

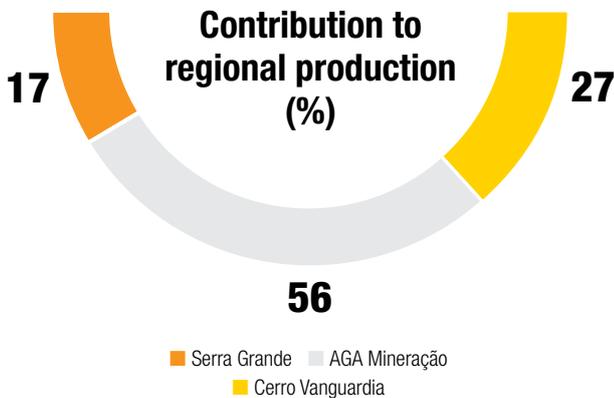
# OPERATING PERFORMANCE

## Regional reviews – Americas



View of the thickeners at Serra Grande

**LEGEND:** ① **Argentina** Cerro Vanguardia (92.5%)    ② **Brazil** Serra Grande    ③ **AGA Mineração**  
 ④ **Colombia** Gramalote (50%) / La Colosa / Quebradona



**21%**  
 contribution to group production\*

\* For 2020, group production includes the South African operations to September 2020

The Americas region comprises three operations – featuring both open pit and underground mining, one in Argentina and two in Brazil – and two advanced greenfields projects in Colombia.

### Argentina

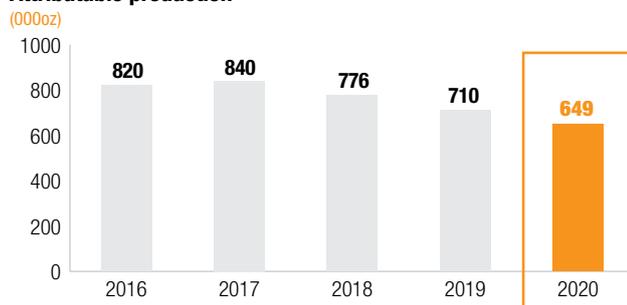
**Cerro Vanguardia**, in which AngloGold Ashanti has a 92.5% stake, is the Company’s sole operation in Argentina. Fomicruz, a state company, owns the remaining 7.5%. The operation is in the province of Santa Cruz and operates multiple small open pits with high stripping ratios and multiple narrow-vein underground mines that produce gold with silver as a by-product.

### Brazil

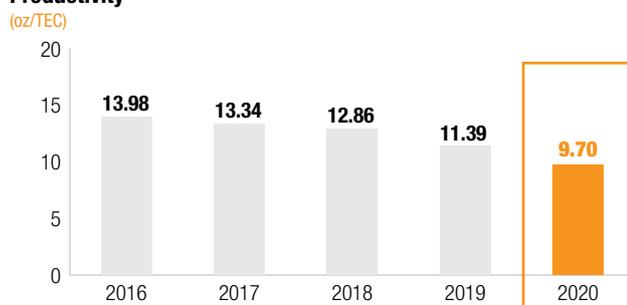
**AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração)**, in the state of Minas Gerais, comprises the Cuiabá Complex, the Córrego do Sítio mining operation and the Cuiabá and Queiroz plants.

**Serra Grande**, in the state of Goiás about 5km from the city of Crixás, comprises three mechanised underground mines and an open pit.

### Attributable production



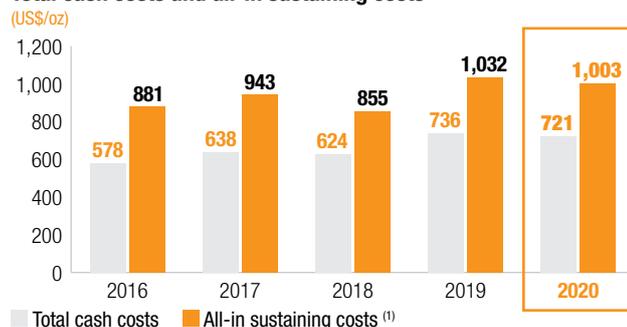
### Productivity



### AIFR



### Total cash costs and all-in sustaining costs



<sup>(1)</sup> World Gold Council Standard

## Colombia

**Quebradona** project is situated in the Middle C uca region of Colombia, in the Department of Antioquia, 60km southwest of Medell n within the Municipality of Jeric . The project is 100% owned and managed by AngloGold Ashanti.

**Gramalote** project, a joint venture between AngloGold Ashanti (50%) and B2Gold (50%), is located near the towns of Providencia and San Jose del Nus within the municipality of San Roque, in the northwest of the Department of Antioquia. It is approximately 124km northeast of Medell n, the regional capital of the Antioquia Department. B2Gold became the project manager and operator from 2020.

See *Planning for the future – projects, exploration and innovation* for additional information.

## Operational performance

### Production

Total production for the Americas region in 2020 declined to 649,000oz compared with 710,000oz in 2019, due to production declines at Serra Grande in Brazil and Cerro Vanguardia in Argentina.

At Cerro Vanguardia in Argentina, production of 173,000oz was 23% lower than 225,000oz the previous year. As this is a mature operation, this decline was largely due to the lower grades mined and reduced tonnages owing to the impact of the COVID-19 pandemic. Cerro Vanguardia had been performing well in terms of planned gold production using the available stockpile but unfortunately production was halted twice during the last quarter of the year – first a voluntary closure after the identification of positive COVID-19 cases at site in November, followed by a mandatory government-imposed lockdown in December.

In Brazil, production of 476,000oz was 2% lower than the previous year, mainly due to series of operational issues that were compounded by COVID-19-related restrictions. Production had improved by year end with production in the second half of the year up by 7% on the prior year six months as a result of an increase in tonnes of ore mined.

At AGA Minera o, full year production was 362,000oz, in line with 2019 despite the impact of stoppages and absenteeism due to COVID-19, unexpected and heavier-than-normal rains in the first half of the year, and geotechnical issues on the high-grade programmed stope. The Cuiab  complex's production was 7% lower than in 2019 due to geological modelling which reduced the thickness of the orebody at the lower levels of the mine.

At the C rrego do S tio (CdS) complex, production increased by 22% to 101,000oz compared with 2019. This increase was due to the higher tonnages and grades placed onto the heap leach and the higher tonnage treated in the sulphide circuit. This improvement resulted from the strategy in place at CdS Mine 1 to increase development and production. Following consolidation of the S o Bento operation (CdS II), plant capacity increased and implementation of the improvement project to improve reliability of the sulphide plant was completed.

## OPERATING PERFORMANCE

### Regional reviews – Americas continued

At Serra Grande, production declined 7% to 114,000oz, mainly resulting from lower grades due to geological model changes, grade control changes and operational delays at high grade stope areas, further impacted by absenteeism due to the COVID-19 pandemic.

#### Costs

The region's all-in-sustaining cost of \$1,003/oz for 2020 was 3% lower than \$1,032/oz in 2019, a consequence mainly of depreciation against the dollar in both the Brazilian and Argentinian currencies, changes in rehabilitation provisions (economic parameters) and, in Argentina, a higher silver by-product price that was partially offset by lower gold sold and inflationary pressures.

#### Capital expenditure

Regional capital expenditure of \$217m was 11% higher than the previous year and was mainly on Ore Reserve development, exploration, enhanced TSF management and maintenance, mainly for the Brazilian operations. This expenditure included \$49m for the Colombian projects, mainly in relation to the Quebradona land capitalisation and completion of the technical feasibility studies and the bridging engineering phase, as well as the Gramalote drilling programme and activities to do with the completion of the feasibility studies.

The Brazilian operations maintained focus on Ore Reserve and Mineral Resource conversion to improve confidence levels, while work is underway to convert the TSFs to dry stacking. At Cerro Vanguardia, in Argentina, COVID-19-related stoppages resulted

in reduced Ore Reserve development as fewer metres were developed. Capital expenditure for the year was spent mostly on the replacement of mine equipment. During 2020, the mine continued with its strategy to purchase larger trucks to increase hauling and loading capacity to further improve productivity and haulage volumes. Fleet renewal will continue in 2021.

The outlook for growth capital expenditure outflows for the region until 2024 relate mainly to the Gramalote and Quebradona projects in Colombia. Quebradona will enable the Group to diversify into copper production at an attractive estimated copper all-in-sustaining cost margin of between 60% to 70%. Some increase in the capital outlay is also expected between 2021 to 2022 at AGA Mineração in respect of Ore Reserve development and exploration to increase orebody confidence and ongoing TSF conversion to dry-stacking.

#### Growth and improvement

In Brazil, plans to increase gold production are underway. Productivity is expected to improve as a result of the Operational Excellence initiatives that are underway.

Starting from the second quarter of 2020, Operational Excellence initiatives included operational and administrative efficiency gains across all sites and regional office. Increasing mine flexibility was a key focus in 2020. Operations set new records for development and processing, which helped offset negative impacts of geological model changes and other operational challenges faced throughout the year, including COVID-19.



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In Argentina, the most significant savings resulted from the renegotiation of the natural gas contract.

Despite a drop in production, the Cuiabá complex achieved record development of 19,357m in the year, an increase of 17% from 2019 (16,563m), together with the processing of record volumes at the plant, 1.905Mt in 2020 versus 1.799Mt in 2019. These results are outcomes of an Operational Excellence strategy conducted in 2020. As part of the long-term growth strategy, the potential for new orebodies is being investigated in regional targets, along with plans for the deepening of the Cuiabá mine and the building of orebody knowledge at depth and related modelling of geological behaviour.

At Córrego do Sítio (CdS), the focus remains in advancing the exploration drilling campaign to enable reserve addition to support mine flexibility and support future expansion. In the long term, replacement of the Lamego Ore Reserve will provide expansion opportunities at the CdS complex. In the short-to-medium term, exploration, evaluation and implementation of additional production sources are expected at both Cuiabá and CdS II.

At Serra Grande, exploration and Ore Reserve development will create options to further scale-up production, extend the life of mine and sustain higher margins. Exploration and Ore Reserve development will create options to increase production, extend mine life and improve margins.

An exploration drill campaign has successfully confirmed the down-plunge continuity of the underground mines. In addition, the discovery of other new orebodies, including Palmeiras Sul, has consistently grown the Mineral Resource. There is also opportunity for unlocking the open pit potential in the greenstone belt.

At Cerro Vanguardia, exploration during 2020 continued for new viable orebodies to extend the mine life. This included successful channel sampling and diamond drilling. A total of 25,073m was drilled as part of a long-term programme to pursue the extension of mineralisation along and down-dip of some of the more important veins in the central zone of the district. The drilling programme also targeted minor secondary veins and tested new targets several kilometres away from the main zone. Plans for 2021 include further diamond drilling to find new exploration targets and determine a new Inferred Mineral Resource to convert the existing Inferred Mineral Resource into Ore Reserve, additional trenching, channel sampling and ground magnetics surveys.

The Quebradona and Gramalote projects are expected to complete feasibility studies and be presented to the board for approval in 2021.

Once approved, construction at Gramalote is expected to take about three years with production expected to start in 2024. At Quebradona, construction is anticipated to take approximately four years, starting first with the underground access tunnel development, followed by orebody development and process plant construction.



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For more detail on the performance at each operation, including their sustainability performance see the <OP>. These are available online at [www.aga-reports.com](http://www.aga-reports.com)