

OPERATIONAL PROFILE

2013



Serra Grande, which is wholly owned, is located in central Brazil in the state of Goiás, about 5km from the city of Crixas.

Serra Grande comprises three mechanised underground mines – Mina III, Mina Nova (which includes the Pequizão orebody) and Palmeiras – and an open-pit on the outcrop of the Mina III orebody. One dedicated metallurgical plant treats all ore mined. Annual plant capacity, which has grinding, leaching, filtration, precipitation and smelting facilities, is 1.15Mt.

Serra Grande is one of two AngloGold Ashanti operations in Brazil, and is included in the group's Americas region. On 1 July 2012, Serra Grande became a wholly owned subsidiary when AngloGold Ashanti acquired the remaining 50% stake held by Kinross Gold Corporation.

PERFORMANCE 2013

2013 was the first full year of 100% ownership and this together with greater level of volumes treated and improved recoveries contributed to an increase in production in excess of 40%.

Measures were implemented during the year to ensure sustained increases in production. The milling process was automated and a mobile crusher is to be commissioned early in 2014, to deliver a 5% increase in annual throughput of approximately 1.3Mt.

Costs declined in 2013 compared with 2012, largely due to the higher level of production, various cost management initiatives and the depreciation of the Brazilian real. Significant cost savings have been identified in terms of the group-wide savings initiative, Project 500.

A total of 14,247m of development drilling was completed in 2013, compared to 11,461m in 2012, improving reliability at the operation.

At Serra Grande, drilling totalled 62,310m with exploration focusing on the newly-identified Inga mineralised structure below the Pequizão orebody.

HIGHLIGHTS OF THE YEAR

- First year of full ownership contributes to significant rise in attributable production
- Costs optimisation initiative bears fruit
- An average of 1,469 employees achieved a productivity rate of 11.19oz per total employee costed (TEC)
- Measures taken to increase plant throughput
- As at 31 December 2013, Serra Grande's Mineral Resource of 2.99Moz accounted for 5% of the Americas region's Mineral Resource

Serra Grande – key statistics

	Units	2013	2012	2011
Operational performance				
Pay limit	oz/t	0.09	0.08	0.11
	g/t	3.04	2.86	3.89
Recovered grade	oz/t	0.099	0.098	0.105
	g/t	3.42	3.36	3.59
Tonnes treated/milled (attributable)	Mt	1.3	0.9	0.6
Gold production (attributable)	000oz	138	98	67
Total cash costs ⁽¹⁾	\$/oz produced	719	821	768
All-in sustaining costs	\$/oz sold	970	1,168	
Total production costs	\$/oz	991	953	1,149
Capital expenditure ⁽¹⁾	\$m	40	33	22
Productivity	oz/TEC	11.19	11.45	12.98
Safety				
No. of fatalities		0	0	0
All injury frequency rate (AIFR)	per million hours worked	3.67	2.58	3.48
People				
Total average no. of employees		1,469	1,081	1,339
– Permanent		1,112	821	1,039
– Contractors		357	260	300
Environment				
Total water usage	ML	1,379	459	429
Total water usage per tonne treated	kL/t	1.10	0.38	0.37
Total energy usage	PJ	0.51	0.48	0.45
Total energy usage per tonne treated	GJ/t	0.41	0.40	0.39
Total greenhouse gas (GHG) emissions (CO ₂ e)	000t	15	14	13
Total GHG emissions per tonne treated	t CO ₂ e/t	0.01	0.01	0.01
Cyanide usage	t	411	615	544
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities	\$m	22	24	28

⁽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 Brazil country fact sheet which is available at www.aga-reports.com.