



## Diggers & Dealers Forum 2014



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Group Planning & Technical

AUGUST 6 2014

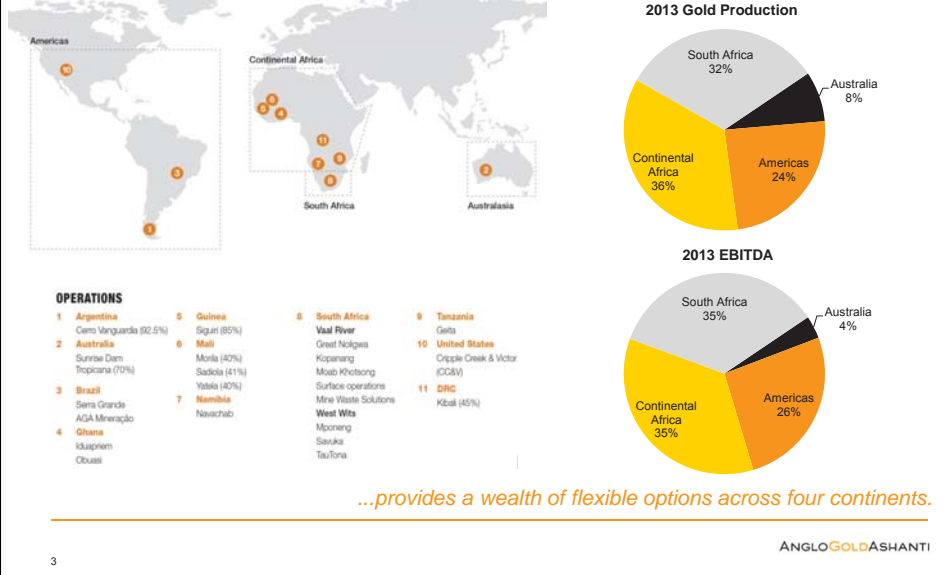
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## AngloGold Ashanti at a glance

*An extensive global operational and exploration footprint with improving geographical split...*



## Building blocks for AngloGold Ashanti

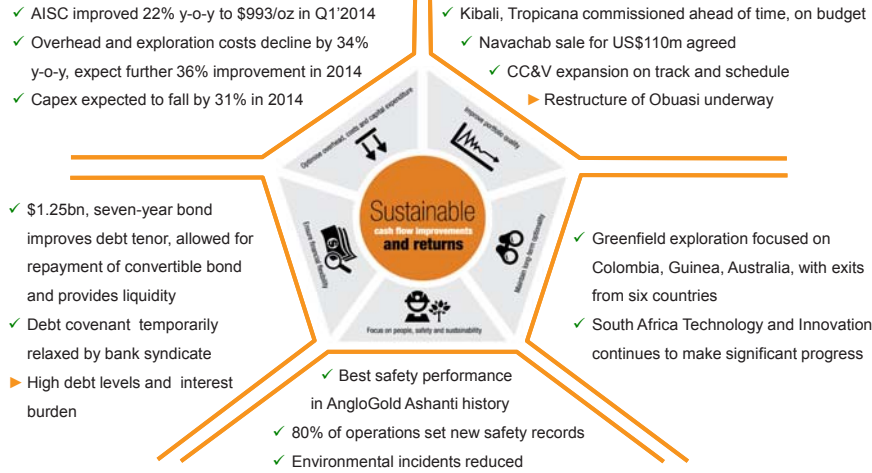
*Seek to maximise sustainable free cash flow from a high-quality, diversified portfolio...*



*...whilst maintaining the fundamentals of the business, with a focus on delivery.*

## Delivery on key strategic objectives

*Progress has been made in achieving strategic objectives despite tough headwinds...*



*...with the focus now on continuing to preserve our financial flexibility.*

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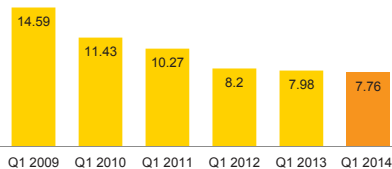
## Safety performance

*We strive to achieve zero harm...*

### Fatalities

	1Q'13	Year-on-Year Reduction	1Q'14
South Africa	3	(2) ↓	1
International	0	(2) ↑	2
Exploration	0	-	0
<b>Total</b>	<b>3</b>	<b>-</b>	<b>3</b>

### All injury frequency rate (AIFR) per million hours



- Record Q1 AIFR performance - 20% fewer injuries year-on-year, 8% fewer days lost.
- One fatality in South Africa and two in Brazil; both in non-production related incidents. Detailed investigations completed and corrective actions identified & implemented.
- Eleven operations with zero LTI\*; Six operations with zero injuries.
- 3m fatality-free shifts at Kopanang and 1m fatality-free shifts at: Great Noligwa, TauTona and SAR Services.
- Major Hazard Control continues with identification and monitoring of critical controls and High Potential Incidents (HPI's).

\*Lost Time Injury

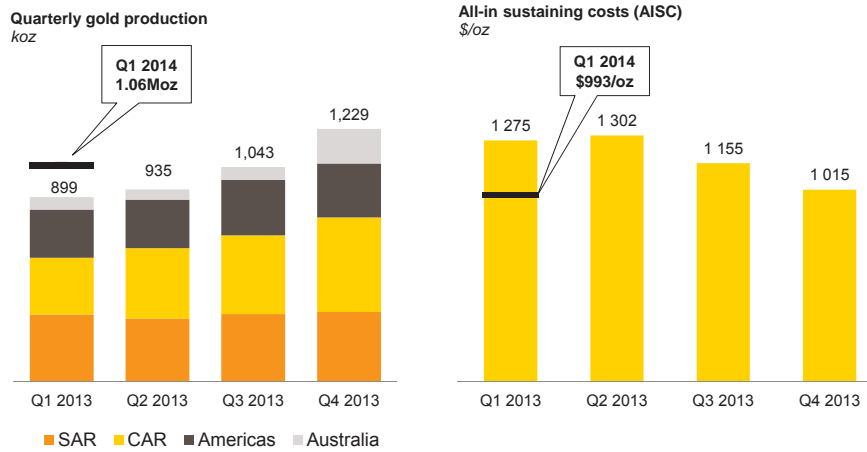
*...by ensuring that safety is the first priority for every employee.*

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## Improvements in production and costs

*New production coming on stream at lower costs, as planned...*



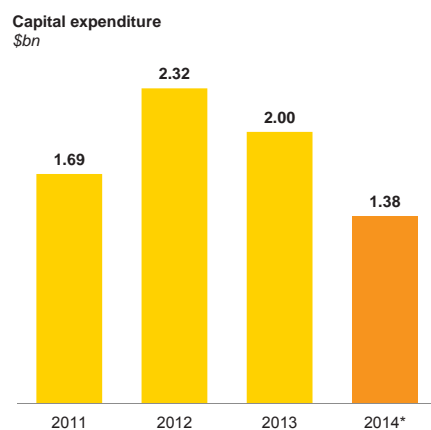
*...delivering first annual quality production growth in 9 years.*

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## Capital expenditures

*Total capex profile has reduced significantly since 2012...*



- Reduced capex from 2012 onwards reflecting delivery of Kibali and Tropicana.
- Medium term capex focused on:
  - CC&V MLE2
  - Mponeng B120
  - Kibali underground
  - Obuasi decline
- Sustaining capex for 2013 was \$1bn.

\*midpoint of guidance \$1.3bn-\$1.45bn, includes deferred stripping

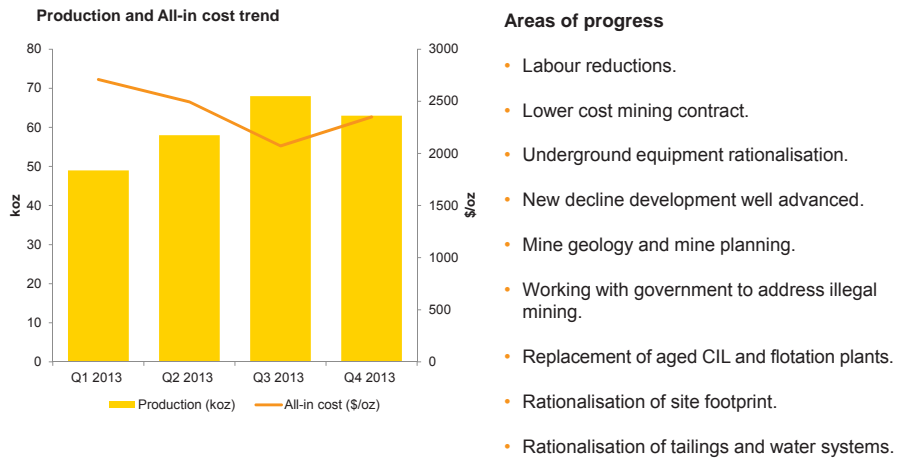
*...as Kibali and Tropicana are completed on-time and on-budget.*

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## Obuasi

*Meaningful action taken to correct Obuasi underperformance continues...*



*...now clear that radical action is needed to return the mine to sustainable profitability.*

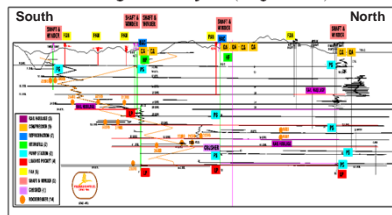
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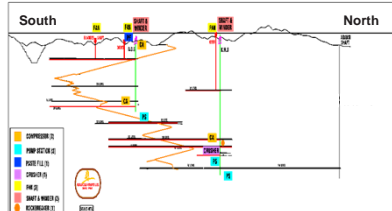
## Obuasi next steps

*A radical intervention is being defined...*

**Current Underground Layout (long section)**



**Proposed Underground Layout (long section)**



**In consultation with key stakeholders to support:**

1. Amended Program of Mining Operations
  - Substantial reduction in production to tailings retreatment only
  - Targeted mine development
  - Dewatering and water management
  - Environmental control
  - Care and maintenance
  - Commensurate reduction in labour
2. Footprint reduction and Security enhancement
3. Strategic Social Repositioning
  - Reduction in G & A
  - Extensive stakeholder engagement to support options
4. Mine Repositioning
  - Mining focused on southern ore bodies
  - Large scale, mechanised underground mining

*...to reduce the cash drain and develop sustainable options for the future.*

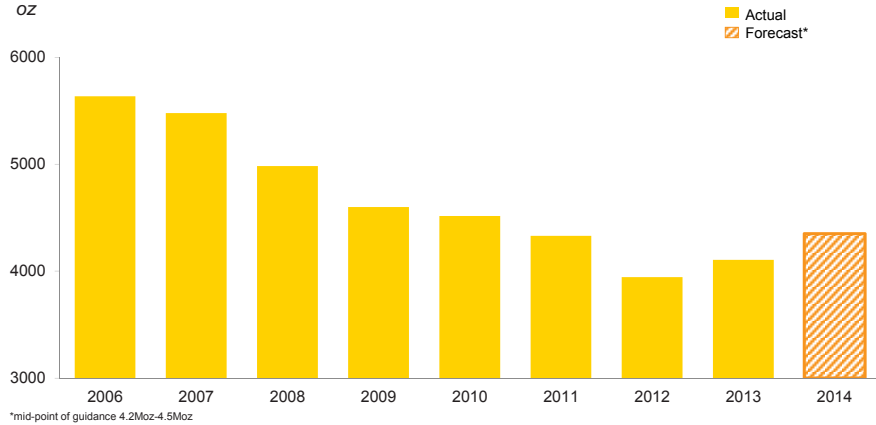
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## Returning to growth

*New mines scheduled to deliver approx. 580,000 oz in 2014 at \$600/oz...*

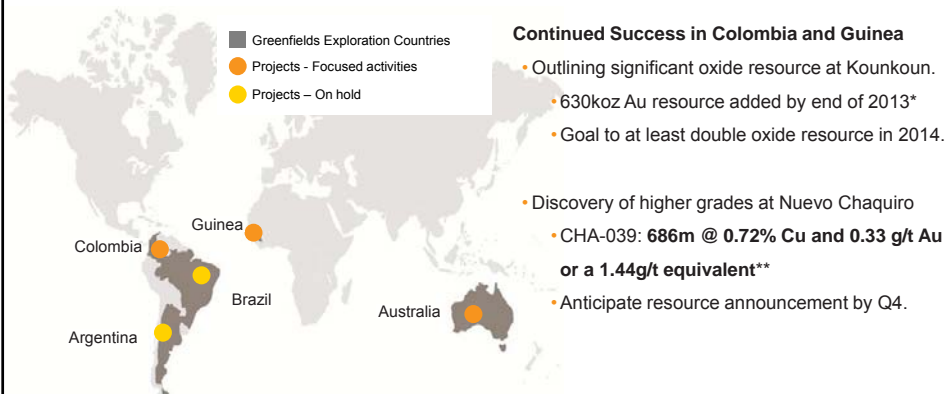
### Annual production OZ



*...helping improve the portfolio and deliver annual production growth for the first time in nine years.*

## AGA Greenfields Portfolio 2014

*Focused Greenfields exploration...*



\*Released in AGA Mineral Resource and Ore Reserve 2013 Annual Report

\*\*Details released in AGA Q3 2013 exploration report

*...while continuing to deliver results from a high quality pipeline of projects.*

## Portfolio improvement: Kibali

*Kibali (45% AngloGold Ashanti) started production ahead of budget and on schedule...*



Mill Plant and power generators



Flotation circuit

- Secondary sulphide circuit currently being commissioned.
- Focus on handover of metallurgical plant and commissioning of Nzoro hydropower station.
- Ramp-up of open-pit operation continues to be successful with production up 28% quarter-on-quarter.
- Underground mine slightly ahead of schedule:
  - a total of 1,656 lateral meters in Q1; and
  - vertical shaft depth of 416.5m.

100% Project	Q1 2014	2014 Forecast
Production	112,549 oz	550,000 oz
Total Cash Costs	US\$538/oz	US\$488/oz-\$520/oz
Ore Reserves*	12 million ounces	
Mineral Resources*	17 million ounces	

\* Please see Mineral Reserves and Ore Resources 2013 Report at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) for relevant competent persons report and JORC detail.

*...open pit working to plan and development of underground mine proceeding well.*

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## Portfolio improvement: Tropicana

*A world-class, tier-one mine (70%) discovered and developed by AngloGold Ashanti...*



- Started ahead of schedule and on budget in September 2014.
- Production in first half of 2014 of 253,423 oz
- Minimal capital requirements expected going forward, contributing to high margin ounces.
- Upside for resource growth on mining leases and further discoveries on extensive tenement holding in highly prospective belt.

100% Project	Q1 2014	Outlook First 3 Years
Production	120,579 oz	470,000 – 490,000 oz
Total Cash Costs	US\$495/oz (AGA)	A\$/590-A\$630/oz
Ore Reserves*	3.76 million ounces	
Mineral Resources*	7.72 million ounces	

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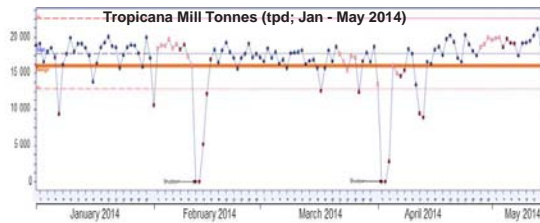
*...and continues to show potential for growth.*

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## Portfolio improvement: Tropicana ramp-up

*New low-cost mine performing to plan...*



### Ramp-up

- 95% availability (design) achieved in March 2014.
- Consistently achieving throughput rate of > 5.8 Mtpa (nameplate).

### Recovery

- Consistent with Bankable Feasibility Study.

### Plant costs

- In line with estimates.

### Production H1 2014

- In line with budget.

### Reconciliations

- Resource to grade control reconciliation slightly positive on tonnes and grade

*...with scope for further optimisation.*

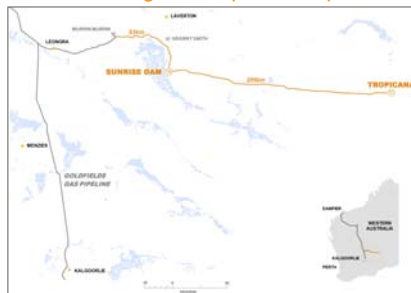


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## Cost reduction: gas power for WA mines

*Conversion to gas-fired power for processing ...*



- Agreements signed in July with APA Group to transport natural gas to the Sunrise Dam and Tropicana operations
- APA to construct a 292 km pipeline, the Eastern Goldfields Pipeline, with gas to be available at Tropicana in January 2016
- Gas will replace diesel for power generation at Tropicana and LNG/diesel for power generation at Sunrise Dam
- Gas will reduce cash operating costs at both sites by A\$25-\$30/oz, reduce exposure to diesel price volatility and provide continuity of supply
- Truck movements will be reduced by 50%

*...has significant impact on operating costs.*

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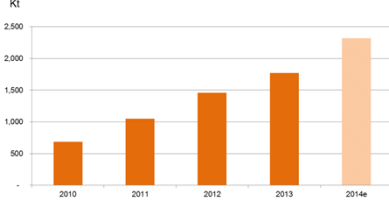
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## Cost reduction: Sunrise Dam

*Strategy to replicate success of open pit in underground mine ...*

Underground Ore Mined



- Open pit completed early 2014 with successful mining of Crown Pillar
- Strategy to steadily increase underground ore production using techniques effective for orebody in the open pit: RC grade control and large scale mining
- Consistent year-on-year increase in mining rates and on track to mine 2.4 Mt of ore in 2014 and targeting +3 Mt by 2017
- 50% reduction in \$/t mining costs over past two years due to improving productivity
- Reserves/resources have grown despite lower gold price

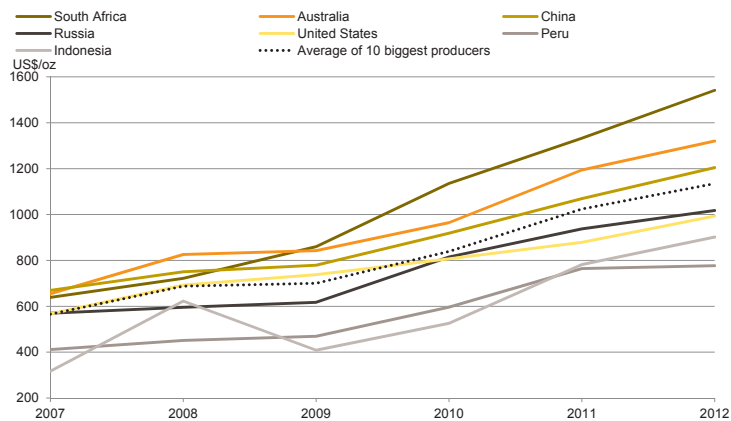
*...showing concrete results.*

\* Please see Mineral Reserves and Ore Resources 2013 Report at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) for relevant competent persons report and JORC detail.

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## Australia's cost competitiveness challenge

*All In Sustaining Costs high relative to most other gold producing nations...*

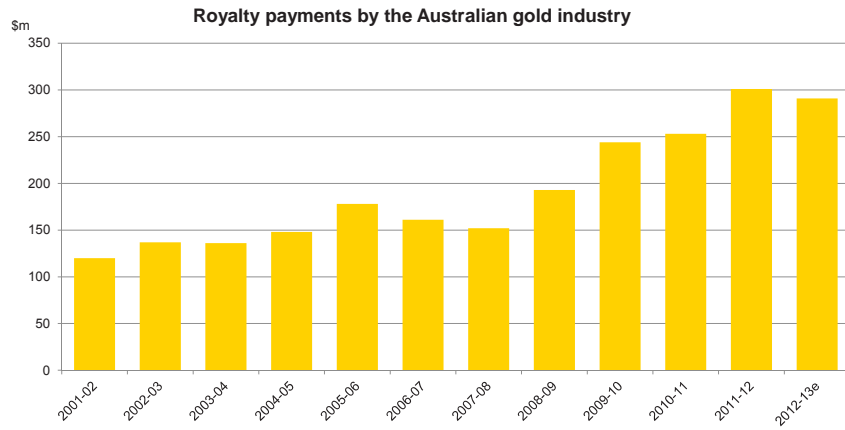


Source: Thomson Reuters GFMS Gold Mine Economics Service; MCA

*...illustrating margins are under pressure..*

## Royalty payments by the gold industry

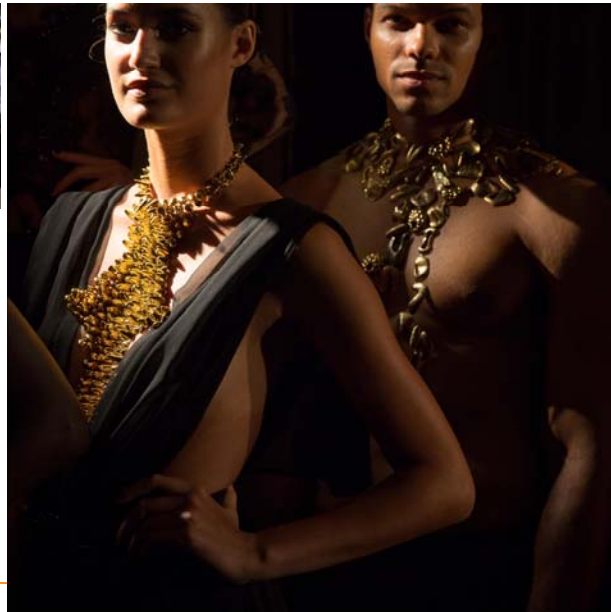
*The Australian gold industry is an important contributor to government revenues...*



Source: Deloitte Access Economics

*...with 70% of gold royalties paid to the WA Government in 2012/13..*

## Celebrating the official opening of Tropicana - March 2014





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