

# SIGUIRI

GUINEA



**S**iguiRI is a multiple open-pit oxide gold mine in the relatively remote district of SiguiRI, in which AngloGold Ashanti has an 85% interest. The remaining 15% is held in trust for the nation by the government of Guinea.

The mine's gold processing plant is designed to treat 12Mt per annum. A combination plant conversion project which began during 2017 will allow the mine to treat 6Mt of sulphide hard ore and 6Mt of soft oxide ore. Commissioning was completed and the first material fed through the plant on 1 March 2019. SiguiRI is contractor-mined using conventional open-pit techniques. Ramp up and complete integration is still underway and expected to be successfully completed by the end of 2020. Details of the ramp up include the addition of a fines scalping screen at the new crushing circuit as part of dealing with fines during the wet season. There will

## FEATURES OF THE YEAR

### LOWER PRODUCTION

on declining feed grades and recovery

### COMBINATION PLANT

commissioned despite challenges

### WAGE NEGOTIATIONS

successfully concluded in spite of tendentious employee relations

### ONE

reportable environmental incident

### 5.70Moz

inclusive Mineral Resource at 31 December 2019

# PERFORMANCE 2019

also be an additional trash screen to provide more capacity for maintenance and treatment of viscous stockpiled oxide material, and consideration of additional CIP capacity to deal with potential carbonaceous containing fresh ores. The plant scats crusher circuit is also being upgraded, with the addition of a new crusher to assist with improved liberation of gold in the scats. The mining lease area has significant gold prospectively and exploration potential.

## Operating performance

### Production

Production at Siguiri declined to 213,000oz in 2019, mainly due to lower plant feed grade and recovery which is related to the ROM 3 crushing plant low performance and material feed blend to the plant. This was a result of a slower ramp-up than anticipated following the completion of the carbon-in-leach (CIL) combination plant integration during the year. By year-end, quarterly production had improved as the processing challenges from the treatment of harder rock material through the plant had been addressed.

### Costs

The drive for continuous cost improvements through the Operational Excellence programme is well entrenched across all sites and disciplines in the region. The focus remains on delivering systemic and sustainable operational improvements in the management of the region's stay-in-business projects.

### Growth and improvement

Commissioning of the Siguiri CIL combination plant was completed in 2019 with the mill achieving design throughput consistently. Optimisation of the circuit is now underway. The prefeasibility study for the Block 2 project was completed, and the feasibility study is expected to be completed by end of the second quarter in 2020. Evaluation of Siguiri Block 2 and the trucking of oxide material to the existing process plant to displace marginal ore was completed. The aim is to improve the mine's ounce profile from 2021 onwards and potentially extend its life of mine. Permits for construction of the new haul road have been received while the mining permit application is currently in progress.

## Sustainability performance

During the year, the Continental Africa region recorded zero fatalities, extending the four-year fatality-free period, with the last fatal injury having been recorded in October 2015.

### Health

Protection, promotion and optimisation of health and wellbeing among our employees and communities remain key priorities for the organisation.

There were no major changes in 2019. We continued with constant monitoring and control of workplace exposures to dust, noise and lead, which are important occupational health risks.

Non-occupational lifestyle and community health risks such as malaria, which is endemic in our African operations, also present challenges to business productivity and continuity.

All malaria affected operations in the African continent continued to roll out malaria control programmes that extend beyond employees to surrounding communities. These programmes use various methods spanning from community based indoor residual spraying to distribution of insecticide treated bed-nets to community members.

## Employee and labour relations

AngloGold Ashanti maintained good and stable labour relations during the year with its employees. Employees have a right to freedom of association and to collective bargaining. This is central to effective labour relations at all operations, where the country's regulations allow.

At Siguiri, 2019 started with the obligatory biennial requirement to organise and conduct employee representatives' elections (union elections). The workforce had then been informed of the renewal of the union delegation 45 days before the expiry of their term in accordance with the applicable legislation. The elections, which were successfully conducted on 8 February 2019, were free and fair, leading to the results being accepted by all contestants.

Union leadership engaged in tendentious communication on labour management issues resulting in illegal work stoppages by some employees, including supply chain employees in May 2019. The strike was resolved through the mediation process and joint problem solving under the auspices of the in-country General Labour Inspector supported by the local authorities' representatives of Siguiri.

Subsequent to participation in illegal strike, disciplinary actions were initiated against 67 employees and two union leaders that resulted in the demotions of participating employees, dismissal of seven supervisors and two senior union leaders. The cases were brought before the General Labour Inspector, but evidence provided by the company illustrated legal compliance.

Management and the union successfully concluded the 2019 wage negotiations. The parties reached agreement for a once-off cash payment equivalent to 5% of the annual basic salary distributed as follows: 6% for junior staff E-AM1, 5% for first level of officers AM2-C1, and 4% for senior staff C2-C3-C4.

Siguiri commissioned a new combination plant in 2019 with numerous technical and process related challenges. To support production improvement initiatives, the mine developed and implemented a multidisciplinary Integrated Recovery Plan (IRP). Management strategies to improve union engagement, under the IRP work package, were formalised.

In terms of compliance, human resources including labour relations operational activities were audited as part of Siguiri's combined

assurance audit team in 2019 and management agreed actions planned to correct deficiencies highlighted during the audit. At the beginning of the year, all critical human resource policies and procedures were revised and approved by general management.

## Community development

Work within communities continued in the region. Each operation has a forward-looking community engagement strategy that identifies potential areas of concern for the respective communities. We have local economic development programmes, which are developed and run in partnership with local governments and host communities. These programmes are aimed at contributing towards economic growth, income-generating opportunities, creation of employment, and nurturing sustainable livelihoods beyond the life of mine.

After an extensive consultation with the community of Siguirí town to find ways to address the high levels of unemployment in Siguirí town and to consider what is available as a source of income for the population, a decision was made to construct a semi-mechanised 5,000 – 10,000t cashew kernel processing plant. The plant is expected to generate approximately 570 permanent jobs and over 2,000 seasonal farmers. While this project is aimed at creating sustainable economic livelihoods for the Siguirí communities, it will also form part of the mine's rehabilitation programme by planting productive trees on waste-dumps for restoration purposes. This project is to be implemented by Siguirí over a period of five years from 2020 to 2024. In November 2019, Siguirí signed an MOU with USAID for the organisation and development of local farmers to a total value of \$3m (\$1.5m from each partner).

In partnership with government, Siguirí has constructed a technical school in Kintinian. The aim is to provide access to education and improve the quality of education and thereby contributing towards the achievement of government's sectoral education policy requirements that identified school, recreational and educational infrastructure development as priorities. The technical school will have a positive impact to the whole Siguirí community. This will contribute to the development of youth and their marketability and employment in various trades. More than 650 learners will attend and benefit from the school annually. Construction of the technical school is 100% complete and an operations framework is under development with the government.

The rice farming project is implemented in approximately over a 100 hectare-land that has been donated by the local authorities. The project is in the Mankity and Fifa communities of Boure. It is planned to be an income-generating project aimed at contributing

towards poverty reduction, employment creation and promotion of food security. This project is also assisting in optimising the use of the land beyond subsistence farming. The farm is close to the river and planned to be under irrigation so that the production can be in all seasons. During the fourth quarter of 2019, harvesting of the rice farming was done in the Mankity and Fifa District in partnership with the municipality and the Farmer Association with over 1,000 bags of 100kg rice harvested.

## Environment

There was one reportable environmental incident which occurred within the processing plant area of Siguirí on 27 October 2019. The incident was due to the uncontrolled release of cyanide-contaminated solution from the cyanide make-up bund wall in the plant which flowed to the primary and secondary containment ponds. It was subsequently discovered that the valve between the two ponds was left open. A dead cow and some birds were found around Pond 2 outside the plant fence. The release was stopped and peroxide detoxification was instituted to lower the cyanide levels in Ponds 1 and 2. The government's Environment Department representatives from Siguirí town were notified immediately and invited to the mine. A full investigation was initiated to understand the root cause(s) of the release and the recommended remedial actions were instituted to avoid similar incidents in future.

Two environmental permitting processes were underway in 2019, namely; the satellite Block 2 mining project and the Haul Road between Block 1 and Block 2 (approximately 50km long). The environmental report for the proposed haul road project was submitted to the government in December 2019 and the permit is awaited. Work on the Block 2 project is on schedule and related final submission will be in the first quarter of 2020.

## Security and human rights

No human rights violations were recorded, and no incidents were reported during the year. However, proactive management of ASM, illegal mining and general criminality remains a focal point for the security discipline in the region. Our ongoing commitment to the respect for human rights is evidenced by our participation in the UN Forum for Business and Human Rights, the Voluntary Principles on Security and Human Rights (VPSHR) initiative and the United Nations Global Compact (UNGC). As a member of the International Council on Mining and Metals (ICMM), AngloGold Ashanti actively participates in various working groups and initiatives designed to promote human rights. The VPSHR remains the key driver of our security management practices. For more information, see Continental Africa in the *Regional reviews* section in the <IR>.

# PERFORMANCE 2019 CONTINUED

## Key statistics

| Signiri                                   | Units                    | 2019   | 2018  | 2017  |
|---|--------------------------|--------|-------|-------|
| <b>Operating performance</b>              |                          |        |       |       |
| Cut-off grade <sup>(1)</sup>              | oz/t                     | 0.019  | 0.019 | 0.019 |
|   | g/t                      | 0.65   | 0.65  | 0.65  |
| Recovered grade                           | g/t                      | 0.75   | 0.85  | 1.01  |
| Tonnes treated/milled                     | Mt                       | 8.8    | 8.9   | 9.9   |
| Gold production                           | 000oz                    | 213    | 242   | 324   |
| Total cash costs                          | \$/oz                    | 1,091  | 844   | 725   |
| All-in sustaining costs                   | \$/oz                    | 1,176  | 930   | 796   |
| Capital expenditure                       | \$m                      | 19     | 82    | 70    |
| Productivity                              | oz/TEC                   | 15.30  | 17.50 | 21.69 |
| <b>Safety performance</b>                 |                          |        |       |       |
| No. of fatalities                         |                          | 0      | 0     | 0     |
| All injury frequency rate (AIFR)          | per million hours worked | 0.45   | 0.22  | 0.13  |
| <b>People</b>                             |                          |        |       |       |
| Total average no. of employees            |                          | 3,056  | 3,869 | 3,353 |
| – Permanent                               |                          | 1,856  | 1,885 | 1,850 |
| – Contractors                             |                          | 1,200  | 1,984 | 1,503 |
| <b>Environmental performance</b>          |                          |        |       |       |
| Water use                                 | ML                       | 7,083  | 6,027 | 6,349 |
| Water use efficiency                      | kL/t                     | 0.68   | 0.58  | 0.54  |
| Energy consumption                        | PJ                       | 3.02   | 2.29  | 2.40  |
| Energy intensity                          | GJ/t                     | 0.29   | 0.22  | 0.21  |
| Greenhouse gas (GHG) emissions            | 000t                     | 205    | 156   | 163   |
| GHG emissions intensity                   | t CO <sub>2</sub> e/t    | 20     | 15    | 14    |
| Cyanide use                               | t                        | 4,979  | 3,186 | 2,508 |
| No. of reportable environmental incidents |                          | 1      | 1     | 0     |
| Total rehabilitation liabilities          | \$m                      | 54     | 53    | 59    |
| <b>Social performance</b>                 |                          |        |       |       |
| Community investment                      | \$000                    | 10,164 | 2,474 | 890   |
| Payments to government                    | \$m                      | 33     | 78    | 100   |

<sup>(1)</sup> Based on the Ore Reserve.

For further information on AngloGold Ashanti and its work and performance, as a group and in the Continental Africa region, see the <IR> and <SR> which are available online at [www.aga-reports.com](http://www.aga-reports.com).