

AUSTRALIA

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 AUSTRALIA

AngloGold Ashanti's assets in Australia are:

- **Sunrise Dam**, which is located in the northern goldfields of Western Australia (WA), 220km northeast of Kalgoorlie and 55km south of Laverton. Open-pit mining was completed in 2013 and this operation will be a solely underground mine from 2014. Mining is conducted by contractors and the ore is treated in a conventional gravity and carbon-in-leach (CIL) processing plant, which is owner managed. Open-pit mining was completed in 2013 and, from 2014, Sunrise Dam will only undertake underground mining.
- **Tropicana**, an unincorporated joint venture between AngloGold Ashanti Australia Ltd (70%), which manages the joint venture, and Independence Group NL (30%), is located 330km east-northeast of Kalgoorlie and 200km east of Sunrise Dam in Western Australia. One of the newest mines in the company's stable, Tropicana began production, as scheduled, in September 2013.

With Tropicana coming on stream, total attributable production from Australia increased by 33% to 342,000oz in 2013, equivalent to 8% of group production. Attributable production for the region is expected to increase to an estimated annualised rate of more than 600,000oz in 2014 as Tropicana reaches full production.

As at 31 December 2013, the total Mineral Resource for Australia was 8.63Moz and the Ore Reserve 3.81Moz, equivalent to 4% and 6% of the group's total attributable Mineral Resource and Ore Reserve respectively.

Capital expenditure in 2013 in Australia totalled \$285m, of which \$39m was spent at Sunrise Dam, principally on orebody development, and \$241m at Tropicana on construction and commissioning. This brings to \$973m the amount AngloGold Ashanti has invested in Australia in the past five years. Capital expenditure of \$80m – \$86m is forecast for 2014.

PERFORMANCE IN 2013

Operational performance

From start-up to 2013, Sunrise Dam has produced almost 6Moz of gold. The transition to a purely underground operation from a combination of open-pit and underground mining was completed in 2013 and the mine will in future be a solely underground operation.

During the year, changes to underground grade control and mine design, combined with improved productivity, resulted in a substantial improvement in underground mining costs. Capital expenditure of \$39m at Sunrise Dam was primarily on the plant expansion.

Tropicana poured first gold on 26 September 2013, ahead of schedule and on budget. Tropicana contributed an attributable 66,000oz to Australian production for the year. The new mine recorded a cash cost of \$568/oz sold and an all-in sustaining cost of \$1,113/oz produced. In its first three years, Tropicana is forecast to produce an attributable 329,000oz to 343,000oz a year.

At year-end, the processing plant had achieved 90% availability and ramp-up was on schedule to achieve 95% availability within six months of commissioning. Mining started in mid-2012 and during the year, a third excavator and truck fleet was mobilised on site, bringing the mining fleet to full capacity.

Growth and improvement

The focus will remain on reducing underground mining costs through a multi-pronged project focused on productivity improvements and an innovative approach to grade control and mine design based on a systematic reverse-circulation drilling strategy.

From 2014 the operation is targeting consistent underground production in excess of 2Mtpa, with additional mill capacity filled from the substantial surface stockpiles. The potential for mine-life extensions remains high, with mineralisation remaining open below a depth of 1,500m.

Tropicana has a life of more than 11 years with estimated life-of-mine (LOM) production of 3.6Moz. Average annual production (100%) over the life of mine is forecast to be 330,000oz – 350,000oz at an average cash cost of A\$710/oz–A\$730/oz. As more of the Mineral Resource is converted to Ore Reserve, forecast LOM production is expected to increase.

Developing the new Tropicana mine from a greenfields discovery has given the company a unique opportunity to apply innovation to the design of mining and processing systems and to embed the ONE operating model from scratch. In particular, Tropicana used ONE to develop a new grade control process that minimises manual handling, improves efficiency and accuracy, and reduces the risk of injury.

In late 2013, the Havana Deeps prefeasibility study, which considered the trade-off between open-pit and underground mining of mineralisation below the Havana orebody, was completed. Drilling as part of this study confirmed the down-plunge extent of the main high-grade shoots of the Havana orebody. The recommendations of the prefeasibility study being considered by the Tropicana joint venture partners early in 2014 include a phased-approach to an enhanced prefeasibility study, which would include targeted exploration of shoot repetitions north of the Havana Deeps Mineral Resource, in order to further improve the economics of the project.

The Australian operations aim to contribute positively to Project 500, the group project aimed at improved operational efficiencies.

Exploration

Extensions to current orebodies can be traced to vertical depths exceeding 1.2km and extending over a strike length of 2.5km. Near-mine exploration at Sunrise Dam is specifically focused on a two-stage strategy of developing and advancing proximal opportunities to the open and underground operations, while determining long-term opportunities that exist up to 1.5km below surface.

Exploration focused on Mineral Resource delineation and development of the Sunrise Shear Zone and Vogue mineralisation, which lies below the Cosmo and Dolly underground domains and extends up to 400m beyond the existing mine infrastructure and to depths of at least 800m below surface. During the year, a total of 18,828m was drilled with 17,483m from reverse circulation drilling and 1,345m from underground diamond drilling. Significant results were returned from the Sunrise Shear Zone.

At Tropicana, the focus in 2014 will be to unlock the value of exploration tenements surrounding our operations. In 2014 there will be a focus on finding additional ore within trucking distance of the processing plant.

Greenfield exploration at Tropicana, which is aimed at delivering new high-value gold discoveries, progressed well and encouraging results were returned from several prospects. Geophysical surveys were also completed over key prospects. Results from these surveys are currently being assessed and will be used to plan follow-up work in 2014.

Sustainability performance

A sustainability management plan has been developed that identifies key actions to be undertaken to improve sustainability performance. Each operation is developing a sustainability plan and reports quarterly on their respective performance in meeting site sustainability goals. To achieve these plans, AngloGold Ashanti will continue to ensure its people have the safety skills, tools and supervision to go about their work safely. This is achieved through training (Safety Leadership Programme) and the promotion of safe behaviour on the part of all employees, subcontractors and visitors. The region has continued to share its experiences and learnings from these and others across the group.

Sustainability-related issues can emerge at any time during the life of the mine, from exploration through to closure. With Sunrise Dam moving to solely underground operation in 2014, there will be new challenges for the mine and the need to identify sustainability synergies across both Sunrise Dam and Tropicana.

Safety

No fatalities were reported and the all injury frequency rate (AIFR) for Australia was 7.68 per million hours worked (2012: 6.33).

The Tropicana safety management plan has established the systems, personnel, training and equipment required to operate a mine effectively and safely.

Health

Baseline risk assessments for diesel-exhaust emissions are being prepared for the Australia operations regarding the quality of fuel used, equipment producing emissions, exposure to elemental carbon and personal protective equipment. Diesel particulate monitoring over a five-year period indicated a downward trend in exposure levels. A diesel committee has been established on site to review monitoring results and identify areas for action, such as deficiencies in the fleet-maintenance programme.

Sunrise Dam was re-certified to OSHAS 18001 by an external third party. OSHAS 18001 certification of the Tropicana ONE Management System will be sought in 2014, once the elements of the system have been developed and effective implementation of the management system can be demonstrated.

People

In all, 925 people were employed on average by the Australasia region – 281 full-time employees and 644 contractors – as compared with 494 in 2012. Productivity remained high, with the Australasia region reporting 49.64oz total employee costed (TEC) in 2013, the highest in the group.

Communities and stakeholder engagement

Australia has a relatively stable operating environment in terms of community engagement, although it is becoming more complex and challenging to sustain operations as governments and communities request more from mining companies and as the competition for resources intensifies.

A vital element of community engagement in Australia is maintaining pro-active, transparent dialogue with local communities and providing feedback as widely and broadly as possible. Under the community engagement strategy, a number of themes are based around the 'think local' initiative with a particular focus on local procurement, employment and small-business development through the support of local communities and the establishment of an active youth-development strategy. The youth-development programme includes educational assistance, traineeships and apprenticeships.

Several indigenous businesses have been engaged in contracts to provide services at both operations. Most of these were small to medium enterprises that continue to receive ongoing capacity development with AngloGold Ashanti.

During the year, the company collaborated with two major contractors who demonstrated a willingness to recruit locally for their entry-level training programmes and supported these contractors by providing input and guidance into the development of training programmes, hands-on assistance with a recruitment drive and sharing local job seekers. One of the contractors held a graduation ceremony at Tropicana for nine local Aboriginal candidates who successfully completed their six-weeks training. All candidates will be offered full-time employment at Tropicana in various roles.

Community development programmes, to provide employment as well as local business opportunities, are in place at Tropicana and group community standards (based on international best practice) have been adapted and implemented at Tropicana. Some of the contracts were custom-designed to enable participation by new players, thus ensuring further participation by indigenous people in our business.

Contracts worth more than A\$30 million have been awarded annually to Aboriginal businesses. Continued support of Aboriginal contractors ensures that these contractors are able to maintain and grow their contracts, further supporting the employment and up-skilling of indigenous people.

AngloGold Ashanti has been pro-active in a campaign to recruit residents from the Eastern Goldfields of Western Australia and among, in particular, local indigenous residents, for employment opportunities at its sites. Entry-level training programmes were introduced for indigenous candidates that include on-the-job work experience and provide insight into mining and working at a fly-in fly-out (FIFO) operation.

In support of indigenous art and culture, the Punu Project (a cross-generational education and exchange programme) recommenced during the year. This project involves the Tjuntjuntjara community, which is local to Tropicana. In terms of this project, an artist has taken up residency in the community to teach wood sculpture techniques and to help bridge the divide between elders in the community and young people. Given its success, the project will be introduced to another community aligned with Sunrise Dam.

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 (ILO'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.

Grievance mechanisms are now available at the Australian operations.

Environment

Biodiversity

A new Biodiversity Management Standard was developed during the year and approved by the Executive Committee in early 2014. It sets out the requirements that sites must meet in terms of biodiversity assessments and management. It was prepared in recognition of the growing impacts on biodiversity as a result of population and economic growth and of climate change and in order to clarify the minimum performance requirements of operations.

The exploration team at Tropicana discovered a little-known plant species during the course of its environmental inspections around Tropicana on the edge of the Great Victoria Desert. The discovery of the plant, *Physopsis chrysotricha*, which has creamy-white flower buds, has been confirmed by the Western Australian Herbarium.

Energy

The high cost of energy remains a challenge in Australia. Studies into the feasibility and advantages of piping natural gas, as an alternative to diesel, for power generation at both Sunrise Dam and Tropicana are being finalised.

Water

In Western Australia, where these mines are located, the country's dry conditions are most extreme and the only available sources of water are either hypersaline groundwater located many kilometres away from the mines or sea water, located even further away. High evaporation rates exacerbate the water situation, so that water re-use is limited. In addition, stringent regulations on the discharge of salts make for a complex set of circumstances at these operations.

Australia has continued to impose stricter emission limits and carbon-pricing mechanisms. The Clean Energy Future Scheme, which came into effect from 1 July 2012, introduced a carbon-pricing scheme that will be used to regulate carbon

emissions. AngloGold Ashanti will be required to pay A\$23/t of carbon dioxide (CO₂), generated. This is due to increase by A\$2.5/t annually until 2015, from when it will be controlled by a market trading scheme.

Cyanide

The responsible use of cyanide is integral to our 'licence to operate' and continued compliance with the International Cyanide Management Code (Cyanide Code), along with rigorous reporting, is central to this.

Sunrise Dam has been re-assessed for certification under the International Cyanide Code and certification is pending. The processing plant at Tropicana was constructed in compliance with Cyanide Code requirements and certification of Tropicana is scheduled for 2014. The required fauna assessments have been completed in preparation for the implementation of the International Cyanide Management Code. Artificial ponds have been installed to monitor fauna interaction with fresh and saline water.

Key statistics – Australia

	Units	2013	2012	2011
Operational and financial performance				
Volume treated/milled	Mt	4.3	3.4	3.6
Gold production – attributable	000oz	342	258	246
Gold income	\$m	441	426	385
Total cash costs	\$/oz produced	1,047	1,211	1,431
Total production costs ⁽¹⁾	\$/oz	1,333	1,358	1,622
All-in sustaining costs ⁽²⁾	\$/oz sold	1,376	1,680	–
Capital expenditure ⁽¹⁾	\$m	285	369	102
Productivity	oz/TEC	49.64	43.46	40.29
Safety				
No. of fatalities		0	0	0
All injury frequency rate (AIFR)	per million injury hours worked	7.68	6.33	18.11
People				
Total average no. of employees		925	494	509
– Permanent		281	110	101
– Contractors		644	384	408
Training and development expenditure	\$000	1,694	1,038	666
Environment				
Total water usage	ML	4,828	3,104	4,059
Total water usage intensity per tonne treated	kL/t	1.03	0.92	1.14
Total energy usage	PJ	2.81	2.08 ⁽³⁾	2.14 ⁽³⁾
Total energy usage intensity per tonne treated	GJ/t	0.60	0.62	0.60
Total greenhouse gas (GHG) emissions	000t (CO ₂ e)	174	125 ⁽³⁾	130 ⁽³⁾
Total GHG emissions per tonne treated	tCO ₂ e/t	0.04	0.04	0.04
Cyanide used	t	1,658	1,331	1,379
No. of reportable environmental incidents		2	1	1
Total rehabilitation liabilities	\$m	53	62	42
– Restoration	\$m	22	27	28
– Decommissioning	\$m	31	35	14
Community and government				
Community investment ⁽⁴⁾	\$000	500	464	276
Payments to governments	\$000	49,221	88,157	122,159
– Dividends	\$000	–	–	–
– Taxation	\$000	6,814	47,284	81,087
– Withholding tax (STC, royalties etc)	\$000	16,347	10,555	9,768
– Other indirect taxes and duties	\$000	–	–	–
– Employee taxes and other contributions ⁽⁵⁾	\$000	26,060	30,318	31,304
– Property tax	\$000	–	–	–
– Other (includes tax on exports)	\$000	–	–	–
Local procurement spend ⁽⁶⁾ within country	% of total spend	99	88	98

⁽¹⁾ Restated for 2011 and 2012, in line with the adoption of IFRIC 20.

⁽²⁾ Excludes stockpile write-offs.

⁽³⁾ Sunrise Dam's GHG emissions changed due to the restatement of energy usage.

⁽⁴⁾ Includes Perth office.

⁽⁵⁾ Includes remittance made to government but borne by employees as individual taxation (for example, PAYE and UIF).

⁽⁶⁾ Local procurement spend is defined as spend undertaken within the country (currently includes indirect imports as well as locally produced goods).

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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.