

# AngloGold Ashanti Vaal River Operations

## Mining Charter Progress Report: 2015

Date of submission: 29 March 2016

### Vaal River Mining Rights:

- MPTR0 REF: 12/2009, including endorsement in terms of Section 102 MPTR0 REF: 15/2012 (DMR Reference No.: NW30/5/1/1/2/016MR) ("Vaal River Operations: Moab Khotsong, Great Nologwa and Kopanang mines"). The MPRDA Section 102 application to incorporate Mine Waste Solutions into this Mining Right was granted on 13 July 2015. The DMR granting letter was corrected and reissued on 6 November 2015 and AGA is currently awaiting an executive date to sign such Deed of Variation.
- MPTR0 REF: 05/2008 (DMR Reference No.: NW30/5/1/2/2/04MR) ("Edom and Kleinfontein")
- MPTR0 REF: 80/2007 (DMR Reference No.: NW30/5/1/2/2/15MR) ("Moab Extension")
- MPTR0 REF: 105/2013 (DMR Reference No.: NW30/5/1/1/2/14MR) in respect of the "Farm Grootdraai" The Section 102 application for inclusion of minerals and extension of this mining area to include further farm portions i.e. Vaalbrug Dolomiet, De Pont Landing and Altona was granted on 24 April 2015, executed on 19 June 2015 and is currently awaiting registration at the Mineral and Petroleum Titles Registration Office.



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The following table constitutes the Company's' performance against the Scorecard for the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry for the Vaal River Operations' achievements as at the end of December 2015.

<b>SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY - VAAL RIVER OPERATIONS AS AT 31 DECEMBER 2015</b>					
<b>No.</b>	<b>ELEMENT</b>	<b>DESCRIPTION</b>	<b>MEASURE</b>	<b>COMPLIANCE TARGET BY 2015</b>	<b>PROGRESS ACHIEVED BY 31 DECEMBER 2015</b>
1	Reporting	Has the company reported the level of compliance with the Mining Charter for the Calendar year	Documentary proof of receipt from the department	Annually by 31 March	100%
2	Ownership	Minimum target for effective HDSA ownership by April 2014	Meaningful economic participation	26%	26.8%
			Full shareholder rights	26%	26.8%
			Beneficiation off-sets	In case of any shortfall in Ownership, up to 11% of beneficiation could be used to offset such shortfall.	AngloGold Ashanti holds 42.5% shareholding at the Rand Refinery, situated in Springs near Johannesburg, which beneficiates gold for its operations and all other South African Mines.
3	Housing and living conditions	Conversion and upgrading of hostels to attain the occupancy rate of one person per room.	Percentage reduction of occupancy rate towards 2014 target.	Occupancy rate of one person per room	100%
		Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units.	Family units established	100%
		<b>Note on Vaal River Operations from AngloGold Ashanti</b>	Implement initiatives to facilitate home ownership e.g. Preference surveys, advice on purchasing homes, training on benefits of home ownership	No target set	The company has signed a Memorandum of Understanding with all the organised labour stakeholders outlining the Home Ownership Scheme framework. The framework entails selling of the company designated housing stock and stands. Measures taken to enhance affordability include valuation of Property, discounts on selling prices, establishing a One Stop Shop and consultations with financial institutions and the Department of Human Settlements to unlock government subsidies for purchasers. AGA has developed home ownership training programme for interested employees.

**SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY -  
VAAL RIVER OPERATIONS AS AT 31 DECEMBER 2015**

No.	ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2015	PROGRESS ACHIEVED BY 31 DECEMBER 2015
4	Procurement & Enterprise Development	Procurement spent from BEE entity	Capital goods	40%	65%
			Services	70%	78%
			Consumable goods	50%	63%
		Multinational suppliers contribution to the social fund	Annual spend on procurement from multinational suppliers	0.5% of procurement value	Awaiting DMR guidance
5	Employment Equity	Diversification of the workplace to reflect the country's demographics to attain competitiveness.	Board Level	40%	46%
			Top Management (F Band)	40%	50%
			Senior Management (E Band)	40%	37% - Due to the restructuring that took place in the VR Operations, the company lost a few HDSA employees at this level. Measures are in place to get back to 40% by the end of quarter 1 in 2016.
			Middle Management	40%	47%
			Junior Management	40%	56%
		Note by AGA :Actuals adapted to correct any white female representation over 6%	Core Skills	40%	52%
6	Human Resource Development	Development of requisite skills, incl. support for South African based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation	HRD expenditure as percentage of total annual payroll (excl. mandatory skills development levy)	5.00%	6.16%
7	Mine community development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis.	Implement approved community projects in line with Integrated Development Plans of local and major labour sending municipalities, the National Development Plan and New Growth Path	As per the Implementation Plan submitted to the DMR in September 2014.	All approved LED projects contained in the approved 2010-2014 SLP completed save for the Section 102/Regulation 44 projects. All LED 2010-2014 Section 102/Regulation 44 Approved LED projects on track as per the submitted Implementation Plan.

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No.	ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2015	PROGRESS ACHIEVED BY 31 DECEMBER 2015
		<p><b>Note by AGA:</b> The input in initiatives is embedded in the Integrated Development Plans of host communities which in turn is informed by community needs and subject to a regulatory framework which represent the full community</p>	<p>Projects are listed and aligned with Host and Labour Sending areas Communities IDP and the National Development Plan and New Growth Path.</p>	<p>Over 90% of projects completed with Section 102/Regulation 44 Approved projects on track.</p>	<p>SLP LED Projects for 2015 -19 still not approved by the DMR that has indicated to AGA that it will only give “provisional approval” to implement the 2015-2019 LED projects once the company has submitted proof of consultation to the Regional Manager and Section 102/regulation 44 projects completed. AGA has submitted proof of consultation, signed by the Executive Mayors of Matlosana and OR Tambo District Municipality in February 2016 and all Section 102/Regulation 44 LED projects are due for completion in June 2016. However, the Regional Manager has given approval to the implementation of Sonata JSS, which has been completed and ready for hand over.</p>
8	Sustainable Development & Growth	<p>Improvement of the industry's environmental management. Captured in company EMP which is submitted to DMR</p>	<p>Implementation of approved EMPs.</p>	<p>100%</p>	<p>100%</p>
		<p>Improvement of the industry's mine health and safety performance.</p>	<p>Implementation of tripartite action plan on health and safety.</p>	<p>100%</p>	<p>97.5%</p>
		<p>Utilisation of South African based research facilities for analysis of samples across the mining value chain</p>	<p>Percentage of samples in South African facilities</p>	<p>100%</p>	<p>100%</p>