

OPERATIONAL PROFILE WEST WITS, SOUTH AFRICA



DESCRIPTION

AngloGold Ashanti's operations in the South Africa region are located to the west of the Witwatersrand Basin, which hosts numerous gold-bearing reefs. The South Africa operations are divided into two areas, the West Wits and Vaal River.

The West Wits operations, which exploit the Carbon Leader Reef (CLR) and the Ventersdorp Contact Reef (VCR), are: Mponeng, TauTona and Savuka. These three mines are situated southwest of Johannesburg, near the town of Carletonville, on the border between Gauteng and North West Province.

Mponeng, the South Africa region's flagship operation and the world's deepest gold mine, uses sequential-grid mining to exploit the VCR at depths of between 2,400m and 3,900m. The Mponeng lease area is constrained to the north by the TauTona and Savuka mines, to the east by Sibanye's Driefontein mine and to the west by Harmony's Kusasalethu mine. Mponeng comprises a twin-shaft system housing two surface shafts and two sub-shafts. Ore is treated and smelted at the mine's gold plant.

Highlights

Combined, the West Wits operations produced 631,000oz in 2012 (2011: 793,000oz) – 16% of total attributable group gold production and 52% of production from the South Africa region – at an average cash cost of \$748/oz (2011: \$649/oz). The 15% rise in costs was a result of increased wages and inflationary pressures on other inputs including reagents, power and consumables. Safety stoppages in the first half of the year and the strike in the second half also reduced volumes which had a commensurate impact on costs.

The three West Wits operations combined had an average of 11,891 (2011: 11,110) employees for the year and a productivity rate of 5.30oz/total employee costed (TEC) (2011: 6.80oz/TEC).

Capital expenditure at the West Wits operations in 2012 was \$288m, an increase of 11% on the \$259m spent in 2011, bringing total capital expenditure in the area for the five years 2008 – 2012 to \$1,088m. Expenditure was mainly on the Mponeng deepening project and the investigation into the optimal access to Savuka's resources.

At 31 December 2012, the total Inclusive Mineral Resource for the West Wits operations was 58Moz (2011: 57Moz) and the total Ore Reserve, 16Moz (2011: 16.5Moz), equivalent to 24% and 21% respectively of group resources and reserves.

TauTona lies on the West Wits Line. Mining takes place at depths of between 1,850m and 3,450m. The mine has a three-shaft system, supported by secondary and tertiary shafts and, in 2007, embarked on the process of converting from longwall to scattered-grid mining; 80% of stoping production is currently done by means of sequential grid mining. The change in mining method was necessitated by increasingly complex geology, seismicity and the unsuitability of longwall mining given the occurrence of geological structures. This change has also resulted in improved safety.

Savuka exploits the CLR at depths of between 3,137m and 3,457m. It shares a processing plant with neighbouring TauTona.

Contribution to group production

(%)



In 2012, an investigation was conducted into the incorporation of Savuka, which is nearing the end of its life, into either TauTona or Mponeng. Post year-end, the investigation concluded that the optimal, most efficient means of accessing Savuka's remaining resources would be via TauTona's infrastructure.

Operating performance

The month-long strike ran from 20 September to 25 October 2012 at most of AngloGold Ashanti's South African operations (with the exception of Mponeng, where, as a result of safety concerns, normal operations resumed on 14 November). This followed an intensely fractious period of labour unrest in the country's platinum and gold industries.

Pay disputes at the country's large platinum producers, aggravated by growing rivalry between the more established National Union of Mineworkers (NUM) and the relatively new Association Mining and Construction Union (Amcu), created fertile ground for a series of work stoppages and violent confrontations that caused the bulk of platinum production to grind to a halt and culminated in the tragic shootings at Lonmin's Marikana mine on 26 August 2012. This raised the temperature of engagement between employees, organised labour unions and mining companies. Perhaps inevitably, the unprocedural strike action spread to the gold sector, bringing production to a complete standstill.

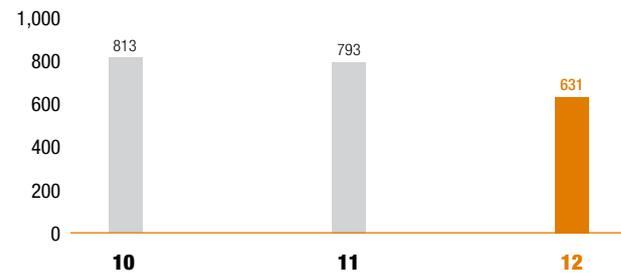
A deliberate decision was taken to maintain constant and constructive dialogue during the unprotected work stoppage with all stakeholders, including direct communication with our employees, all unions, several government departments, local and national authorities, communities, shareholders and our peers in the industry.

Our priorities were to maintain calm and provide a safe environment for all staff; to maintain what had to that stage been a good, constructive relationship with our workforce; to preserve the integrity of the gold industry's collective bargaining structure; and to find a pathway for a speedy resolution to the impasse.

Resolution was reached on 18 October 2012. The entry level task team, established under the collective bargaining structure of the Chamber of Mines during the 2011 wage talks, was mandated to evaluate job categories and entry-level wages.

West Wits – Annual gold production

(000oz)



The increased wages negotiated as a result of the strike will affect the profitability of these operations. The South Africa region, which includes the West Wits operations, is currently reviewing its cost structures in order to ensure on-going stability.

The current two-year wage agreement expires in June 2013 and, following the recent strike, new wage negotiations have been brought forward and are expected to begin in May 2013. A new majority union, Amcu, is in place and is expected to participate in collective bargaining for the first time. AngloGold Ashanti has committed to working with all representatives and employee associations to build relationships.

Growth and improvement

The Mponeng deepening project below the 120 level is the major growth project in the West Wits area. See Mponeng below for further details. Also of major importance will be the outcome of the study into the most efficient way in which to access Savuka's remaining resources.

In line with the rollout of Project ONE's business improvement initiative across the South African operations in 2012, the focus was on work management and productivity improvements. Sections found to be compliant and stable at the West Wits operations were the vertical transport and turbo section of TauTona and the engineering services and vertical transport at Mponeng where positive improvements were recorded as a result of improved scheduling and work planning. There was a 14% improvement in performance of the vertical transport of men, material and rock at TauTona.

With all underground production sections at TauTona and the project and development sections at Mponeng having been aligned with the work management aspects of Project ONE, together with the related 'analyse-and-improve' programme, the focus has shifted to managing quality gold delivery.

Exploration

Brownfields exploration in the South Africa region continued with a total of 22 surface holes having been drilled during the year, including 16 at the West Wits operations of which three were at Mponeng's Western Ultra Deep Levels (WUDLs).

The three holes at Mponeng are currently being drilled on the WUDL mining rights extension of Mponeng. These holes, which

West Wits – key statistics

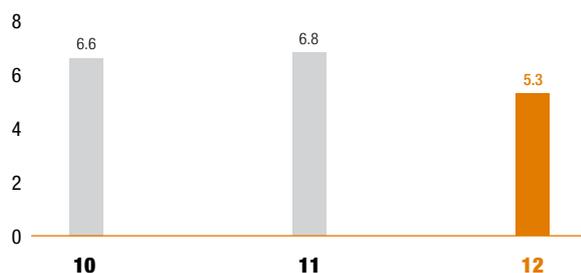
	Units	2012	2011	2010
Operational performance				
Volumes treated/milled	Mt	2.3	2.8	2.9
Pay limit	oz/t	0.37	0.31	0.33
	g/t	13.51	11.24	12.02
Recovered grade	oz/t	0.25	0.25	0.24
	g/t	8.54	8.70	8.36
Gold production	000oz	631	793	813
Total cash costs	\$/oz	748	649	549
Total production costs	\$/oz	981	833	727
Capital expenditure	\$m	288	259	206
Productivity	oz/TEC	5.3	6.8	6.6
Safety and health				
No. of fatalities		8	2	4
AIFR	per million hours worked	13.38	14.05	16.32
No. of employees on ART		1,881	1,742	1,381
People				
People				
Average total no. of employees:		11,891	11,110	11,368
– permanent employees		11,060	10,432	10,821
– contractors		831	678	547
Employee turnover	%	8	9	13
Training and development expenditure	\$m	22.36	17.64	18.08
Environment				
Total water consumption	ML	4,501	5,249	5,309
Total water usage intensity	ML/oz	7.27	6.62	6.530
Total energy usage	million GJ	5.56	5.58	5.61
Total energy intensity	GJ/oz	8.80	7.04	6.9
Total greenhouse gas (GHG) emissions (CO ₂ e)	000t	1,533	1,505	1,607
Total GHG emissions/oz	tCO ₂ e/oz	2.449	1.898	1.977
No. of reportable environmental incidents [#]		0	2	9
Total rehabilitation liabilities:	\$m	40.4	42.6	50.7
– restoration	\$m	18.9	19.3	
– decommissioning	\$m	21.5	23.3	

Note: Cyanide certification is included in Surface Operations, in the Vaal River operational profile.

[#] 2010 and 2011 environmental incidents refer to surface operations which are reported on now in the Vaal River operational profile.

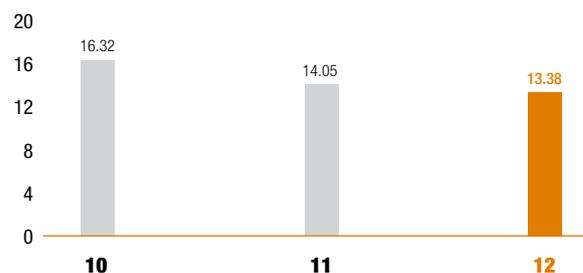
West Wits – Productivity

(oz/TEC)



West Wits – AIFR

(per million hours worked)



will all target the VCR, experienced significant loss of drill fluids and required multiple grouting operations.

By year-end UD51 had reached a depth of 3,582m in the Klipriviersberg lavas. UD59 advanced to 2,446m in the Klipriviersberg lavas and UD60 drilled to 1,556m. Six holes targeting the VCR were completed during the year.

Sustainability performance

Safety

There were regrettably eight fatalities at the West Wits operations during 2012: three each at Mponeng and TauTona, and two at Savuka. The board and management of AngloGold Ashanti extend their sincere condolences to the family, friends and colleagues of the deceased.

For every individual, in every part of the organisation, the aim is to eliminate fatalities and injuries at the group's operations. The all injury frequency rate (AIFR) for the West Wits area for the year was 13.38 per million employee hours worked compared to 14.05 in 2011.

The West Wits operations have implemented AngloGold Ashanti's three-pillar safety strategy aimed at improving safety performance. These pillars are:

- Behaviour interventions to influence and improve at-risk behaviour by engaging and communicating directly with all employees. The stop, look, assess and manage campaign was also launched;
- Putting in place work systems to oversee safety performance and standards like the OHSAS 18001, risk assessments and the business processes framework; and
- Technological interventions that remove people from areas of risk. This involves effective risk management such as the installation of in-stope netting and bolting, adoption of the MOSH (Mining Industry Occupational Safety and Health) entry examination as well as the installation of welded mesh in development ends and in-stope gullies.

The Simunye safety and productivity training programme, a three-week course focusing on team building, engagement, safety training and personal finance coaching, among other activities, is being implemented at all West Wits operations. This programme, part of the roll-out of Project ONE to

production crews, focuses on safety and the reduction of injury rates, the elimination of disruptive stoppages, improved compliance with mining cycles and blast frequency. The programme began around two years ago, and to date almost two-thirds of work crews at the South Africa operations have undergone Simunye training. A component on personal finance training was introduced to help shield employees from predatory lending practices in the private sector and to assist them in creating a sound, personal finance platform.

The company has invested large amounts into researching and developing better technology to mine safely to greater depths without endangering the company's employees.

Much of the technology introduced at the underground operations in the South Africa region is specifically aimed at improving safety and health. Lacing and meshing have been installed across all gullies, and each employee working underground wears custom-made hearing protection. Sprayers, foggers and automatic coupling devices, which remove people from the potentially hazardous activity of coupling conveyances, have all been introduced to improve safety.

A substantial increase in the number of Department of Mineral Resources (DMR) inspections occurred during 2012 and these will continue into the future. Consistent engagement with the DMR is being carried out to ensure that all internal and external standards are adequate.

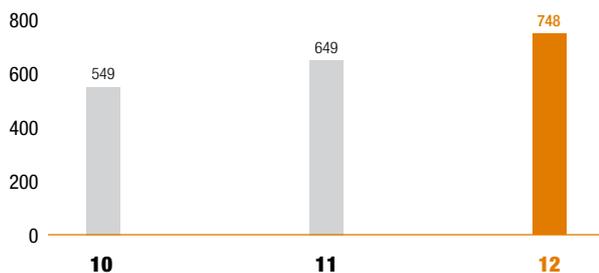
Health

Good progress has been made on the health front in the South Africa region. The tuberculosis (TB) control programme, including early lung disease protection and dust exposure interventions, is beginning to yield positive results. The rate of TB infection for the year in the South Africa region was less than 2%. Employees are being exposed to less dust as a result of interventions such as foot wall treatment, side wall treatment, foggers and centralised blasting among others. In 2012, 446 cases of TB were diagnosed, a decrease from 541 in 2011.

These programmes have been aided by the company's housing and accommodation strategy over the past five years, which will eliminate communal housing by 2013 and place all workers residing on site in private accommodation.

West Wits – Total cash costs

(\$/oz)



A comprehensive footwall treatment programme is in place to effectively minimise silica dust and allow for the proper and effective allaying of dust in all main intake airways where people travel. All major tip installations have been equipped with high-pressure misting systems, in accordance with MOSH processes and practices. Awareness of silica dust and occupational lung diseases is promoted by engagement with employees, information sharing through meetings, posters and waiting place meetings. All incidents of dust over exposures were thoroughly investigated and documented.

Similarly, HIV programmes including anti-retroviral therapy also produced encouraging results. Around 4,700 employees are on a wellness clinic programme in the South Africa region as a whole and of these about 2,700 are on anti-retroviral therapy. The incidence of new cases of HIV has declined by approximately 33% over the past six years.

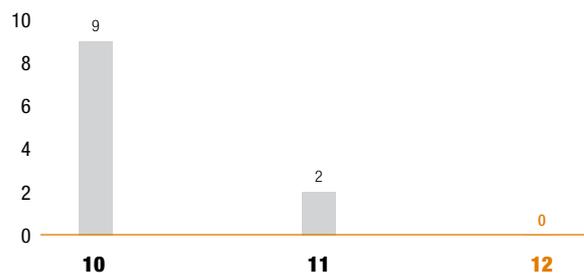
Although there has been significant investment by the company in the silencing of equipment over a number of years, the incidence of noise-induced hearing loss (NIHL) has remained static and there were 13 cases of NIHL, in excess of 10% of the 2008/9 baseline. Each mine has a comprehensive silencing programme in place and all major noise sources have been identified and silenced as per AngloGold Ashanti's strategy. Awareness of NIHL, is actively promoted and a programme to issue personalised hearing protection to all underground and surface employees working in noisy areas is underway. This programme will be completed in the first quarter of 2013.

Stakeholder engagement

Following extensive stakeholder engagement, the region has designed a framework to integrate community development into core business activities, while providing support for national and international development policies and objectives, particularly those addressing youth unemployment.

Once approved, the Socio-economic Development Framework (SEDF) and AngloGold Ashanti's Social and Labour Plans (SLPs) were communicated to all key stakeholders, such as local economic formations, non-governmental organisations and the North West provincial government, as well as to those in the host communities of Merafong and Matlosana and the OR Tambo District Municipality in the Eastern Cape, a region from which many AngloGold Ashanti employees originate. The

West Wits – Number of reportable environmental incidents



process of developing a stakeholder management strategy to support the SEDF has also begun.

The SEDF is supported by communication and stakeholder engagement strategies that have been developed through a workshop and are currently being socialised for approval which will be followed by roll-out and implementation in the South Africa region.

Community

Several significant community projects are underway at the West Wits operations including a waste management project and the hospital project which is close to completion. The Stepdown Palliative Facility at Carletonville Hospital was completed in December 2012 and is due to be launched during the first quarter of 2013.

Following extensive consultation with the Merafong community and peers in the sector (Sibanye), a waste recycling project is to be implemented that will enable a local youth co-operative to start a business managing and recycling waste. This is the first such collaborative project to be formally approved by the DMR and it sets a benchmark for future projects within the gold mining industry. This project received further acknowledgement when it was selected by the Harvard Business School MBS class of 2013 as a sustainability case study which is to be documented in the Harvard Business Journal. In addition, the students working on the profile have agreed to share their knowledge on best practice around social impact monitoring tools and to provide support to the newly formed waste recycling project.

A Future Forum has been established to promote good relations with labour unions as part of the SLP compliance requirements. The forum comprises union representatives and personnel from AngloGold Ashanti's sustainability department.

In line with its policy on economic and enterprise development, AngloGold Ashanti also supports a bakery, a meat processing factory, a brick manufacturing plant, a hardware and wood wedges manufacturing plant, a fish and chips outlet, a trailer manufacturer and laundry services. Key local economic development projects include a step down facility at a hospital that caters for patients with chronic diseases including HIV/Aids and TB, a solar park development project that looks at solar energy alternatives and the upgrading of laboratories in schools in the OR Tambo district as well as a community development programme supporting business initiatives.

Corporate social investment (CSI): CSI projects include:

- the Wedelela Old Age Club which ensures adequate protection, care and support for the elderly;
- home-based and hospice care for persons living with HIV/AIDS;
- Child Line North West which focuses on a broad spectrum of education for children; and
- the Khulululeka Community Education Programme that promotes the establishment of programmes, facilities, training, support and resources for the provision of high quality early childhood development services.

The Social and Institutional (SI) Fund Committee was established to approve projects and allocate and distribute the R15m annual budget that has been set aside for such projects within host and labour-sending areas in the South Africa region. Sponsorship guidelines were approved by the committee as were guidelines for the existing local area committees which were reviewed and revised in line with the new socio-economic development framework. The SI Fund Committee approved projects requesting investment of more than R75,000.

The Hearts of Gold initiative was also taken into account with consideration given to developing the guidelines. Hearts of Gold is an employee-giving initiative that encourages AngloGold Ashanti employees to donate money or volunteer their time for the benefit of non-profit, charitable organisations or to undertake philanthropic initiatives. All Hearts of Gold donations are matched by the company by way of contributions paid on a “Rand for Rand” basis to the chosen Hearts of Gold initiative.

Infrastructure development in labour-sending areas:

Projects involving the construction and provision of five classrooms, an administration block and toilets to replace the dilapidated mud school in Libode and a laboratory in Lusikisiki, both in the OR Tambo district in the Eastern Cape, were completed by year-end.

This is in addition to the four classrooms at Mbhzana’s Ludeke Junior Secondary School and the presentation of R200,000 to the Transkei Hospice, also in the OR Tambo district.

Community Human Resources Development Programme:

This initiative is aimed at supporting the State Intervention in Mining Sector (SIMS) and is backed by municipalities, non-governmental organisation (NGOs) and the DMR for inclusion in the SLPs. The focus of the SIMS initiative is youth development in host and labour-sending areas. Progress achieved to date includes:

- training of 95 young people in portable skills including plumbing, house wiring and forklift driving;
- provision of basic mining training to 383 community members, making them eligible for employment in the sector;
- selection of 39 young people for “internships” – a limited number have been permanently employed while the rest will become employable;
- apprenticeship training for 25 community members; this will make them employable in the industry as our training is highly regarded;

- provision of full-time bursaries to 29 young community people, many of the study fields, like town planning, are designed to assist in future municipal management;
- enrolment of three learners for practical on the job training after their technical college education, which will enable them to be employed in the future;
- enrolment of 39 people in level two mining learnerships; the trainees may potentially progress to level three which is a learner miner programme, should opportunities arise within the company;
- enrolment of 19 community members for training as nursing auxiliaries which will allow them to benefit the community health care system; and
- provision of maths and science training for 110 students through the STAR schools system.

In all, 500 jobs are to be created under the SIMS project in the South Africa region as a whole.

Other community-oriented initiatives include those aimed at enterprise, social and institutional development. Enterprise development initiatives include the establishment of an enterprise development park in the OR Tambo District Municipality, the strategy and implementation plan for which will provide a benchmark for the development of similar projects in the South Africa region where stakeholder consultation indicates strong support, and a waste recycling project. Enterprise development initiatives are aligned with procurement so as to ensure a coherent approach to the long-term economic development and sustainability of local communities.

Housing: In line with its SLP commitments, AngloGold Ashanti has a housing strategy for the South Africa region. This applies to both the Vaal River and West Wits areas. This strategy encompasses three aspects, namely, privacy room conversions, family unit redevelopment and the home ownership scheme. The conversion of communal accommodation to create 6,487 single rooms was undertaken at a cost of R193m. Redundant residences were converted into 430 family units at an estimated cost of R76m and a new plan was approved for the creation of an additional 42 family units. A home ownership scheme, developed in conjunction with recognised unions, is being established to create affordable home ownership for all employees. The aim is build 200 houses. The board has approved R70m for a pilot project.

Environment

In 2012, the South Africa region’s environmental management focus remained on integrated water management, closure planning, knowledge management, local compliance, mitigation of dust from tailings storage facilities (TSF) and waste management. Potential inter-mine flooding continued to be a primary concern, with a focus on the sustainability of neighbouring mines’ ability to continue pumping underground water and prevent flooding of AngloGold Ashanti operations.

No major legislative developments are expected at this stage in the South Africa region that could materially affect AngloGold Ashanti’s operations. Environmental authorisations such as water use licences, environmental management programmes and nuclear authorisations remain valid.

The annual closure liability assessments were concluded – external audits are on-going and submissions to the DMR will follow in the second quarter of 2013, pending final sign-off of financial statements.

Water: Environmental risks include potential seepage from tailings storage facilities (TSFs), pollution control dams and associated trenches, and from waste rock dumps; polluted water release from pollution control dams; polluted land offsite; deep groundwater flooding; and dust emission from TSFs. For each of these, a risk response task and timeline has been formulated to mitigate the risk involved with on-going monitoring of performance.

Dust: Roll-out of the TSF Dust Mitigation Plan continued in 2012; the objective remains an 80% reduction in dust fallout from TSFs over the five years to 2016. This project resulted from the collaborative efforts of both the environmental and metallurgical teams, supplemented by on-going engagement with relevant communities adjacent to the operations.

Climate change: The corporate office continued to support the South Africa region's input into the national climate change debate through both the Industry Task Team on Climate Change and Business Unity South Africa. The details of a carbon tax are to be set out in the February 2013 budget papers and the tax is expected to take effect in October 2014. AngloGold Ashanti has engaged intensively with National Treasury to persuade it to adopt a tax that will minimise the impact on business while promoting efforts to reduce greenhouse gas emissions.

Cyanide: Cyanide used in the gold extraction process is only used at Mponeng's gold plant, where ore from Savuka and TauTona is processed. The plant has been certified compliant with the International Cyanide Code.

Mine closure: AngloGold Ashanti's total rehabilitation liability for the West Wits operations in 2012 totalled \$40.4m (2011: \$42.6m) of which \$18.9m was for restoration and \$21.5m for decommissioning.

Other matters of concern

Employees and skills shortages: AngloGold Ashanti and the broader mining industry face a severe skills shortage, particularly in the fields of mining engineering, geology and metallurgy as well as post-graduate mining related specialisations. Implicit in achieving AngloGold Ashanti's mission is the attraction, retention and development of people. Various initiatives have been developed to address the skills shortage including talent identification and talent pool management, mentoring, a skills retention programme, performance management and a bursary scheme, all aimed at promoting identified scarce skills.

MPONENG

Operating performance

The primary cause of the 19% decline in production was the unprotected strike referred to above. Until the strike, Mponeng had been on track to achieve a year of solid performance. Similarly, the 17% increase in cash costs was a function of the lower volumes produced as well as inflationary pressures on power, wages and other consumables.

As mining progresses deeper, increased seismicity has led to greater caution and enhanced safety awareness around falls of ground. In-stope netting and bolting are being installed to mitigate this risk, with the installation of the latter scheduled for completion at the end of 2013. Strike pillars were also introduced during 2012, with their extent and location based on rock engineering recommendations. The closure of certain mining areas was also necessary to help alleviate some seismic pressure.

The extraction rate was reduced to 65% from the second quarter of the year to further combat increased seismicity at depth and to protect employees. In order to regain desired extraction rates of 75%, ultra-high-strength backfill, able to withstand forces of up to 160Mpa, has been developed and is undergoing testing before commercial use, targeted at the second half of 2013.

Cooling and ventilation problems experienced in 2011, also a function of increased depth, were resolved with the introduction of an additional 10MW of cooling and additional ventilation. Equipment availability was also increased from less than 50% to more than 65% with the change from trackless diesel equipment on flat development to track-mounted equipment. This also assisted the ventilation, given the reduction in diesel fume emissions.

Mponeng's solid performance prior to the strike was due to the benefits of the relocation in 2011 of a significant number of mining crews from the lower-grade eastern part of the mine to the higher-grade western area. It had taken time to equip the higher-grade area and to ramp up production, and the benefits of this came through in 2012. Significant effort was put into the 120 level tramming system, crucial to debottlenecking the operation and increasing volumes mined. This strategy had begun bearing fruit when the strike started.

Mponeng was the pilot site for the first managerial leadership practices training which is being rolled out across the mine, from the executive committee down. A comprehensive engagement framework has been developed to ensure these practices are entrenched among operational management. Good progress was made in 2012 with the engagement workshops, where the first of six workshops has been completed by all management teams.

Growth

Good progress was made with the Mponeng deepening below 120 level project, which will extend Mponeng's life of mine to beyond 2040. The first phase of this project, which accesses the VCR, is on track to begin production in April 2014. Phase 2, which will access the CLR below the 120 level, was approved by the AngloGold Ashanti board in March 2012. Infrastructure development is under way with production from the second phase scheduled to begin in 2016.

Phase 1 of the project is currently focused on ore reserve development. Establishment of infrastructure to access the reef horizon is almost 90% complete. Access to the area's reserves has been revised – instead of a tertiary, triple shaft system, a phased, decline ramp system is to be implemented which requires lower initial capital and delivers earlier production.

Mponeng – key statistics

	Units	2012	2011	2010
Operational performance				
Volumes treated/milled	Mt	1.3	1.6	1.7
Pay limit	oz/t	0.27	0.41	0.28
	g/t	9.90	9.16	9.14
Recovered grade	oz/t	0.274	0.283	0.276
	g/t	9.40	9.71	9.48
Gold production	000oz	405	500	532
Total cash costs	\$/oz	639	546	453
Total production costs	\$/oz	816	688	576
Capital expenditure	\$m	194	172	122
Productivity	oz/TEC	6.33	8.38	8.72
Safety and health				
No. of fatalities		3	2	2
AIFR	per million hours worked	14.49	15.39	15.93
No. of employees on ART		976	815	732
People				
Average total no. of employees:		6,262	5,788	5,778
– permanent employees		6,088	5,624	5,732
– contractors		174	165	46
Employee turnover	%	8	9	15
Training and development expenditure	\$m	12.92	9.55	8.53
Environment				
Total water consumption	ML	2,393	2,783	2,913
Total water usage intensity	ML/oz	5.91	5.57	5.48
Total energy usage	million GJ	3.06	3.03	3.03
Total energy intensity	GJ/oz	7.60	6.10	5.70
Total greenhouse gas (GHG) emissions (CO ₂ e)	000t	833	781	856
Total GHG emissions/oz	tCO ₂ e/oz	2.057	1.561	1.609
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities:	\$m	12.0	10.2	14.1
– restoration	\$m	2.2	3.0	
– decommissioning	\$m	9.8	7.2	

The range of deep vertical geological drilling was increased from 700m in length to more than 1000m, enhancing geological drilling ability and providing more extensive geological information.

Phase 2 will be owner-mined and project team members have been recruited. The trackless fleet, due to be delivered by March 2013, will allow development to begin from the first quarter of 2013.

Safety

There were three fatalities during the course of the year (2011: 2). AIFR, however, improved to 14.49 per million hours worked from 15.39 in 2011. Simunye safety training continued through the year and by year-end 63 of 69 stoping crews had received training.

Simunye training for stoping crews is due to be completed by March 2013, following which development crews will

begin training. Initial trends indicate significant improvement in performance following this training initiative. The use of rail-bound drill rigs, which remove people from the stope face, also helped improve safety. Six rigs were in operation by year-end and another seven will be in operation by June 2013.

Community

Mponeng has made excellent progress with its residence conversions. This is particularly important given the focus on socio-economic conditions in the aftermath of the industry-wide strike.

Mponeng is working to improve engagement with employees to enhance working conditions and mine safety. Mponeng hosts an annual festival to raise funds to assist the community with basic needs like education bursaries or Christmas hampers for the underprivileged in the surrounding areas of Kokosi, Greenspark, Fochville and Carletonville.

TAUTONA

Operating performance

The 23% decrease in production was largely a result of the unprotected strike action and the change in mining strategy at the beginning of 2012. The primary contributors to the 13% increase in costs were the reduction in volumes along with inflationary pressure on wages, power and other consumables. In an attempt to offset these factors, an effort was made to target areas for improved operational efficiencies and cost reduction.

Good progress was made with the conversion to sequential grid mining from longwall mining that began around five years ago. The year under review was the first in which benefits of the change could be seen with almost 80% of production now coming from sequential grid mining. Significant face length has been established, helping increase production.

Given the reduced levels of seismicity, there have also been substantial benefits in terms of enhanced safety. TauTona was selected as a leading test site for the new technology being developed by the Technology Consortium. The consortium made significant progress relating to the three key projects: geological (reverse circulate on (RC)) drilling, reef boring and ultra-high strength backfill. The ultimate aim is the development of an automated mining method for deep-level underground operations in South Africa which will significantly improve safety. RC drilling tests continue to assess the performance of the machine in a deep-level underground environment.

Enhanced orebody information ensures better planning for the mine. In-reef boring, the first prototype raise bore machine, completed five test reef holes using a double pass technique. Further tests using a second prototype raise bore machine have begun test drilling, using a single pass technique. The second prototype machine is more powerful, and by incorporating improved forward-and-backward thrust and rotation control has resulted in increased drilling rates.

Substantial progress was made in the design and testing of ultra-high strength backfill. Surface tests were concluded to establish whether the product could be pumped over long distances, and to determine the backfill strength needed for application at TauTona, one of the deepest AngloGold Ashanti mines.

Planning is underway for underground mixing applications which will lead to underground testing of the application. The project will also conduct long distance surface tests for bulk applications in the near future. Following the decision last year to suspend mining of the VCR, 98% of mining at TauTona now focuses on the CLR. Small portions of the VCR are being mined for exploration purposes.

Various optimisation projects were implemented during the course of the year. The vertical transport optimisation project, aimed at accelerating the delivery of consumables and other essential items to underground work crews, in order to increase production time at the face, was successfully implemented and the anticipated productivity improvements achieved.

The Carbon Leader ore transfer system resulted in significant reductions in horizontal transport times, given the saving of approximately 7km in tramming distance and elimination of inter-level transfers. The compressed air automation project, completed during the second quarter of 2012, resulted in a 15% reduction in overall consumption of compressed air.

Steps taken to limit seismic activity – the cessation of shaft pillar mining in 2011, reduced extraction ratios and implementation of sequential grid mining – have produced positive results.

In addition, scoping work has begun on the possible incorporation of Savuka into TauTona to determine the most efficient way of mining the remainder of Savuka's lower grade reserves, while minimising costs and the amount of infrastructure to be maintained. A link between the two mines would reduce dependency on infrastructure, including ore passes. The incorporation is planned for 2013.

Following agreement with Gold Fields Limited, the drilling of the 1C2 block, adjacent to TauTona and more easily accessed from its workings, yielded encouraging results. AngloGold Ashanti is to enter into discussions with Gold Fields on the possible purchase of this block, which has an estimated resource of about 200,000oz.

Safety

There were regrettably three fatalities at TauTona in 2012, two following a mud rush and the other one as a result of a seismicity-related fall of ground. Just prior to the seismic event, the mine had achieved four million fall-of-ground fatality free shifts and four years without a fatality, a world-class achievement. The change in mine design has contributed to significantly improved safety.

The AIFR for the year was 10.63 per million hours worked as compared to 13.36 in 2011. In addition to other changes, monitoring of seismicity was also improved. This is based on a new report layout set up by the seismicity contractor, which enables technicians to conduct better and more rapid fault finding. Various monitoring categories for different areas of the mine were introduced, indicating requirements in terms of sensitivity and location accuracy. The seismicity network was expanded and upgraded with faulty geophones replaced and new ones installed ahead of the stoping panels in the new sequential grid layout.

The three-pillar safety system served its purpose, with a significant improvement in fall of ground incidents.

Dust overexposure also showed a positive trend. Change in people's behaviour was also noted following the Chencha Nqondo campaign, where focus is placed on changing people's mindset regarding rules, regulations and behaviour.

With regard to Simunye training, all 52 stoping crews were trained by year-end and training of development crews is well under way, with six out of 27 crews having completed their training by year-end.

TauTona – key statistics

	Units	2012	2011	2010
Operational performance				
Volumes treated/milled	Mt	0.8	1.0	1.1
Pay limit	oz/t	0.60	0.78	0.60
	g/t	22.64	17.63	19.27
Recovered grade	oz/t	0.222	0.220	0.204
	g/t	7.63	7.55	7.01
Gold production	000oz	189	244	259
Total cash costs	\$/oz	924	818	700
Total production costs	\$/oz	1,262	1,118	980
Capital expenditure	\$m	73	79	75
Productivity	oz/TEC	4.03	5.13	5.34
Safety and health				
No. of fatalities		3	0	2
AIFR	per million hours worked	10.63	13.36	19.03
No. of employees on ART		782	736	489
People				
Average total no. of employees:		4,472	4,507	4,609
– permanent employees		4,006	4,023	4,137
– contractors		466	484	472
Employee turnover	%	7	9	11
Training and development expenditure	\$m	8.39	7.33	7.84
Environment				
Total water consumption	ML	1,399	1,737	1,635
Total water usage intensity	ML/oz	7.40	7.12	6.31
Total energy usage	million GJ	1.76	1.86	2.01
Total energy intensity	GJ/oz	9.34	7.56	7.77
Total greenhouse gas (GHG) emissions (CO ₂ e)	000t	504	534	575
Total GHG emissions/oz	tCO ₂ e/oz	2.668	2.187	2.222
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities:	\$m	20.3	23.8	27.3
– restoration	\$m	12.4	12.6	
– decommissioning	\$m	7.9	11.2	

SAVUKA

Operating performance

The decrease in production was mostly a result of this operation reaching the end of its productive life. After being mothballed at the end of 2011, the stronger gold price at the start of 2012 provided an opportunity to redevelop the orebody.

Six months of ore reserve development had been completed when the strike halted progress. Once the scoping study into the possible incorporation of Savuka into TauTona has been completed and its results presented to the board, a decision will be made on whether or not to shut the mine permanently and implement its closure plan.

Safety

Safety performance worsened during 2012. There were regrettably two fatalities during the course of the year (2011: 0). The AIFR deteriorated to 21.23 per million hours worked from 8.39 in 2011, mainly due to falls of ground and seismicity and the appointment of new employees in 2012.

Simunye safety training continued through the year and by year-end all 13 stoping crews had received training with seven having attended refresher training.

Savuka – key statistics

	Units	2012	2011	2010
Operational performance				
Volumes treated/milled	Mt	0.2	0.2	0.1
Pay limit	oz/t	0.50	0.46	0.56
	g/t	17.78	10.36	17.86
Recovered grade	oz/t	0.20	0.195	0.155
	g/t	6.09	6.69	5.30
Gold production	000oz	37	49	22
Total cash costs	\$/oz	1,041	864	1,100
Total production costs	\$/oz	1,352	901	1,387
Capital expenditure	\$m	20	8	9
Productivity	oz/TEC	3.98	4.83	1.68
Safety and health				
No. of fatalities		2	0	0
AIFR	per million hours worked	21.23	8.39	7.69
No of employees on ART		123	193	160
People				
Average total no. of employees:		1,157	815	981
– permanent employees		966	785	952
– contractors		191	30	29
Employee turnover	%	9	10	14
Training and development expenditure	\$m	1.05	0.76	1.71
Environment				
Total water consumption	ML	709	729	761
Total water usage intensity	ML/oz	19.162	14.878	34.955
Total energy usage	million GJ	0.74	0.70	0.60
Total energy intensity	GJ/oz	19.7	13.6	27.9
Total greenhouse gas (GHG) emissions (CO ₂ e)	000tCO ₂ e	208	191	177
Total GHG emissions/oz	CO ₂ e/oz	5.623	3.893	8.031
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities:	\$m	8.0	8.6	9.3
– restoration	\$m	4.2	3.7	
– decommissioning	\$m	3.7	4.9	

Forward-looking statements

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