



### Highlights of the year

Annual gold production increased by 7.5% to 531,000oz in 2012. This was equivalent to 13.5% of total group production in 2012 and 35% of that for the Continental Africa region.

Geita employed, on average, 3,578 people in 2012 (2011: 3,541) – 1,618 permanent employees (2011: 1,721) and 1,960 contractors (2011: 1,820). Productivity improved with the number of ounces produced per total employee costed (TEC) for the year of 19.20oz/TEC (2011: 18.11oz/TEC).

Total capital expenditure for 2012 was \$81m (2011: \$58m) bringing total capital expenditure over the past five years (2008 – 2012) to \$258m. Forecast expenditure for 2013 is \$62m.

As at 31 December 2012, Geita had a total Mineral Resource (inclusive) of 12.28Moz (2011: 12.57Moz), with a total Ore Reserve of 5.42Moz (2011: 4.74Moz). These are equivalent to 5% and 7% respectively of group resources and reserves (2011: 5% and 6% respectively).

### DESCRIPTION

The Geita mine, wholly owned by AngloGold Ashanti, is a multiple open pit operation with the potential for an underground operation. Surface processing infrastructure comprises a 5.2Mtpa carbon-in-leach (CIL) processing plant.

The mine is located in Tanzania's Geita region, in the Lake Victoria goldfields, about 4km east of the town of Geita. The Geita Greenstone trend is made up of the Sukumaland Greenstone Belt, an east-west facing Archean trend up to 15km wide and 60km long.

Tanzania's mineral rights are legislated by the Mining Act of 2010 (the Mining Act), and the Mining Regulations 2010, which standardise mineral ownership and control.

For Geita, only prospecting, retention and special mining licences are important. A special mining licence, which expires in 2024, was awarded to AngloGold Ashanti for a period of 25 years, after AngloGold Ashanti reached a development agreement with the Ministry of Mines and Energy.

### PERFORMANCE IN 2012

#### Operational performance

Geita was the first of AngloGold Ashanti's operations to implement the Business Process Framework (BPF) component of Project ONE. The profound impact of this initiative is evident in increased throughput and production control as well as a marked improvement in costs. In 2008, Geita drained \$52m in EBITDA from the group, in stark contrast to the \$534m it generated in 2012.

Despite a cracked plate in the semi-autogenous grinding (SAG) mill and the 1MW power restriction on the mill to limit the risk of further damage or catastrophic failure before the installation of a new mill, there was an improvement in mill run time and tonnage throughput with reduced variability. Consequently, throughput was within 2% of expectations and up 1Mt year-on-year. In addition, automated cyanide control resulted in greatly reduced variation. Plans are in place for the replacement of the semi-autogenous grinding (SAG) mill plate in the first quarter of 2013.

## Contribution to group production

(%)



The SAG mill replacement was originally planned for September/October 2012 but there was a delay in the manufacture of the mill shell. The new mill and associated components arrived on site in early December but a decision was taken to further delay replacement until mid-January/February 2013 to avoid work over the Christmas/New Year period for safety reasons.

While production was up on the back of higher mill tonnages, total cash costs increased by 21.9% on the year to \$660/oz owing to the 1Mt increase in volumes milled in 2012 – however costs were still lower than in 2010 when similar volumes were milled. The higher mining costs incurred in 2012 were due to funding of the deeper pits, increases in mining contract rates and fuel costs, as well as accounting adjustments (deferred stripping).

## Growth and improvement

The focus in 2012 was on progressing two growth projects: the Nyankanga underground expansion and the Kukuluma and Matandani refractory ore project. Combined with potential open pit production from exploration findings, these projects should deliver 450,000oz to 500,000oz of gold annually from 2018 onwards, when current known open-pit ore sources are depleted.

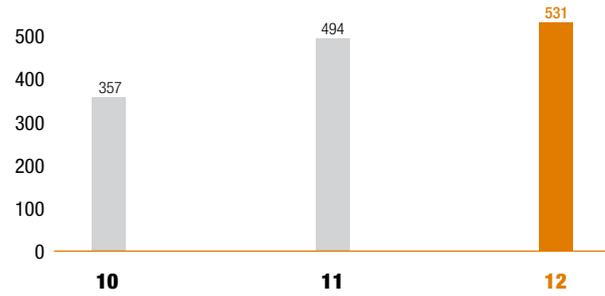
The underground project was at prefeasibility stage at year-end. Work completed during the year included the underground/open pit trade-off study, infill drilling of 20m x 20m in block 1 and parts of block 2, step-out drilling in block 3/4 area, and the surface/underground exploration drilling trade-off study for blocks 3 and 4. Based on this and other work, the mine expects to begin construction of a decline for underground exploration in 2014.

The refractory ore project, which is at conceptual stage, focused on metallurgical test work to investigate different ore treatment options. In addition, step-out drilling was done to test the extent of the refractory orebodies at Matandani and Kukuluma. Given significant intercept widths and grades, preliminary results for the Matandani deposit are encouraging.

To improve confidence in current resource models, infill drilling was conducted in areas to be exploited in the next five years, including: Nyankanga Cut 7 and Cut 8, Ridge 8, Star & Comet, Geita Hill East and Geita Hill West.

## Geita – annual production

(000oz)



## Exploration

The Mineral Resource upgrade and extension drilling was completed at the Geita Hill, Nyankanga and Star & Comet operations. Limited pre-resource drilling programmes were undertaken to test exploration targets. The infill drilling campaigns aimed at increasing the confidence level of the Mineral Resource base and to allow for Mineral Resource to Ore Reserve conversion. A total of 440 holes for 85,221m were completed, with 67,738 samples submitted for gold assay.

As a result of this extensive drilling campaign, positive analytical results were received for holes drilled at Nyankanga Cut 7 OP, Geita Hill East and West, Star & Comet – Ridge 8 Gap, Ridge 8, Nyankanga Block 1 & 2, Kukuluma, Matandani and Area 3 West areas. However, poor analytical results were received for the Geita Hill Waste Dump sterilisation programme.

Drilling of down-dip extensions outside of the existing Nyankanga pit shell continue to support and extend underground potential at Geita. Pit-scale structural mapping was completed at Nyankanga, Geita Hill and Star & Comet. This detailed mapping has provided valuable resolution to the understanding of the geological model over the respective areas. Induced polarisation (IP), gravity and electromagnetic geophysical surveys were also undertaken during the year and assisted with target generation.

Greenfield exploration drilling continued at the Mkurumu project, a joint venture with the Mafulira Village Mining Company in which AngloGold Ashanti has a 92% stake, and a total of 30,80m were drilled in 2012. The drilling involved testing for coincident geochemical and magnetic anomalies in a high-grade metamorphic terrain. Drill hole VJDD002, in particular, had promising results of 6.62m at 4.49g/t Au from 182.90m.

An additional 802m of diamond drilling was completed at the Lusahunga project in which AngloGold Ashanti has a 60% stake. The Lusahunga licences are the subject of a heads of agreement concluded with Oryx Mining and Exploration Ltd in 2010. This project is situated 150km west of Geita in the Nyakahura belt.

## Geita – key statistics

	Units	2012	2011	2010
<b>Operational performance</b>				
Volume treated/milled	Mt	4.8	3.9	4.7
Pay limit	oz/t	0.06	0.06	0.07
	g/t	1.93	2.06	2.38
Recovered grade	oz/t	0.101	0.116	0.069
	g/t	3.47	3.98	2.36
Gold production	000oz	531	494	357
Total cash costs	\$/oz	660	536	777
Total production costs	\$/oz	858	767	981
Capital expenditure	\$m	81	58	38
Productivity	oz/TEC	19.20	18.11	14.14
<b>Safety</b>				
No. of fatal accidents		1	–	2
All injury frequency rate (AIFR)	per million hours worked	1.62	3.60	5.38
<b>People</b>				
Total average no. of employees		3,594	3,541	3,265
– permanent		1,688	1,721	1,874
– contractors		1,906	1,820	1,391
Employee turnover	%	10.1	15.5	10.2
Training and development expenditure	\$m	2.67	2.30	1.95
<b>Environment</b>				
Total water consumption	ML	3,675	3,970	3,101
Water usage intensity	ML/oz	0.007	0.008	0.009
Total energy usage	million GJ	3.43	3.35	3.46
Energy usage intensity	GJ/oz	6.46	6.78	9.69
Total greenhouse gas (GHG) emissions (CO <sub>2</sub> e)	000t	254	253	261
GHG emissions per ounce	tCO <sub>2</sub> e/oz	0.478	0.512	0.731
Cyanide used	t	2,047	1,746	2,471
No. of reportable environmental incidents		1	0	1
Total rehabilitation liabilities	\$m	61.4	58.6	45.7
– restoration	\$m	36.4	36.0	
– decommissioning	\$m	25.0	22.6	

## Sustainability performance

A new long-term sustainability strategy was implemented at Geita in line with those for the group and the Continental Africa region. Geita's strategy is aligned with the United Nations Millennium Development Goals. Initiatives were undertaken to improve stakeholder engagement by using better communication methods, community projects that deliver sustainable value and by joining with government on issues such as the formalisation of artisanal and small-scale mining (ASM).

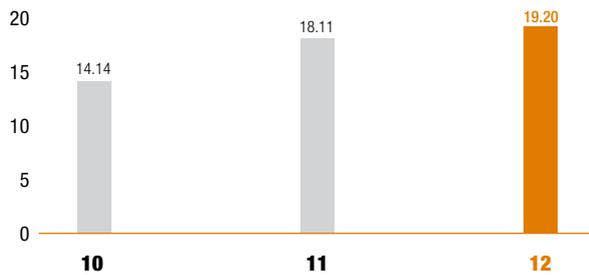
### Safety

It is with regret that management reports that there was one fatality as a result of a light vehicle incident. The management of Geita and AngloGold Ashanti extend their condolences to the family, friends and colleagues of the deceased.

A review of the current light vehicles standards was undertaken across the Continental Africa region. A detailed action plan, incorporating defensive driver training and upgraded vehicle standards, was implemented. A safety equipment provider from Brisbane, Australia is working with both the Geita and Obuasi sites to ensure all vehicles meet required safety standards. This is in addition to the implementation of other measures that include increased vehicle monitoring through vehicle tracking systems.

Emergency response (ER) and health facilities have been upgraded and additional equipment purchased to ensure emergency preparedness. The ER team has been upgraded and now has a 24/7 response capability; two new fire engines and various rescue equipment have been purchased. In addition, the mine clinic has been upgraded to increase the efficiency of service delivery.

## Geita – productivity (oz/TEC)



Fatigue has been recognised as a critical safety factor requiring proactive action. The fatigue management and training programme, begun in 2009, continued in 2012. An employee assistance programme was implemented in 2012 to provide additional support to employees and offers 24-hour services such as counselling and life skills training.

An AIFR of 1.62 per million hours worked was recorded, an improvement on the 3.60 recorded in 2011.

## Health

Geita's medical facilities are in the process of being upgraded. The integrated malaria plan currently being implemented at Geita is based on the very effective programme applied to combat malaria at Obuasi. Indoor residual spraying of homes in nearby communities and beyond. Malaria remains of vital concern with 138 cases of malaria reported in 2012 (2011: 141; 2010: 218; 2009: 447) to give a malaria frequency rate 15.9 (2011: 15.3).

Anti-retroviral treatment (ART) is provided to employees. In 2012, the number of employees on ART at Geita was 23 (2011: 21).

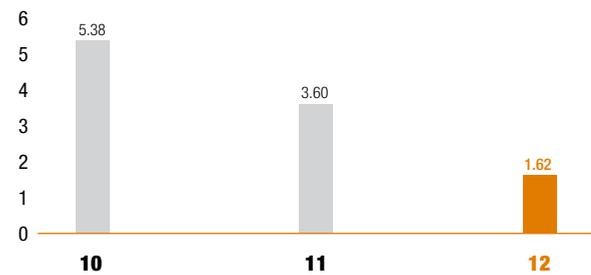
## Stakeholder and community engagement

The initial stages of a comprehensive stakeholder mapping and analysis were initiated at Geita with the support of Wharton University. The full stakeholder engagement strategy will be ready for implementation by the end of July 2013. The focus is on establishing work plans and building skills and internal capacity. The aim of the stakeholder engagement strategy is to achieve a positive long-term relationship with the stakeholders identified and the aims of mutual business performance objectives.

Geita was involved in several particular community initiatives:

- Following the receipt of environmental approval, a \$4.5m potable water project in Geita town was initiated. The Geita mine's portion of the project will be completed by end April 2013, with that of government (and so the entire project) by the end of 2013.

## Geita – AIFR (per million hours worked)



- \$1.25m was allocated to the construction of the Nyankumbu Secondary School for girls. This project will be completed in December 2013.
- A total of \$66,200 was spent on the drilling of a borehole and the installation of both a hand pump and a solar system to power equipment at the Nyakakabale Dispensary.
- Geita continued to expand the Moyo wa Huruma Orphanage with funds raised through the Kilimanjaro Challenge. A multipurpose dining hall was built and equipped at a cost of approximately \$200,000.
- The rehabilitation of the 57km Geita-Bukoli-Ilogi road to standard gravel is being undertaken. A sum of \$1.1m has been allocated to this. So far, 28km have been rehabilitated. Heavy rainfall and contractual matters are hindering progress somewhat.
- Geita sponsored 18 cleft palate operations for patients from Geita community at a total cost of \$9,729.
- To enable communities to achieve the Millennium Development Goals, the company has contracted Millennium Promise Alliance to develop a strategy for integrated rural development for the communities surrounding Geita.

## Environment

Geita's special mining licence covers an area of 196km<sup>2</sup>, of which 151km<sup>2</sup> lies within the Geita Forest Reserve. The mine's prospecting licences outside of the mining licence include 59km<sup>2</sup> of the Geita Forest Reserve.

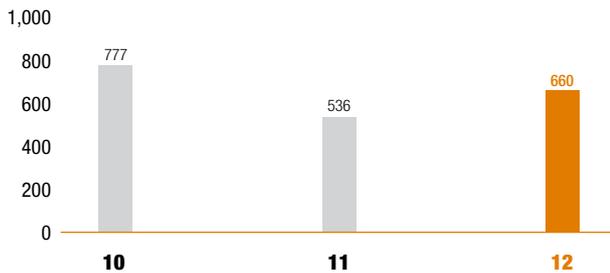
There was one reportable environmental incident in 2012, when overzealous vegetation clearance resulted in about 0.77ha (2011: 0) being cleared beyond the area covered by the Special Mining Licence. The incident was reported to the Geita authorities and compensation paid for the trees removed. The area was revegetated using indigenous tree species similar to those found there prior to the disturbance.

Geita retained its ISO 14001 certification which remains valid until June 2013.

Environmental damage caused by artisanal and small-scale miners (ASM) and other third parties on the mine's working areas

## Geita – total cash costs

(\$/oz)



has been identified as one of the key risks for the business and the local community. These activities impact the work done on rehabilitated waste dumps, the walls of tailings storage facilities (TSF) and the greater mining licence area, some distance from the Geita mine. A strategy to address ASM issues is currently being developed.

**Water:** Phase one of the groundwater study (screening level risk assessment) was completed. The second phase will focus on the study of contaminants from waste rock, tailing facilities and open pits, including Kukuluma and Matandani, with a view to obtaining suitable closure options and reasonable cost estimates for these open-pits.

**Cyanide:** Implementation of the cyanide code continued during the year and most of the gaps identified during the previous audit were closed. The operation was registered with the International Cyanide Management Institute (ICMI) in early 2013. It is expected to achieve compliance and certification by

2016. There were no bird mortalities at the TSF during the year.

**Dust:** The management of dust is an important issue. Water mixed with molasses is used as a dust suppressant on the roads. On tailings operations, dust is controlled by the frequent rotation of discharge points along the tailings wall which maintain damp conditions on the tailings beach surface.

**Planning for closure:** During the course of the year, Geita's mine closure plan was updated to comply with the Tanzanian Mining Act 2010 and with AngloGold Ashanti's standards. Technical studies on the closure of open-pits, waste rock dumps and TSF are ongoing.

Progressive rehabilitation was done during the year. A total of 150,000 indigenous tree seedlings were planted on disturbed areas including the TSF embankment and waste rock dumps. Provision made during the year for restoration was \$36.4m (2011: \$36m) and \$24.9m (2011: \$22.6m) for decommissioning.

## 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.angogoldashanti.com](http://www.angogoldashanti.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 Tanzania country fact sheet, which is available at [www.aga-reports.com](http://www.aga-reports.com).