

# AngloGold Ashanti West Wits Operations

## Mining Charter Progress Report: 2016

Date of original submission: 31 March 2017

### West Wits Mining Rights:

- MPTRO REF: 10/2006, including Deed of Amendment 04/2012 (DMR Reference No.: GP30/5/1/2/2(01) MR) (“West Wits Operations: Mponeng, TauTona and Savuka mines”)
- MPTRO REF: 30/2006, including Deed of Amendment 15/2011 (DMR Reference No.: GP30/5/1/2/2(11) MR) (“Block 1C11”). A renewal application of this mining right was timeously submitted at the offices of the DMR GP and it is currently awaiting finalisation of the renewal process with the DMR.
- MPTRO REF: 169/2012 (DMR Reference No.: GP30/5/1/2/2/248 MRC) in respect of the Farm Doornfontein 118 IQ (Remaining Extent 12 and Remaining Extent 13), also known as “Magnum Farm”

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 West Wits 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 - WEST WITS 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%
		<b>Note on West Wits 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 achieved <b>100%</b> 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%	61%
			Services	70%	75%
			Consumable goods	50%	69%
		Multinational suppliers contribution to the social fund	Annual spend on procurement from multinational suppliers	0.5% of procurement value	Awaiting DMR guidance

**SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY - WEST WITS OPERATIONS AS AT 31 DECEMBER 2016**

No.	ELEMENT	DESCRIPTION	MEASURE	COMPLIANCE TARGET BY 2016	PROGRESS ACHIEVED BY 31 DECEMBER 2016
5	Employment Equity	Diversification of the workplace to reflect the country's demographics to attain competitiveness.	Board Level	40%	45%
			Top Management (F Band)	40%	50%
			Senior Management (E Band)	40%	41%
			Middle Management	40%	55%
			Junior Management	40%	64%
		Note by AGA :Actuals adapted to correct any white female representation over 6%	Core Skills	40%	56%
		Women in Mining	10%	15%	
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%	5.79%
7	Mine community development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis.	Projects are listed and aligned with Host and Labour Sending Areas Communities IDPs and the National Development Plan and New Growth Path.	As per the Implementation Plan submitted to the DMR in September 2014.	The West Wits Operations 2015 and 2016 SLP local economic development (LED) projects are on track in the Merafong and OR Tambo District Municipalities.
		<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		Over 90% of projects completed with Section 102/Regulation 44 Approved projects on track.	

**SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY - WEST WITS 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%