

OPERATIONAL PROFILE

2013



AngloGold Ashanti has a 92.5% stake in Cerro Vanguardia, the company's sole operation in Argentina, with Fomicruz, a state company operating in the province of Santa Cruz, owning the remaining 7.5%.

Located to the northwest of Puerto San Julián in the province of Santa Cruz, Cerro Vanguardia consists of multiple small open-pits with high stripping ratios and multiple narrow-vein underground mines. The metallurgical plant has a daily capacity of 3,000t and includes a cyanide recovery facility.

PERFORMANCE 2013

Attributable gold production was higher, principally as a consequence of the additional ounces produced by the heap-leach operation and improved recovery grades at the open pit operations. Both gold and silver production was at the highest levels in 12 years. Costs were stable in 2013 compared with 2012, largely due to the higher level of production, cost management initiatives and the depreciation of the Argentinian peso.

The group-wide initiative, Project 500, designed to promote cost efficiencies and production improvements was implemented during the year. At Cerro Vanguardia, this work included underground mine design optimisation and stabilisation of the carbon-in-leach and regeneration circuits.

The operating environment in Argentina was again marked by significant challenges relating to inflationary pressure on input costs and restrictions on equipment imported into Argentina. Continued delays in the sourcing of some items manufactured outside of Argentina, affected the supply of various spare parts, consumables and capital items. AngloGold Ashanti has developed an aggressive plan to substitute imported equipment with domestically sourced items where possible and ongoing work to develop local suppliers. More than 90% of Cerro Vanguardia's expenditure, including labour, is local.

A total of 60,688m was drilled in brownfield exploration programmes to expand the Mineral Resource. Follow-up drilling for vein extensions along strike and at depth, guided by geophysical surveys, identified additional mill feed material.

HIGHLIGHTS OF THE YEAR

- Improved grades and tonnages lift production
- Costs contained despite inflationary challenges
- Import substitution plan implemented
- An average of 1,696 employees achieved a productivity rate of 20.89oz per total employee costed (TEC)
- As at 31 December 2013, Cerro Vanguardia's Mineral Resource of 4.13Moz accounted for 7% of the Americas region's Mineral Resource

Cerro Vanguardia – key statistics

		Units	2013	2012	2011
Operational performance					
Pay limit		oz/t	0.08	0.09	0.11
		g/t	2.59	3.25	3.86
Recovered grade		oz/t	0.19	0.19	0.18
	– 92.5%	g/t	6.58	6.48	6.23
Tonnes treated/milled	– 100%	Mt	2.5	1.9	1.1
	– 92.5%	Mt	2.3	1.7	1.0
Gold production	– 100%	000oz	261	237	212
	– 92.5%		241	219	196
Silver production	– 100%	Moz	3.6	2.6	2.9
	– 92.5%		3.3	2.4	2.7
Total cash costs ⁽¹⁾	– 92.5%	\$/oz produced	622	576	368
All-in sustaining costs	– 92.5%	\$/oz sold	912	935	
Total production costs		\$/oz	767	823	581
Capital expenditure ⁽¹⁾	– 100%	\$m	69	95	88
	– 92.5%		64	88	81
Productivity	– 92.5%	oz/TEC	20.89	18.21	17.64
Safety					
No. of fatalities			0	1	0
All injury frequency rate (AIFR)		per million hours worked	0.58	1.72	1.59
People					
Total average no. of employees			1,696	1,884	1,644
– Permanent			1,149	1,126	1,065
– Contractors			547	758	579
Environment					
Total water usage		ML	964	923	939
Total water usage per tonne treated		kL/t	0.40	0.51	0.89
Total energy usage		PJ	1.72	1.60	1.48
Total energy usage per tonne treated		GJ/t	0.71	0.89	1.41
Total greenhouse gas (GHG) emissions (CO ₂ e)		000t	119	111	103
Total GHG emissions per tonne treated		t CO ₂ e/t	0.05	0.06	0.10
Cyanide usage		t	836	628	444
No. of reportable environmental incidents			0	0	0
Total rehabilitation liabilities		\$m	47	46	39

⁽¹⁾ Restated for 2011 and 2012 in terms of adoption of IFRIC 20.

For more detailed information from an operational and sustainability perspective, please see the Argentina country fact sheet which is available at www.aga-reports.com.