

# ARGENTINA

## COUNTRY FACT SHEET

2013



### ANGLOGOLD ASHANTI – A CORPORATE PROFILE

AngloGold Ashanti Limited (AngloGold Ashanti), a global gold mining and exploration company, has a diverse portfolio of 21 mining operations in 11 countries, on four continents. More than 96% of the company's revenue is derived from the sale of gold produced at its operations.

Working across the full spectrum of the mining value chain, safety and the sustainability of the company's operating activities remain core focuses for management.

Following a strategic review of its asset portfolio at the start of 2013, particularly that pertaining to its development and exploration projects, the company embarked on significant restructuring in response to current challenges in the gold sector, including increasing costs of production and sustained lower gold prices.

AngloGold Ashanti employed 66,434 people, including contractors, in 2013 and produced 4.11Moz of gold, generating \$5.5bn in gold income, excluding joint ventures. Group capital expenditure in 2013 amounted to \$1.6bn.

As at 31 December 2013, AngloGold Ashanti had a total inclusive attributable Mineral Resource of 233Moz and a total attributable Ore Reserve of 67.9Moz.

AngloGold Ashanti is headquartered in Johannesburg, South Africa, and has its primary listing on the Johannesburg Stock Exchange (JSE) with secondary listings on the New York, London, Australia and Ghana exchanges.

As at 31 December 2013, there were 403.3 million ordinary shares in issue and the company had a market capitalisation of \$4.73bn (2012: \$12.02bn). This had increased to \$7.65bn as at 18 March 2014. Shareholders are scattered around the world, with almost half in the United States.



### ANGLOGOLD ASHANTI IN ARGENTINA

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.

In 2013, Cerro Vanguardia's total attributable gold production rose 10% to 241,000oz of gold (2012: 219,000oz), equivalent to 6% of group production. Production of silver, a significant by-product, totalled 3.3Moz (2012: 2.4Moz). Cerro Vanguardia employed an average of 1,696 people in 2012, of which 1,150 were permanent employees and 546 contractors.

As at 31 December 2013, Cerro Vanguardia had an inclusive Mineral Resource of 4.13Moz of gold, of which the Ore Reserve amounted to 1.57Moz. This was equivalent to 2% of both group resources and reserves.

Attributable capital expenditure at Cerro Vanguardia amounted to \$64m for the year (2012: \$88m), 27% less than that of the previous year and bringing to \$288m the amount AngloGold Ashanti has invested in Cerro Vanguardia over the past five years. Capital expenditure of \$59m to \$64m is forecast for 2014.

## PERFORMANCE IN 2013

### Operational performance

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 were 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.

### Sustainability performance

#### Safety

Safety is our first value and at AngloGold Ashanti we place people first. The safety of people associated with our company, directly and indirectly, is a priority on which we will not compromise. While it is our responsibility to protect our people and our assets, we will seek to do no harm to people, by minimising conflict and confrontation.

No fatalities were reported in the Americas and the all injury frequency rate (AIFR) for the region was 3.58 per million hours worked in 2013.

#### Health

Occupational health and medical surveillance systems across the Americas region continue to be effective, with only minor exposure non-conformances identified. There were no reported occurrences of occupational disease in the region; however the burden of non-occupational diseases is increasing. Operations within the region continue to address their specific challenges, and the focus over the next year will be on the consistent application of guidelines in the execution of site specific health plans. Beyond the regional consolidation of health data, each site continues to monitor and report on metrics relevant to its particular operations.

Cerro Vanguardia has focused on strengthening existing occupational health systems, with the optimisation of processes for medical surveillance, and the training of staff in specific areas

including cyanide management, noise and dust management, cardiopulmonary resuscitation, and first aid.

### Communities and stakeholder engagement

Our sustainability performance is underpinned by stakeholder engagement.

Engaging with communities throughout the life cycle of our operations is the first step in creating shared value and contributes to our ability to create a positive and enduring legacy. To truly provide long-term community benefits we work in partnership with communities, governments and local NGOs.

We aim to create and share value with the communities in which we operate by addressing their needs and challenges, and by expanding, where possible, the pool of economic and social value. Community development programmes are conducted in partnership with communities and external parties wherever possible. We have developed a set of community standards (based on international best practice) which have been rolled out across the group for implementation. Work to assess the level of compliance at each operation with these standards will begin in 2014 and is expected to be completed in 2015.

### Human rights

During 2013, the board approved a human rights policy for the company in terms of which we respect all internationally recognised human rights as expressed in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The policy reaffirms our commitment to effective stakeholder engagement and to identifying and addressing all human rights which are salient to our business, including those which relate to labour, access to land, security, the environment, livelihoods, vulnerable persons, indigenous people and the values, traditions and cultures of local communities among others. The policy was communicated extensively internally and externally.

We respect fundamental labour rights, including the right to organise and collective bargaining. Some 99% of employees at Cerro Vanguardia have union representation or are covered by collective bargaining agreements.

### Environment

Many issues facing us today relating to our environmental performance have been handed down to us from the past, are a function of broader societal, regulatory and systemic issues, or result from new knowledge and/or research that has influenced best practice. We recognise the need to address these issues – for our employees and our communities and are committed to continually improving our processes in order to prevent pollution, minimise waste, increase our carbon efficiency and make efficient use of natural resources. We will develop innovative solutions to mitigate environmental and climate risks.

There were no significant environmental incidents during the year. All operations in the Americas region are ISO 14001 compliant and all have been certified as being in compliance with the international cyanide management code.

### Water

At Cerro Vanguardia a re-injection of excess mine pit and underground water into the nearby aquifers is being evaluated as a means of reducing evaporative losses from the groundwater system so as to limit the drawdown from the regional aquifers.

## Key statistics – Argentina

	Units	2013	2012	2011
<b>Operational performance</b>				
Volume treated/milled	Mt	2.3	1.7	1.0
Gold production	000oz	241	219	196
Gold income	\$m	316	366	275
All-in sustaining costs	\$/oz sold	912	935	–
Capital expenditure	\$m	64	88	81
Productivity	oz/TEC	20.89	18.21	17.64
<b>Safety</b>				
No. of fatalities		0	1	0
All injury frequency rate (AIFR)	per million hours worked	0.58	1.72	1.59
<b>People</b>				
Total average no. of employees		1,696	1,884	1,644
– Permanent		1,150	1,126	1,065
– Contractors		546	758	579
<b>Environment</b>				
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	1.59	1.48
Total energy usage per tonne treated	GJ/t	0.71	0.89	1.41
Total greenhouse gas (GHG) emissions	000t (CO <sub>2</sub> e)	119	111	103
Total GHG emissions per tonne treated	t CO <sub>2</sub> e/t	0.05	0.06	0.10
Cyanide used	t	836	628	444
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities	\$m	47	46	39
<b>Community and government</b>				
Community investment	\$000	1,096	1,520	2,067
Payments to government	\$000	122,362	147,683	133,674
– Dividends	\$000	8,354	9,917	7,360
– Taxation	\$000	33,424	59,178	57,015
– Withholding tax (STC, royalties, etc)	\$000	38,603	38,106	30,555
– Other indirect taxes and duties	\$000	4,272	3,673	3,300
– Employee taxes and other contributions	\$000	15,412	14,084	12,367
– Property tax	\$000	4	7	12
– Other (includes tax on exports)	\$000	22,293	22,718	23,065
Local procurement spend within country	%	88	92	85

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### 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, cost savings 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, health and safety 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 and requirements, 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 prospectus supplement to AngloGold Ashanti's prospectus dated 17 July 2012 that was filed with the United States SEC on 26 July 2013 and to our annual reports on Form 20-F and any prospectus supplement filed with the United States SEC subsequent to the date of this report. 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 Integrated Report 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 and under the "Investors & media" tab on the main page. This information is updated regularly. Investors should visit this website to obtain important information about AngloGold Ashanti.