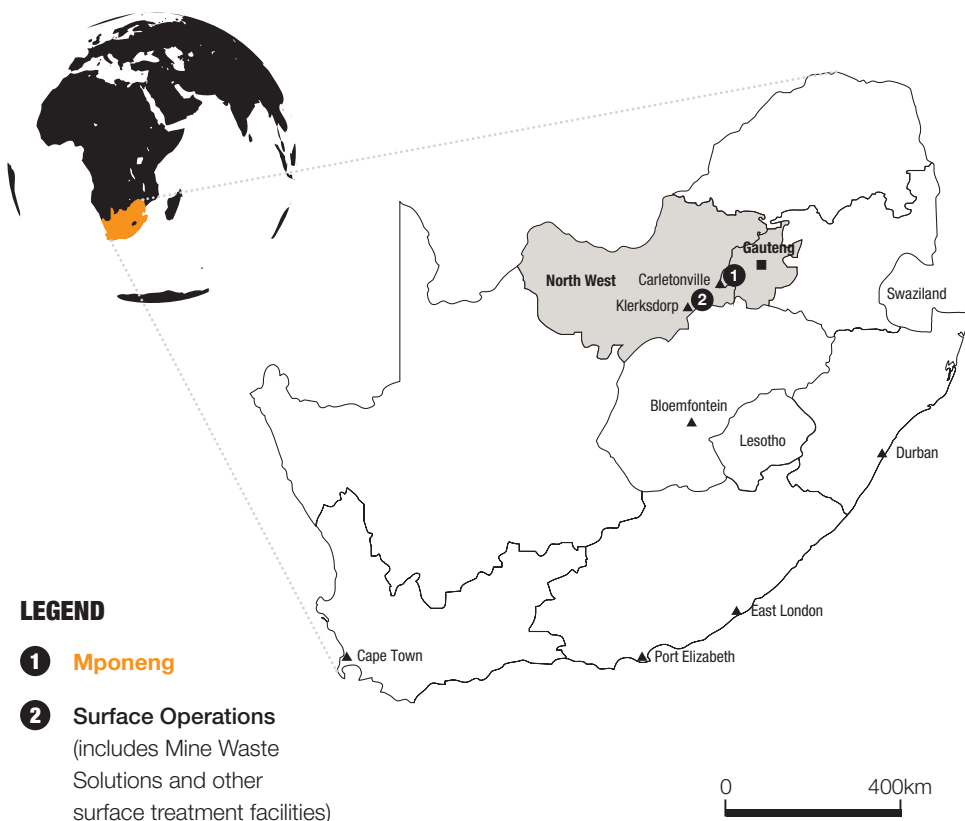


MPONENG

SOUTH AFRICA



Mponeng, the world's deepest gold mine, is located in the West Wits mining district south-west of Johannesburg, on the border between Gauteng and North West Province.

Mponeng currently exploits the Ventersdorp Contact Reef (VRC) via a twin-shaft system at depths of between 2,800m and 3,400m below surface. Ore is treated and smelted at the mine's gold plant. Mponeng's life extension plan, which is based on the resources below infrastructure, targets the extraction of the Carbon Leader Reef. Studies have been ongoing to test the economic viability of the project.

Currently, Mponeng is one of two operating entities in AngloGold Ashanti's South Africa region. AngloGold Ashanti reached agreement with Harmony Gold Limited on the sale of its South African assets in February 2020.

FEATURES OF THE YEAR

MPONENG SOLD

as part of sale agreement of South Africa assets announced in February 2020

RECORD YEAR ON SAFETY

no fatalities in 2019

PRODUCTIVITY

improved 11% year-on-year

SOCIAL AND LABOUR PLANS

for 2020 – 2024 submitted for approval

45.81Moz

inclusive Mineral Resource at 31 December 2019

PERFORMANCE 2019

Operating performance

Production

Mponeng mine produced 243,000oz at a total cash cost of \$976/oz in 2019 compared to 265,000oz at a total cash cost of \$977/oz in 2018. The 2019 year marked the first full year in which new shift arrangements at Mponeng were implemented. The new shift arrangement represents a paradigm shift in the evolution of the mine and this has resulted in significant improvements in both safety and productivity. Employees have responded positively to the new schedule, resulting in a 44% year-on-year improved safety performance (AIFR) and an 11% uplift in productivity.

Costs

Through our Operational Excellence initiatives, cost and capital management remained a key priority as we continue to maintain asset integrity and safety performance. Project initiatives include a wide array of activities aimed at improving metallurgical recoveries and throughput and cost saving initiatives.

Operational Excellence began at Mponeng in 2019 and included working to increase face length availabilities, improve recovery and mine call factors, reduce power consumption, and optimise capital spend.

Capital expenditure

Capital expenditure in the South Africa region was mostly spent on completion of the Mponeng Phase 1 project, Ore Reserve development work as well as the Mponeng life-of-mine extension feasibility study. Sustaining capital expenditure was spent on a variety of stay-in-business projects and rehabilitation work related to the Carbon Leader project.

Sustainability performance

People

The South Africa region has reduced its footprint, now with fewer employees compared to the previous year, as an ongoing restructuring and divestment process has resulted in a reduction in the number of mines in the portfolio. The restructuring process also included the closure of non-core assets and other business units, for example, the integration of the outsourced health services, which was successfully completed during the year.

The focus in 2019 was on stabilising and consolidating the remaining business units in South Africa. This necessitated extensive consultation with our stakeholders, especially unions and regulators, and we were able to minimise job losses and maintain strong engagement with employees as confirmed in the results of the 2019 Employee Engagement Survey.

The 2019 year also marked the first full calendar year in which new shift arrangements at Mponeng were implemented. The new shift arrangements have provided a phenomenal solution to reducing employee fatigue, an issue which had previously plagued our deep level underground mining in South Africa for decades. Due to the significant decrease in safety incidents, trust in management systems and employee morale have increased.

Safety

Over the years, safety performance has improved in the region, with the execution of the safety strategy. Interventions have included changes in planning and information systems and the introduction of a new way of mining, and the change in shift arrangements as of November 2018. While the mine cycle process aims to prevent multiple activities being carried out simultaneously on the work face, the revised shift arrangements provide adequate time for the safe execution of the main mine cycle activities. Sound leadership principles and supervisory conduct and behaviour have been a key success factor in improving our safety culture.

The South Africa region delivered a fatality-free year in 2019, its safest on record. The AIFR for the year at Mponeng was 9.57 (2018: 17.12) per million hours worked. Various safety campaigns were initiated to address safety performance. To create additional awareness during the festive season, a campaign named Khumbul'ekhaya, a Nguni word meaning 'remember home', was launched in the last quarter of 2019 and rolled over into 2020 to encourage mineworkers to return home healthy and safe every day. Khumbul'ekhaya was developed by South African mining companies to drive and sustain the local gold mining industry's pursuit of Zero Harm.

In memoriam

Post year-end we regrettably lost four colleagues in two separate fatal incidents at Mponeng.

On 16 March 2020, we lost Thabo Rakometsi in a tragic accident during an underground horizontal transport incident. This tragedy followed an accident which occurred on 5 March 2020 where three of our colleagues – Lucas Maapea, Xolani Ngqwemese, and Mokhethea Johannes Radebe – were fatally injured in a seismic related incident caused by a large fall of ground, roughly 3.6km below surface.

We extend our sincere condolences to the families, colleagues, friends and communities of the deceased.

Environment

New carbon tax regulations in South Africa were implemented on 1 June 2019, with the first tax payment date being 31 July 2020. Phase 1 of the regulations, which is applicable until 31 December 2022, will have an insignificant impact on the South African operations. This first phase applies to Scope 1 emitters and contains tax-free emission allowances. In 2019, Scope 1 emissions in the South Africa region were less than 17,000t and did not attract material carbon taxes. In 2023, when the second phase of the carbon tax begins, pass through taxes in electricity prices are likely to be incurred. However, these are unlikely to be significant for the company.

An environmental incident occurred at Mponeng on 2 September 2019 when the Savuka Gold plant's residue tanks overflowed due to operational challenges. This resulted in tailings slurry being released into a network of drainage canals beyond the plant boundary and reaching the Wonderfontein spruit watercourse via the Welverdiend canal. Immediate response measures were put in place to stop, monitor and mitigate the effects of the spill. Potentially affected parties downstream were notified, as were the Department of Water and Sanitation and the National Nuclear Regulator.

Community development

Discussions are on-going in the region about a possible donation by the Company of some of its rock dumps for processing in an income-generating venture for the community. This forms part of our community development initiatives and other related opportunities for local businesses. To this end, the office of the Premier of North West Province has assembled a multi-disciplinary team including Matlosana Municipality to focus on this project. The new social and labour plans for 2020-2024 were submitted to South Africa's Department of Mineral Resources and Energy for approval following consultation. The plans provide a broad map for corporate and social responsibility spend across the South African operations.

Education programmes

In 2019, we supported the construction of a science laboratory at Nayaboswa Primary School (\$113,000) near our operations and additional classrooms at Boiteko Special School in Merafong, West Wits (\$97,000).

AngloGold Ashanti also worked with the Department of Education in the West Rand District to support and prepare 281 Grade 12 learners from different schools in Merafong for their final exams. It ran for three weeks in line with final exam dates. Learners were taken through previous examination papers and attended virtual learning classes.

In the Star Schools programme, aimed at improving the marks and the overall pass rate of matriculants, 120 learners graduated and received their certificates at the Carletonville Civic Centre. The focus of this project is on raising student's attainment in the areas of mathematics, science and English.

AngloGold Ashanti's Social and Institutional Development Fund donated 499 pairs of school shoes to disadvantaged learners in Matlosana, who were selected for the 2019 school shoes programme by the Department of Education and the schools' principals.

Health programmes

Ensuring the health of our employees and those in the communities where we operate is a priority, AngloGold Ashanti in South Africa supported a number of programmes.

For the past four years, we have, in partnership with Vision 4 Change, been involved in a project called Vision is Vital which aims to improve the eyesight of underprivileged children whose parents do not have the means to access treatment. The treatment offered through the project will help to improve the children's visual pathways, provide better vision where necessary, thereby leading to improved cognitive development for the children to see at their full potential. Eye tests were conducted and reading glasses provided to learners who were found to be in need of them.

The project was rolled out to Merafong where 2,346 learners had eye tests at Reakgona Primary (in Kokosi) and Xhobani Primary (at Wedela), of whom 110 received spectacles. Any severe eye problems identified during testing are referred to a local clinic or hospital. Any transplants, such as cornea transplants, prescribed are funded by the project.

In another initiative, AngloGold Ashanti, in partnership with South Africa's Department of Mineral Resources and Energy, the Department of Education and the Matlosana Local Municipality took action together and donated sanitary towels to girl learners in 28 schools. This programme helped ensure continued school attendance, and protection of the learners' interests and dignity.

Silicosis settlement

In July 2019, a full bench of the Johannesburg High Court approved the settlement of the silicosis and TB class action suit in South Africa, providing a route to compensation for affected mineworkers and their families. The settlement was between the Occupational Lung Disease Working Group – representing African Rainbow Minerals, Anglo American South Africa, AngloGold Ashanti, Gold Fields, Harmony and Sibanye-Stillwater – and the settlement classes' attorneys, Richard Spoor Inc, Abrahams Kiewitz Inc and the Legal Resources Centre.

The Tshiamiso Trust has been set up to implement the settlement and is charged with tracking class members, processing all submitted claims, undertaking medical examinations and paying benefits to eligible claimants. Benefits provided for in the agreement and other details can be found at www.silicosissettlement.co.za/about

Small and medium business development

AngloGold Ashanti works closely with host communities in line with the company's ethos of working to boost the economies in areas where we operate and the localisation policy.

In the year, the Masakhisane Investment Fund, which supports host community small, medium and micro enterprises (SMMEs) with interest-free loans, started to work with Thamae Construction and Transport, a family business run and owned by Skake and Ampie Thamae. AngloGold Ashanti assisted with funding to procure new machinery and a vehicle. The company has 32 permanent employees.

AngloGold Ashanti's goal is to provide the necessary skills to local SMMEs, enabling them to become self-sustaining and possibly creating jobs.

After the success of its National Empowerment Fund (NEF) entrepreneurial seminar "start-up" training for 80 aspiring entrepreneurs in Merafong, AngloGold Ashanti saw a need to provide further training. An accredited three-week certification business training programme was held in Carletonville during October and November 2019. The training provided delegates with a sound foundation and in-depth information on: business opportunities and entrepreneurship which focuses on the individual; business plans; customer service and business finance.

In November, AngloGold Ashanti was among the companies that were invited to a business seminar hosted by the Gauteng

PERFORMANCE 2019 CONTINUED

Economic Development Department. There it informed local small businesses about possible funding opportunities and provided details on how companies could tender on its procurement portal.

Human rights

There were no human rights related incidents reported in 2019 at the South African operations. Further there were no fatalities related to any security intervention for the same reporting period.

Key statistics

Mponeng	Units	2019	2018	2017 ⁽¹⁾
Operating performance				
Cut-off grade ⁽²⁾	oz/t	0.167	0.176	0.145
	g/t	5.72	6.03	4.98
Recovered grade	g/t	7.33	8.19	7.33
Tonnes treated/milled	Mt	1.3	1.2	1.4
Gold production	000oz	243	265	315
Total cash costs	\$/oz	976	977	1,311
All-in sustaining costs	\$/oz	1,186	1,177	1,544
Capital expenditure	\$m	50	54	72
Productivity	oz/TEC	4.48	4.03	3.66
Safety and health performance				
No. of fatalities		0	1	4
All injury frequency rate (AIFR)	per million hours worked	9.57	17.12	18.88
People				
Total average no. of employees		5,051	5,628	9,784
– Permanent		4,766	5,265	8,920
– Contractors		285	363	864
Environmental performance				
Water use	ML	3,257	3,256	3,688
Water use efficiency	kL/t	0.69	0.69	0.80
Energy consumption	PJ	2.98	3.10	4.61
Energy intensity	GJ/t	0.63	0.66	1.00
Greenhouse gas (GHG) emissions	000t	835	805	1,290
GHG emissions intensity	t CO ₂ e/t	176	171	280
Cyanide use	t	1,791	1,699	1,717
No. of reportable environmental incidents		1	0	0
Total rehabilitation liabilities	\$m	5	5	30
Social performance				
Community investment ⁽³⁾	\$m	4	5	6
Payments to government ⁽³⁾	\$m	80	91	118

⁽¹⁾ Data for 2017 includes TauTona and Savuka.

⁽²⁾ Based on the Ore Reserve.

⁽³⁾ For the South Africa region as a whole.

For further information on AngloGold Ashanti and its work and performance, as a group and in the South Africa region, see the <IR> and <SR> which are available online at www.aga-reports.com.