

AngloGold Ashanti Vaal River Operations

Mining Charter Progress Report: 2016

Date of submission: 31 March 2017

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 Khotsonq, 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.

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 Operation's achievements as at the end of December 2016.

SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY - VAAL RIVER OPERATIONS AS AT 31 DECEMBER 2016					
No.	ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2016	PROGRESS ACHIEVED BY 31 DECEMBER 2016
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%
		Note on Vaal River Operations from AngloGold Ashanti	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 achieved 100% compliance target with regard to the single room accommodation and hostel conversion programme as outlined in its 2010-2014 Social and Labour Plan. The company continued to engage with organised labour through the Future Forum on the promotion of Home Ownership for employees through the sale of company houses and building of affordable houses.
4	Procurement & Enterprise Development	Procurement spent from BEE entity	Capital goods	40%	77%
			Services	70%	69%
			Consumable goods	50%	63%

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No.	ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2016	PROGRESS ACHIEVED BY 31 DECEMBER 2016
		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. Note by AGA :Actuals adapted to correct any white female representation over 6%	Board Level	40%	45%
			Top Management (F Band)	40%	50%
			Senior Management (E Band)	40%	40%
			Middle Management	40%	47%
			Junior Management	40%	57%
		Core Skills		40%	53%
		Women in Mining		10%	17%
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%	5.90%
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.	The Company received its final provisional approval for its 2015-2019 SLP on 16 February 2017 paving the way for implementation of the approved LED community projects. For the reporting period focus was on completing all the outstanding LED projects for the period 2010-2014 as reported in detail in the submitted SLP Closure Report for the said period.
		Note by AGA: 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	Projects are listed and aligned with Host and Labour Sending areas Communities IDP and the National Development Plan and New Growth Path.		

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VAAL RIVER OPERATIONS AS AT 31 DECEMBER 2016**

No.	ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2016	PROGRESS ACHIEVED BY 31 DECEMBER 2016
8	Sustainable Development & Growth	Improvement of the industry's environmental management. Captured in company EMP which is submitted to DMR	Implementation of approved EMPs.	100%	100%
		Improvement of the industry's mine health and safety performance.	Implementation of tripartite action plan on health and safety.	100%	97.5%
		Utilisation of South African based research facilities for analysis of samples across the mining value chain	Percentage of samples in South African facilities	100%	100%