

GHANA

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 GHANA

The Government of Ghana holds a 1.58% direct interest in AngloGold Ashanti, whose assets in Ghana are:

- **Iduapriem**, which comprises the Iduapriem and Teberebie properties in a 110km² concession, is located in the Western Region of Ghana, some 70km north of the coastal city of Takoradi and 10km southwest of the Tarkwa mine. Iduapriem is an open-pit mine and its processing facilities include a carbon-in-pulp (CIP) plant.
- **Obuasi** is located in Ghana's Ashanti Region, approximately 60km south of Kumasi. Mining operations are primarily underground to a depth of 1.5km with two main shaft systems currently in operation for the transport of material and personnel and the hoisting of rock. A decline from surface is being developed to access the existing mining blocks and ultimately the Obuasi Deeps. Some surface mining in the form of open pit and tailings reclamation occurs.

A processing plant, with a monthly capacity of 180,000t, treats sulphide ores from both an underground mine and sulphide tailings. A mine improvement process is underway to enhance

production rates through the mechanisation of all mining blocks, and to improve the life-of-mine plan, taking account of organisational structure, water management, environment and community.

Some 80 communities of approximately 250,000 people in all, who are mostly engaged in subsistence farming, reside within 30km of the mine. Obuasi is a large, high-grade deposit with significant potential.

Total production from the Ghana operations remained steady at 460,000oz in 2013, equivalent to 11% of group production.

As at 31 December 2013, the total Mineral Resource for Ghana was 33.73Moz and the Ore Reserve 10.11Moz, equivalent to 14% and 15% of the group's total attributable Mineral Resource and Ore Reserve respectively.

Capital expenditure in 2013 in Ghana totalled \$224m. This brings to \$957m the amount AngloGold Ashanti has invested in its Ghana operations in the past five years. Capital expenditure of \$212m – \$228m is forecast for 2014.

PERFORMANCE IN 2013

Operational performance

Iduapriem delivered a solid performance, a result of improved mill tonnages and plant recovery in the second half of the year. Third quarter 2013 production was the highest quarterly production performance from the mine in nine years.

Costs declined, a function of the increase in production, the write-down of some ore stockpiles and other cost control initiatives. Stockpiles at Iduapriem currently allow for more than one year's run-of-mine feed to the plant.

Production at **Obuasi** declined year-on-year, owing largely to the replacement of the semi-autogenous mill and the transition from contractors to owner-mining. The mine improvement process progressed during the year with a ramp up of production and mechanised development rates and a gradual reduction in employee numbers at the operation.

Open-pit mining has recommenced and will generate additional ounces in the short term. Tailings retreatment began following the completion of land compensation and environmental permitting requirements. While many of the challenges related to the tailings retreatment operation were resolved, a few issues are still being addressed.

Growth and improvement

A conceptual study into a plant expansion at Iduapriem had originally raised the prospect of expanding surface operations. However, given the decline in the gold price, the drilling programme begun in 2012 was suspended in the second half of 2013. While Iduapriem is a mature operation, there are several prospects of increasing its Mineral Resource by testing mineralisation potential both along strike and down dip. Core logging continues.

At Obuasi, development of a ramp decline from surface to higher-grade underground mining areas started in 2013 and advanced in tandem with a series of safety, environment and community projects. The ramp decline will allow development of the appropriate infrastructure to enable mechanised operations and de-bottleneck the mine, which is currently constrained

by an outmoded, labour-intensive mining method as well as ageing and sub-optimal vertical hoisting infrastructure.

The mine improvement process at Obuasi progressed during the year with a ramp up in production and mechanised development rates and a gradual reduction in employee numbers at the operation. AngloGold Ashanti will continue to review all options available for Obuasi, taking into account the interests of all stakeholders.

Exploration

Brownfields exploration at the Ghana operations continued. At Obuasi, a total of 5,902m was drilled, with 5,127m in underground exploration and 775m in surface exploration. At Iduapriem, a total of 4,813m of reverse-circulation pre-collar and diamond tail drilling was completed. In addition, four diamond holes were drilled in the Ajopa area the data from which will inform the geological and Mineral Resource model.

Sustainability performance

Safety

There were two fatalities at the Ghana operations during the year, one at Iduapriem and one at Obuasi.

A safety improvement plan, integrating the region's safety management plan and incorporating local initiatives, has been developed at Iduapriem. A fatigue management review was carried out by external experts in the field. Iduapriem is implementing the recommendations made to reduce the risk of accidents caused by tiredness. Fatigue management training was also conducted.

Both Obuasi and Iduapriem are currently OHSAS 18001 compliant, following certification audits conducted during August 2011. Recertification is expected in April 2014.

Health

Given the presence of silica in the ore bodies being mined at the Ghana operations, a review of silica-dust exposure and silicosis at all operations within the region is underway. The programme to combat malaria continues to yield positive results, with improvements in the malaria incidence rate recorded at Obuasi and Iduapriem. AngloGold Ashanti is also making good progress with the roll-out of this programme in alignment with the \$140m Global Fund project to 40 priority districts in Ghana.

Communities and stakeholder engagement

Our sustainability performance is underpinned by stakeholder engagement. In Continental Africa, into which operating region Ghana falls, to better understand the issues that matter to AngloGold Ashanti's stakeholders and their needs, an initiative was launched to analyse and map stakeholder concerns, and the relationships between our local, regional and national stakeholders. This process, known as the stakeholder mapping initiative, involved commissioning experts to produce a framework for engagement that is consistent across all operations.

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.

During the year senior management at group level focused on key sustainable developments in the Continental Africa region, which includes Ghana, with particular attention paid to projects that address key legacy issues. A key feature of the year was engagement with the various governments in the region regarding matters of mutual concern in their respective countries.

Security and artisanal small-scale mining

Extensive training of personnel and public and private security suppliers has been undertaken in line with the Voluntary Principles on Security and Human Rights (VPSHR).

In Ghana, tension with illegal miners has led to conflict with our employees and our business has been negatively impacted by illegal mining within our concession. Following the increase in VPSHR-related security incidents in 2012, largely owing to increased and more complex artisanal and small-scale mining (ASM) as well as illegal mining activities in Ghana, much attention was focused on this in 2013. Our on-going focus is on the implementation of the security plan, specifically removing people from risk and reducing the potential for conflict.

There has been a measurable decrease in the number of intrusions reported at Obuasi, despite on-going challenges associated with their prevention. This has also contributed to a reduction in injuries and fatalities of community members as a result of security interventions. Unfortunately, attacks on our security staff have increased, emphasising the challenges faced and the requirement for continuous training in the appropriate use of force and rules of engagement, when dealing with crowds or groups of people.

AngloGold Ashanti has co-operated with a national initiative to curb illegal mining in Ghana and has engaged with several stakeholders in Ghana – including the World Bank, Ghana Chamber of Mines and Mining Company and other mining companies – in pursuit of a multi-stakeholder partnership initiative related to ASM, similar to that underway in Tanzania. Unfortunately, ASM baseline studies that might have supported the process of creating partnerships in Ghana have had to be suspended owing to recent budgetary constraints. There are plans to resume these in the near future.

In Ghana, an initiative to transfer or sell businesses or initiatives to third parties is currently underway. The aim is to promote socio-economic development and sustainable livelihoods.

In terms of the stability agreement signed with the Ghanaian government on the acquisition of Ashanti Goldfields in 2004, the company has been accruing 1% of profits after tax for two funds to benefit communities located within the mineral concessions at Obuasi and Iduapriem. This is in addition to other community investments. The funds which were formally launched in 2013 will have a positive impact on the socio-economic development of the areas around these mines and on the generation of alternative livelihoods.

Resettlement

Before global mining companies arrived in Ghana, mining was largely conducted by small-scale miners. It is our policy to acquire and use land in a way which is mutually acceptable and beneficial for all affected stakeholders. We aim to avoid involuntary resettlements but over time, and as our operations have expanded, involuntary resettlements have been unavoidable.

In terms of AngloGold Ashanti standards and policies, a Resettlement Policy Framework (RPF) involving comprehensive, properly documented economic and social resettlement, is prepared for all relevant sites. The RPF was introduced during the year and, once approved by the group Executive Committee, will be rolled out at applicable sites during 2014.

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 in place at the Ghanaian operations.

We respect fundamental labour rights, including the right to organise and collective bargaining. Collective bargaining structures are in place at the Ghanaian operations where 97% of employees have union representation and are covered by collective bargaining agreements.

Environment

In recognition of the scale and complexity of the environmental issues at Obuasi, the mine's turnaround environmental management strategy focuses on two main areas:

- doing no harm; and
- managing legacies, including historical pollution and its impacts.

This strategy is detailed in the mine's Environmental Management Plan (EMP) for 2014-2017. This has been submitted to the Ghana Environmental Protection Agency (EPA) for review and is expected to form the basis for the mine's next environmental certificate for the period April 2014 to March 2017. The plan includes waste and chemicals management, water management, air quality management as well as rehabilitation and site closure.

There were four significant environmental incidents at the Ghana operations during 2013 – three at Obuasi and one at Iduapriem. Water management remains a critical issue, particularly in Ghana where water pollution is a legacy issue that continues to receive significant investment and focus.

Water

A water management strategy is being developed to minimise and, where possible, eliminate the potential harm from such pollution. Community support for this is being sought. Water treatment plants installed at Obuasi will enable us to optimise the management of process water across the operation.

The EMP proposes a way to optimise water usage at Obuasi. Specifically, the development and maintenance of a predictive mine-wide water balance will assist us in managing water more

efficiently. A draft water balance for the mine was submitted to EPA in September 2012, and updated in May and November 2013. The result of this work has been a far more holistic approach to water management, which will ensure compliance and decrease operating costs as each phase of the project is completed.

In operations where this (closed water loop system) is not possible owing to high levels of rainfall, such as Ghana and Brazil, we have installed water treatment systems to manage effluents to meet applicable discharge standards. Making sure all the water we return to the natural environment is treated to the desired quality is crucial, using regulatory requirements as a minimum.

Waste

The domestic and general waste disposal site in Obuasi town has traditionally been managed by the municipality. However, the municipal waste disposal facility was poorly managed and had a negative environmental impact. In compliance with a directive from the EPA contained in the mine's 2011 to 2014 environmental certificate, Obuasi mine stopped using the municipal refuse facility in 2012. The mine now uses an approved temporary landfill and is concurrently designing an engineered landfill facility. The temporary landfill, approved by the EPA, is on one of the mined-out pits at the mine. The design and environmental impact statement for the engineered landfill (permanent solution) were developed in 2013 and will be submitted to EPA for permitting in early 2014.

Tailings management

The environmental certificate at Obuasi (2011) is conditional on the decommissioning of the current tailings storage facility (TSF) and commissioning of a new facility by December 2015. A new tailings management strategy is being developed which will see the introduction of two separate tailings streams. The geochemical risk assessment has begun, and the closure plan for the existing TSF will be based on the findings of this assessment.

Rehabilitation

There are several pits and waste rock dumps from previous surface mining at Obuasi that should be rehabilitated to safe, stable and sustainable conditions. An ongoing EPA-approved rehabilitation plan is being implemented.

Cyanide

Technology to assist with and improve the management of cyanide has been installed at both Ghanaian operations to ensure compliance with the International Cyanide Management Code. Currently, neither Obuasi nor Iduapriem are certified.

Obuasi has undergone a certification audit and is awaiting results. The construction of replacement cyanide handling facilities at Obuasi was completed in late 2012, with commissioning in 2013. Iduapriem is continuing with modifications in order to comply with Cyanide Code requirements

Legacy issues in Ghana

Ghana's Ashanti Region has a more than a 110-year history of large-scale mining. Previous practices and approaches to mining and processing have resulted in discharges of pollutants to water, the air and soil. A lack of active demarcation and land-use planning has also meant a large number of artisanal and small-scale miners are operating on company-owned land, posing one of the most significant and multi-faceted challenges facing AngloGold Ashanti – often involving security and human rights considerations.

Most of these challenges are a result of historic practices. Since the 2004 merger of AngloGold and Ashanti, we have invested considerable capital in the redesign of the Obuasi mine and in correcting practice and mine design and mitigating the consequences such historic practices. This does, however, take time. We continue to learn from past mistakes and are committed to mitigating the impacts in an open, consultative, affordable and sustainable manner.

A large proportion of the local population depends on AngloGold Ashanti for its livelihood – either directly or

indirectly. This interdependent relationship has given rise to tensions in the past and we continue to engage with the community to develop ways to mitigate their concerns. Our community development plans, including community engagement and service delivery, are site specific, tailored to implement our global strategy of fostering sustainable development in host communities.

At the Obuasi mine, a complex and mutually dependent relationship is made more complicated by the fact that it is located in and adjacent to the town of Obuasi and its surrounding villages. As in many mining communities in Africa, infrastructure is limited and inadequate planning and funding have led to tension between the mine and communities. We continue to build our relationship with multiple stakeholders including employees, communities, government and NGOs. We make significant contributions to the community by providing direct and indirect employment. Other benefits include infrastructure development, such as sanitation, and the support of local economic development, education infrastructure projects and the Ghana Trust Funds.

Key statistics – Ghana

	Units	2013	2012	2011
Operational and financial performance				
Volume treated/milled	Mt	6.5	6.7	6.3
Gold production	000oz	460	460	512
Gold income	\$m	642	772	801
All-in sustaining costs	\$/oz sold	1,654	1,790	–
Capital expenditure ⁽¹⁾	\$m	224	280	205
Productivity	oz/TEC	6.54	7.03	7.66
Safety				
No. of fatalities		2	3	3
All injury frequency rate (AIFR)	per million hours worked	2.29	2.31	3.24
People				
Total average no. of employees ⁽²⁾		6,784	6,922	7,081
– Permanent		4,377	4,796	4,904
– Contractors		5,846	2,126	2,177
Environment				
Total water usage ⁽²⁾	ML	4,480	4,402	4,455
Total water usage per tonne treated	kL/t	0.69	0.66	0.71
Total energy usage	PJ	3.02	2.74	2.50
Total energy usage per tonne treated	GJ/t	0.46	0.41	0.40
Total greenhouse gas (GHG) emissions	000t (CO ₂ e)	312	291	276
Total GHG emissions per tonne treated	t CO ₂ e/t	0.05	0.04	0.04
Cyanide used	t	4,371	3,764	5,482
No. of reportable environmental incidents		4	3	14
Total rehabilitation liabilities	\$m	230.3	227.0	188.2
– Restoration	\$m	178.8	165.4	136.1
– Decommissioning	\$m	51.5	61.6	52.1
Community and government				
Community investment	\$000	1,499	2,542	3,264
Payments to government	\$000	68,532	77,829 ⁽³⁾	97,869
– Dividends	\$000	660	2,356 ⁽³⁾	2,037
– Taxation	\$000	3,535	8,715	37,526
– Withholding tax (STC, royalties, etc)	\$000	26,686	30,315	27,763
– Other indirect taxes and duties	\$000	9,849	12,009	9,112
– Employee taxes and other contributions	\$000	27,515	24,087	21,029
– Property tax	\$000	287	347	402
– Other (includes tax on exports)	\$000	–	–	–
Local procurement spend within country	%	69	84	77

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

⁽²⁾ Water usage rate for 2009 – 2012 has been restated owing to a revision in the calculation to exclude domestic water usage.

⁽³⁾ Dividend paid revised.

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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 utilizes 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.