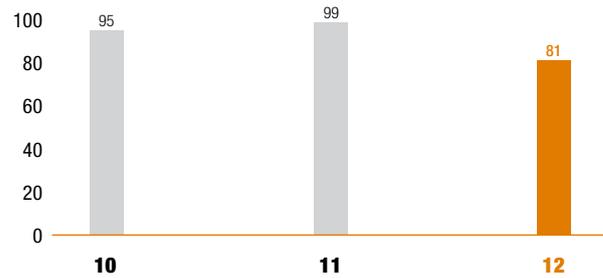
Contribution to group production

(%)



Morila – annual attributable production

(000oz)



Exploration

The mine operation involves the processing of existing stockpiles. No exploration activities have been carried out in and around the operation.

Sustainability performance

The Morila operation was previously faced with closure, but the life of mine (LOM) has been extended to 2021 with the 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.

AngloGold Ashanti is committed to ensuring that employees will be able to sustain their livelihoods post closure. An employee assistance fund, which is managed by the unions, has been created. At 31 December 2012, the balance was 14,683,432 Frs CFA (approximately US\$29,000), after monies had been paid to 12 retrenched employees (11 nationals and 1 expatriate), which equates to 4% of the permanent workforce.

The agri-business pilot projects in poultry, honey and fish farming have shown significant results that will be duplicated within the communities. The microcredit facility, CAMIDE, sponsored approximately 11 projects for former employees.

An amount of 11,100,000 frs CFA (approximately US\$22,000) was allocated to various disciplines including poultry, trade and agro-forestry. The Groupement d'Interêt Economique (GIE), created by former employees, was assigned the camp maintenance contract to provide electrical and plumbing services. GIE also provides services to other mines.

Safety and health

Safety and health statistics for Morila are reported by Randgold Resources, the operator, and are not included in AngloGold Ashanti's statistics. However, safety is a primary concern at AngloGold Ashanti and the group undertakes all efforts to ensure that occupational injuries are eliminated.

Environment

A number of initiatives are in place to control dust and emissions and to ensure compliance with all relevant legislation. As in the previous year, there were no significant environmental incidents reported.

The operation received 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.

The processing of the remaining stockpile is expected to be completed by end 2013, at which time Morila will start with the TSF retreatment and a new Pit 4 pushback.

Other matters of concern:

Skills shortages

Malian operations are faced with skills shortages, which the company attempts 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.

Labour relations

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.

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, there is a tradition of small-scale mining in the surrounding areas. This is due to the nature of mineral reserves in the region of operation. Small-scale mining forms part of community development initiatives such as the Integrated Development Action Plan (IDAP) and stakeholder forums.

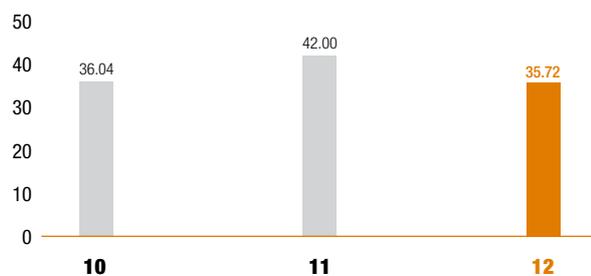
Morila – key statistics

	Units	2012	2011	2010
Operational performance				
Volume treated/milled – 100%	Mt	4.5	4.5	4.3
– 40%	Mt	1.8	1.8	1.7
Pay limit	oz/t	0.02	0.02	0.02
	g/t	0.68	0.60	0.67
Recovered grade	oz/t	0.041	0.050	0.050
	g/t	1.41	1.70	1.70
Gold production – 100%	000oz	203	248	238
– 40%	000oz	81	99	95
Total cash costs	\$/oz	767	810	715
Total production costs	\$/oz	798	863	766
Capital expenditure – 100%	\$m	3	3	3
– 40%	\$m	1	1	1
Productivity	oz/TEC	35.72	42.00	36.04
People				
Total average no. of employees		859	820	891
– permanent employees		433	435	476
– contractors		426	385	415
Environment*				
Total rehabilitation liabilities	\$m	5.0	5.6	5
– restoration	\$m	2.7	4.5	
– decommissioning	\$m	2.3	1.1	

* Safety and environmental information for Morila is unavailable, as this has not been provided by Randgold Resources.

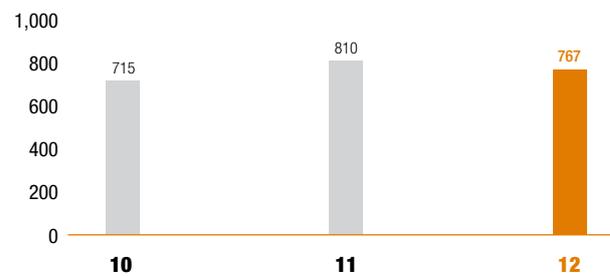
Morila – productivity

(oz/TEC)



Morila – total cash costs

(\$/oz)



Forward-looking statements

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Additional information from a country perspective can be obtained from the Mali country fact sheet, which is available at www.aga-reports.com.