



Surveying at Gramalote

COLOMBIA



LEGEND: ① Gramalote (50%)⁽¹⁾ ② Quebradona ③ La Colosa

⁽¹⁾ Change in ownership from 51% to 50% in 2020; managed by B2Gold

AngloGold Ashanti currently has three greenfields projects in Colombia, two of which are at various stages of feasibility study and a third that is under force majeure.

These projects are:

- **Quebradona**, situated in the Middle Cáuca region of Colombia, in the Department of Antioquia, 60km southwest of Medellín within the Municipality of Jericó, the project is 100% owned and managed by AngloGold Ashanti. Quebradona is a porphyry-related, copper-gold mineralised stock work system, within the Western Cordillera of Colombia. Five main targets have been identified, of which Nuevo Chaquiro is the most advanced

- **Gramalote**, 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 Medellín, the regional capital of the Antioquia Department. B2Gold became the project manager and operator in 2020
- **La Colosa**, located approximately 150km west of Bogota Colombia in the Tolima Department, is a very large porphyry-style gold deposit discovered by AngloGold Ashanti Colombia greenfield exploration group in 2006. The project is 100% owned and managed by AngloGold Ashanti. It was halted and voluntarily suspended in 2017, when force majeure was recognised by the national mining authority relating to the environmental permits required to continue the project’s mining exploration activities

These three projects make a significant combined contribution of 38.5Moz to AngloGold Ashanti’s total gold Mineral Resource. At 31 December 2020, Quebradona and Gramalote together contributed 4.2Moz to our total gold Ore Reserve while Quebradona also has a copper Ore Reserve of 3,105Mlb.

Project updates

Quebradona

The feasibility study underway to determine the engineering activities is due to be completed in 2021. Simultaneously, work continues on incorporating all findings from peer reviews and promoting the [#Miningwithpurpose](#) campaign, which seeks to highlight the integration of social, environmental and economic imperatives into the project and subsequent mining operations.

Quebradona will be a copper mine producing gold and silver as by-products. While there are presently no plans to recover molybdenum at Quebradona, the process plant will be designed with provision made for a molybdenum plant to be constructed in the future.

The project is expected to treat approximately 6.2Mt annually to produce 3 billion pounds of copper, 1.5Moz of gold and 21Moz of silver over a potential 23-year life (from an estimated silver Ore Reserve of 26.19Moz).

PERFORMANCE 2020

The feasibility study continued in the first quarter of 2021, following completion of which the project will be submitted for board approval. First production is expected approximately four-and-half years from the start of construction.

Gramalote

Work on the feasibility study continued as planned in 2020 with drilling resuming in May 2020. An updated Mineral Resource model completed by year end provided the information necessary to advance pit design and mining engineering studies. Feasibility stage metallurgical studies and process plant designs were also completed. Infrastructure design work continues.

A revised schedule and budget for the proposed optimisation, continuation of the sustainability projects, further exploration, and completion of the final feasibility study are being developed. In light of this, delivery of the final feasibility study for the Gramalote project is being postponed to the second quarter of 2022. This follows the announcement, in the first quarter of 2021 by our project partners B2Gold, that they are currently reviewing a revised feasibility study budget to allow the final feasibility study to incorporate the identified optimisation potential. A decision will be announced in due course. First production is expected approximately three years from the start of construction.

In December 2020, the Gramalote project received the “Sello Social de La Minería en Antioquia”, which is presented through the Ministry of Mines of Antioquia to large scale operations, recognising Gramalote for its commitment to community support.

Capital expenditure

Capital expenditure of \$49m for the Colombian projects was spent predominantly on the Quebradona land acquisition, completion of the technical feasibility studies, the Gramalote drilling programme, and activities related to the completion of the projects' respective feasibility studies.

Outlook for the Colombian projects

The outlook for growth capital expenditure in the Americas region over the next few years until 2024 relate mainly to the Gramalote and Quebradona projects. Quebradona allows the Company to diversify into copper production at an attractive estimated copper all-in sustaining cost margin of between 60% to 70%.

Final feasibility studies for the Quebradona and Gramalote projects are underway and once completed will be presented to the board for approval in 2021 and 2022. Once the projects have been approved, construction at Gramalote is expected to take about three years. 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.

Sustainability performance

Safety

There were no reported fatalities in Colombia and the all injury frequency rate for 2020 was unchanged at 0 per million hours worked.

Employee relations

AngloGold Ashanti's approach to employee relations is predicated on a relationship-based model. We strive to establish constructive relations with our employees and their union representatives based on our company values and our determination to embed interest-based collective bargaining. Working closely with our sites, we are also at the forefront of ensuring that we comply with local legislation and regulatory obligations.

As they are not yet operational, the Colombia projects do not have unions. Our human resources team works and with employees and leadership on performance, labour conditions and the resolution of any issues, adopting a consultative approach.

Environment

Our environmental stewardship activities are focused on managing the impact of our operations on land, water, air and energy resources.

Environmental management processes are governed by our Group Environment Policy, Standards and Guidelines. The combined assurance audits to assess conformance with our Environmental Standards were impacted by COVID-19 related restrictions, resulting in remote reviews. These reviews will be augmented once the restrictions are lifted.

National Environmental License Authority (ANLA), mindful of the limitations that social distancing had on public consultation around the Quebradona Environmental Impact Assessment (EIA), worked with the Company to overcome the challenge of holding traditional town hall sessions. This has included the design of virtual engagements, to be run in 2021, with the emphasis on ensuring equal access to all parties and that the legitimacy of the permitting process remains the absolute priority.

In addition, during 2020, our Quebradona project presented the future mine's progressive closure plan to the National Licensing Agency, as contained in the EIA. This included the design for a biodynamic park that includes an observatory, mist trapper and plant nursery.

Quebradona is expected to use power from the national grid, which is predominately driven by hydropower, and this will support our group strategy to strive for net zero carbon emissions.

PERFORMANCE 2020

Communities

Our ability to operate successfully is premised on our engagement with communities in an atmosphere of mutual respect. We remain committed to sharing value with communities through training and supplier development programmes and the localisation of employment and procurement opportunities.

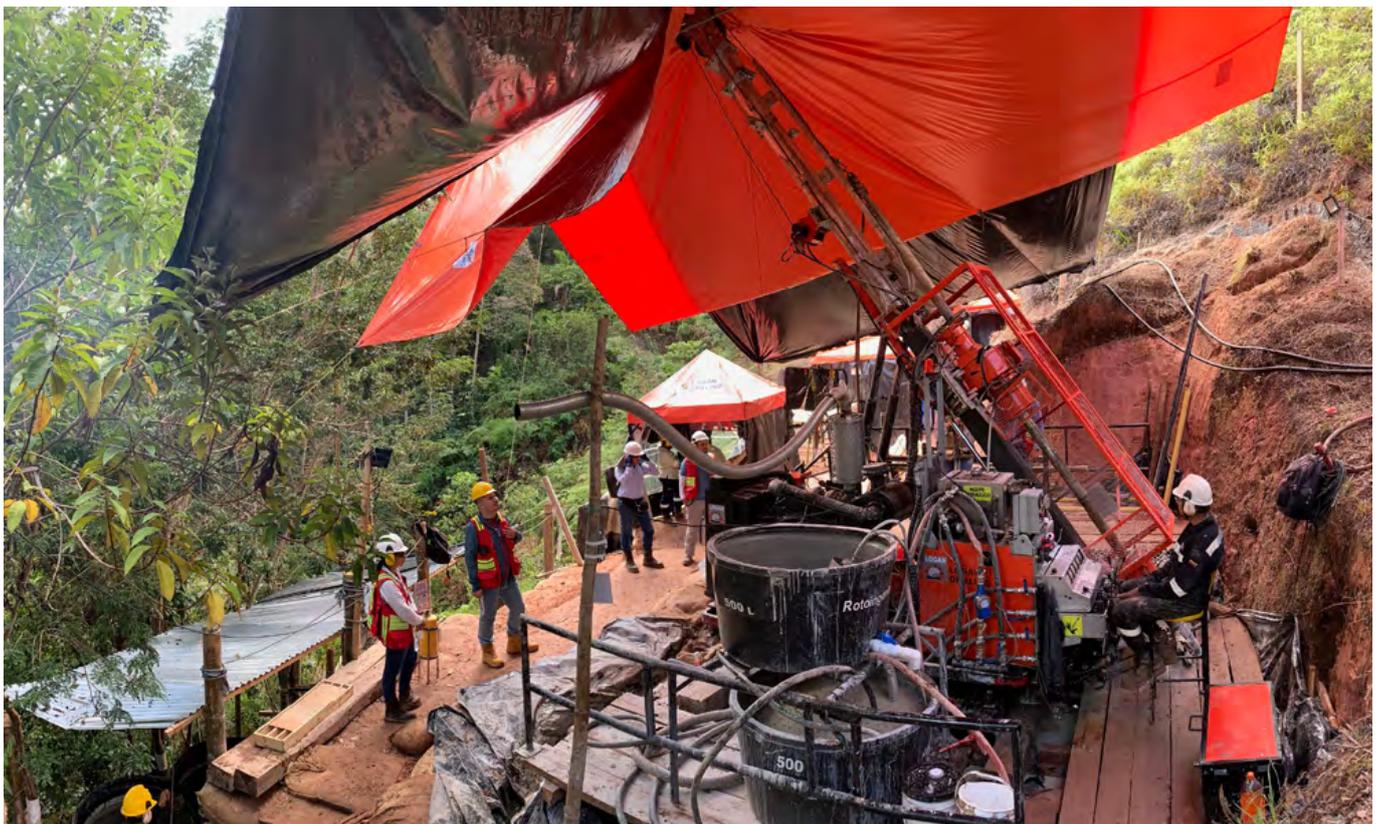
We recognise the complexity and diversity of the cultural, economic and social landscapes in which we operate; and aim to balance our ethical responsibilities, regulatory obligations and business objectives. Our host and local communities face intricate socio-economic challenges – especially poverty, high unemployment rates, low economic growth, inadequate infrastructure and access to basic services.

To address the significant challenges that artisanal and small-scale mining (ASM) and illegal mining activities pose at our sites in Colombia, we continue to participate in ongoing multi-stakeholder initiatives to advance co-existence with and to formalise ASM.

In 2020, we invested \$1,881m in community initiatives in Colombia (2019: \$278m) and paid \$12.3m in taxes, royalties and other duties (2019: \$11.1m).

At Quebradona, assessments made by INSUCO – an independent international consulting firm specialising in the social sciences and engineering – and the implementation plan for the 13 social units required by the project were approved. In addition, social and legal support was provided during the delivery of the Bariloche and San Antonio properties. See page 34 of the <SR> for more on the work being done towards contributing to resilient, self-sustaining communities.

Archaeological artefacts were discovered during exploration of the Jericó site and reported to the Mayor of Jericó and the director of the Maja Museum. A legal process to protect and place the items in the local museum has been initiated with the relevant authorities.



Exploration drilling at Gramakote Central

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