

TANZANIA

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 TANZANIA

AngloGold Ashanti operates one, wholly-owned mine in Tanzania. The Geita mine is located in north western Tanzania, in the Lake Victoria goldfields of the Mwanza Region, about 120km from Mwanza and 4km west of the town of Geita. The Geita gold deposit, which is currently mined as a multiple open-pit operation, has underground potential and is currently serviced by a 5.2Mt per annum carbon-in-leach (CIL) processing plant. While Geita generates its own power, the operation of its power generating facility is outsourced and fuel is delivered by road.

Geita's production declined 14% to 459,000oz, equivalent to 11% of group production in 2013. Geita employed an average of 3,504 people in 2013, of which 1,609 were permanent employees and 1,895 contractors.

As at 31 December 2013, Geita had an inclusive Mineral Resource of 12.28Moz of gold, of which the Ore Reserve amounted to 5.42Moz, equivalent to 5% and 7% respectively of group resources and reserves.

Attributable capital expenditure at Geita totalled \$154m for the year, bringing to \$633m the amount AngloGold Ashanti has invested in Tanzania over the past five years. Capital expenditure of \$132m to \$142m is forecast for 2014.

PERFORMANCE IN 2013

Operational performance

Production declined overall for the year, a result of planned downtime at Geita for the replacement of the semi-autogenous grind mill, the subsequent ramp-up to full production and the processing of lower volumes than planned due to the low availability and use of key equipment.

The downturn in the gold price early in 2013 resulted in the suspension of early-stage preparatory work toward the Nyankanga underground expansion and the Kukuluma and Matandani refractory ore project.

Geita's mine plan was also revised following the sharp drop in the gold price early in 2013. While the previous strategy had been to maximise tonnages mined to expedite access to high-grade ore and to increase gold production, in the prevailing economic climate, the focus has shifted to optimising margins by treating more stockpiled material on site.

An initiative to better align the asset's exploration strategy and budget with its mine plan led to cost savings of more than \$20m for the year. The focus of capital expenditure in 2014 will be on resource development.

Exploration

A total of 38,239m of drilling was completed. A significant portion of the exploration effort was dedicated to infill drilling programmes in active open pits (Geita Hill, Nyankanga and Star & Comet), as well as on their respective extensions. Limited pre-resource drilling programmes were undertaken to test 'blue sky' targets. Two holes were drilled at Nyankanga to test a revised geological model that indicates the potential for repetitions of the Nyankanga style of mineralisation at depth, beneath the current pit. Both drill holes intersected mineralisation, with one intersecting a mineralised Banded Ironstone Formation package at a depth of approximately 800m.

Non-drilling activities undertaken during the year included regional and target-scale mapping, target consolidation, pit mapping and geology modelling. Considerable progress was made in advancing geological understanding of both the deposit and regional scales.

Sustainability performance

During the year, senior management at group level focused on key sustainable developments in the Continental Africa region, which includes Tanzania, 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.

Safety

Geita recorded zero lost-time injuries in 2013 with only seven medical treatment cases being reported. There was a 40% reduction in all-injury incidents in 2013 as compared with the previous year.

The focus in 2013 was on eliminating high-potential incidents. Incident-investigation training was provided to line managers to improve the quality of incident investigations.

In pursuing a reduction in light-vehicle-related incidents, the drivers for the mine and its contractors received defensive driving and refresher training. Installation of roll-over protection and a GPS-based tracking system on mine vehicles was completed successfully during the year.

Health

In 2013, Geita expanded its health centre to improve medical surveillances and overall service delivery to employees and their families.

The programme to combat malaria continues to yield positive results, with improvements in the malaria-incidence rate recorded at Geita. A multi-stakeholder Public Private Partnership agreement has been implemented with the District Council Health Management Team, Plan-International (an international development organisation), Research Triangle Institute (a US-funded organisation) and the National Medical Research Institute of Tanzania. This follows the success of the 2008 pilot programme, which focused only on employees and achieved a 50% reduction in malaria. The programme has now been expanded to Kalangalala and Mtakuja, covering more than 90% of Geita's employees and some 100,000 community members.

The key to success of our malaria-control programmes is the strong partnerships we have with our stakeholders. We continue to identify and engage with potential partners for the planning and implementation of programmes, and especially with local and national governments where our malaria-control programmes fit into their national strategic plans. Community engagement and participation has also been integral to our success.

Communities and stakeholder engagement

Our sustainability performance is underpinned by stakeholder engagement. In Continental Africa, into which operating region Tanzania 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.

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.

In Tanzania, AngloGold Ashanti signed a Multi-stakeholder Partnership Initiative (MSPI) Framework Agreement on 28 June 2013. This initiative is led by the Government of Tanzania, is facilitated by the World Bank and also includes African Barrick Gold and the Federation of Miners' Associations of Tanzania (FEMATA). The primary objective of the MSPI is to support the formalisation of and to promote the co-existence between artisanal and small-scale mining (ASM) and large-scale mining in Tanzania. As part of this process, a two-year ASM formalisation project is being piloted at Geita, Tanzania. This \$1.6m project is being funded largely by the World Bank and the Government of Tanzania to:

- increase the income of miners;
- train miners in safer and more efficient methods of mining and processing;
- provide access to finance, equipment and markets; and
- reduce the negative social, health and environmental impacts often associated with ASM such as mercury exposure, land degradation, child labour, gender inequality, unsafe and exploitative working conditions.

Geita will benefit from the project through improved engagement with stakeholders, facilitating the mitigation of ASM-related risks supporting our social licence to operate, reducing illegal ASM security incidents, reducing the loss of gold-bearing material and reducing the negative environmental and safety impacts of ASM on our concession.

As a company, we support governments by encouraging sustainable development in the areas in which we operate and by ensuring continuity of services once a mine has closed. This highlights the importance of forming partnerships with governments, other companies and other stakeholders such as NGOs and donor organisations.

The Geita Water Supply Project, which will supply 200m³ per hour of piped water to Geita Town is a \$10.3m partnership between the Government of Tanzania and Geita. A memorandum of understanding signed in December 2012 sets out the responsibilities of each party: Geita will provide treated bulk water to a reservoir in the town, while the government will finance the supply and distribution network to households and public water points.

Although the bulk-water treatment system compartment has been completed, the distribution network has yet to be constructed due to financial constraints faced by the Government. In order to progress the project until other sources of funding are secured by the Government to complete the distribution network, a phased approach to completion has been agreed. The first phase will be the construction of a limited distribution network which is expected to be completed in 2014 while government seeks additional funding to finalise the rest of the project.

In addition, AngloGold Ashanti provides guidance on financial awareness to employees at Geita in Tanzania. Given the extent of the problem and its impact on employees, the company is planning to provide preventative training and assistance to enable employees to understand the ramifications of excessive levels of indebtedness.

Other community projects include:

- Continued construction of the Nyankumbu Secondary School for girls as well as the purchasing of certain furniture and laboratory equipment. The last phase of construction is expected to be completed in early 2014;
- Expansion of the Moyo wa Huruma Orphanage Centre with funds raised through the Kilimanjaro HIV/AIDS Challenge. A multi-purpose dining hall was built and equipped at a cost of approximately \$200,000; and
- Continued sponsorship of cleft-palate surgery for 69 patients from the Geita community.

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 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.

Given the significant challenges encountered in the area of human rights in the Continental Africa region, a programme to build sufficient capacity to ensure human rights is to be implemented alongside the implantation of our human rights policy. The Human Rights Ambassadors Programme (HRAP) was launched in Geita in April 2013. This is a peer education and awareness-raising initiative which is based on the premise that if human rights knowledge and capacity is improved on site, there will be significantly fewer human rights violations committed, thereby raising performance in the region.

The HRAP is a train-the-trainer programme which involves, as a first step, the identification and selection of competent employees – whether permanent employees or contractors – who are designated human rights ambassadors, to 'represent' human rights in their departments. These ambassadors receive the appropriate training regarding the basics of human rights, how their functions intersect with human rights, how various rights can be violated in the course of carrying out their duties, how to avoid those violations, and what to do in the event that there are violations. The participation of contractors in the programme is also important, as many of AngloGold Ashanti's human rights challenges result from the actions of our contractors. In Geita, these ambassadors include employees of G4S, our security service provider.

Geita began site-wide roll out of the programme in August 2013, and all 3,500 employees and contractors on site have undergone training. Once the pilot project has been completed in Geita, the programme will be reviewed and refined prior to its roll-out at other AngloGold Ashanti operations.

Grievance mechanisms are now in place at our Tanzanian operation. We respect fundamental labour rights, including the right to organise and collective bargaining. Collective bargaining structures are in place and 82% of employees at Geita have union representation or are covered by collective bargaining agreements.

Security and ASM

Sadly, there was an increase in the deaths of artisanal miners carrying out illegal work on our concession at Geita in Tanzania, while the theft of goods such as fuel has become an increasing challenge. We continue to work closely with the relevant authorities to help secure our mining properties in order to prevent access by illegal miners, which exposes them to a range of hazards to be found on an active, large-scale mine site.

In some of the areas in which we operate, particularly in Tanzania, tension with illegal miners has led to conflict with our employees and our business has been negatively affected by illegal mining within our concession.

Following the increase in Voluntary Principles on Security and Human Rights (VPSHR)-related security incidents in 2012, largely owing to increased and more complex ASM/illegal-mining challenges in Tanzania and 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 Geita, despite on-going challenges associated with their prevention.

Initiatives are being considered for Tanzania involving multi-stakeholder partnerships with the World Bank, governments and other mining companies. An ASM formalisation project is currently being piloted at Geita.

An intensive investigation into the challenges in Tanzania has been followed by the implementation of a comprehensive set of programmes which, we hope, will bring positive results. One such project of which we are particularly proud is the construction of a water pipeline from nearby Lake Victoria, which should positively change the lives of the people of Geita village.

To improve security at Geita, we signed a Memorandum of Understanding (MOU) with the Tanzanian regional police to guide assistance in dealing with illegal-mining incursions, monitoring of arrests and prosecution follow-through, as well as the demarcation of the concession area.

Resettlement

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 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.

In the past, Geita in Tanzania was subject to a number of cash compensation exercises and a number of people refused to accept compensation. In line with our revised land access and resettlement standards and commitments, as well as the RPF, we are engaging with affected members of the community, as well as the Tanzanian government, to successfully resolve any issues.

Notable progress has been made in resettlement and improved community relations in Tanzania.

Following an initial impact assessment undertaken as part of the ASM census study in 2012, a number of environmental mitigation and remediation projects are planned.

Environment

There was one reportable environmental incident involving the death of 11 birds at the tailings storage facility (TSF) after drinking a solution with an elevated concentration of weak acid dissociable (WAD) cyanide. The incident was reported to the authorities, namely the National Environmental Management Council (NEMC) and the Ministry of Energy and Minerals. An investigation of the incident was undertaken and steps taken to prevent recurrence of such incident.

Geita retained its ISO 14001 certification for a further three-year period starting from July 2013.

Biodiversity

The special mining licence (SML) for Geita covers an area of 196km² of which 151km² lies within the Geita forest reserve. The mine's prospecting licences outside of the licence cover 101km² of the Geita forest reserve. There has been significant deforestation of the Geita forest reserve, mostly from unauthorised activities such as timber and charcoal making and illegal mining activities, which are not related to AngloGold Ashanti operations.

Cyanide

Currently, Geita, in Tanzania, is not certified in terms of the Cyanide Code. Geita in Tanzania is continuing with modifications in order to comply with Cyanide Code requirements.

Closure

Geita's mine closure plan was reviewed and updated to include new information and operational changes. Technical studies on the closure of open pits, waste rock dumps and the TSF are on-going. Progressive rehabilitation continued during the year. A total of 150,000 indigenous tree seedlings were planted on disturbed areas including the TSF embankment and waste rock dumps.

Key statistics – Tanzania

	Units	2013	2012	2011
Operational and financial performance				
Volume treated/milled	Mt	4.0	4.8	3.9
Gold production	000oz	459	531	494
Gold income	\$m	640	906	753
Total cash costs	\$/oz produced	515	427	350
All-in sustaining costs	\$/oz sold	833	816	–
Capital expenditure	\$m	154	216	206
Productivity	oz/TEC	15.55	19.20	18.11
Safety				
No. of fatalities		0	1	0
All injury frequency rate (AIFR)	per million hours worked	0.98	1.62	3.60
People				
Total average no. of employees		3,504	3,594	3,541
– Permanent		1,609	1,688	1,721
– Contractors		1,895	1,906	1,820
Environment				
Total water usage	ML	4,484	3,675	3,970
Total water usage per tonne treated	kL/t	1.11	0.77	1.03
Total energy usage	PJ	3.32	3.43	3.37
Total energy usage per tonne treated	GJ/t	0.82	0.72	0.87
Total greenhouse gas (GHG) emissions	000t (CO ₂ e)	246	254	253
Total GHG emissions per tonne treated	CO ₂ e/t	0.06	0.05	0.07
Cyanide used	t	1,974	2,047	1,746
No. of reportable environmental incidents		1	1	0
Total rehabilitation liabilities	\$m	28	25	23
Community and government				
Community investment	\$000	5,489	4,834	4,302
Payments to government	\$000	69,831	213,849	101,134
– Dividends	\$000	–	–	–
– Taxation	\$000	8,793	128,304	57,264
– Withholding tax (STC, royalties, etc)	\$000	34,741	61,065	26,144
– Other indirect taxes and duties	\$000	5,711	4,105	2,206
– Employee taxes and other contributions	\$000	16,634	15,960	12,344
– Property tax	\$000	–	–	–
– Other (includes tax on exports)	\$000	3,952	4,415	3,176
– Local procurement spend within country	%	84	59	56

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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.