



5 JULY 2018

Mike Erickson – SVP Australia

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## PRESENTER

### Michael Erickson

Mike Erickson was appointed Senior Vice President Australia with AngloGold Ashanti in February 2014 after two years as Vice President Technical & Business Improvement. Mike has accountability for the Australian operations of the company which consist of the Sunrise Dam and Tropicana (70% and manager, and Independence Group NL 30%) gold mines in the North Eastern Goldfields of WA. He joined AngloGold in 2002 as the Geology Manager at Sunrise Dam and was appointed General Manager of the mine in 2006, a role he held for six years.

Mike holds a Bachelor of Science (Hons) in Geology and prior to joining AngloGold worked in a number of operational roles in gold and base metal mines in NSW and Western Australia.



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## SUNRISE DAM OVERVIEW

**Ownership:** AngloGold Ashanti 100%

**Location:** 770 kilometres northeast of Perth and 55km south of Laverton in WA

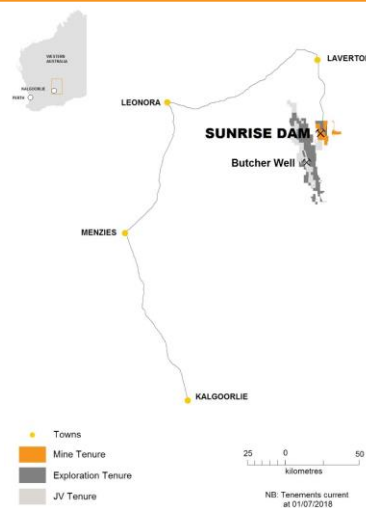
**Production 2017:** 237,817oz at a Total Cash Cost of \$919/oz and an AISC of \$1,203/oz

**Outlook for 2018:** ~300,000oz at an AISC of \$1,000-1,100/oz (incl. capex of \$20M for float/fine-grind & tailings storage expansion)

**Ore Reserve (as at December 31, 2017):** 19.1Mt at 1.94 g/t for a contained 1.19Moz, including Underground Ore Reserve of 8.24 Mt grading 3.22 g/t

**Mineral Resource (as at December 31, 2017):** 95.8 Mt grading 1.94 g/t for a contained 5.98Moz

**Workforce:** ~200 employed by AngloGold Ashanti and ~500 employed by contract companies on a fly-in, fly-out basis



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## SUNRISE DAM OVERVIEW

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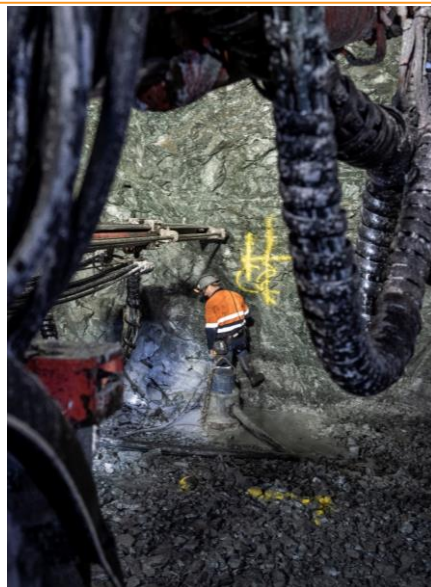


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## SUNRISE DAM CONTEXT

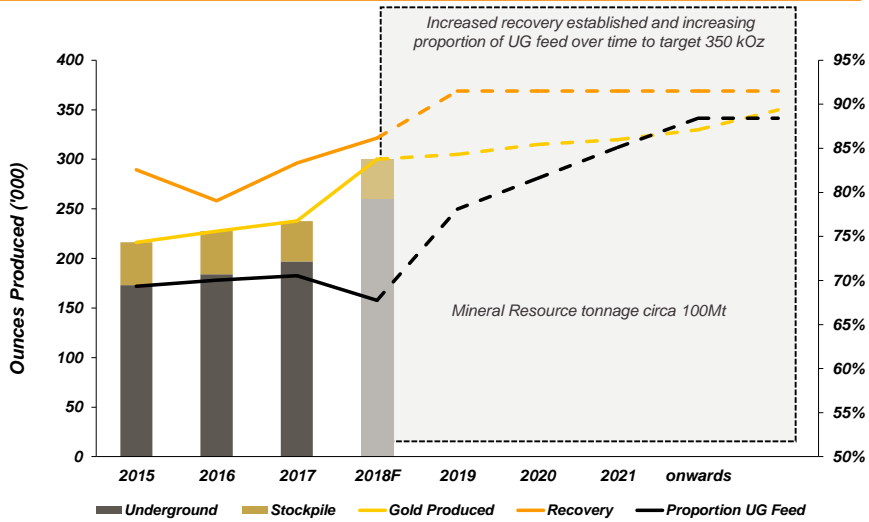
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- World-class orebody with substantial Mineral Resource base
- 4 Mtpa processing plant
- Flotation / fine-grind circuit
- Expanded TSF capacity
- District upside



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## SUNRISE DAM CONTEXT



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## SUNRISE DAM OBJECTIVES

- Fill the mill from underground production
- Sustainable annual production of between 300,000 – 350,000oz
- High level target – 4Mtpa @ 3g/t @ 90% recovery
- Long term (real) AISC of <US\$900/oz @ US\$0.75
- Deliver a long-life mine with consistent cash returns



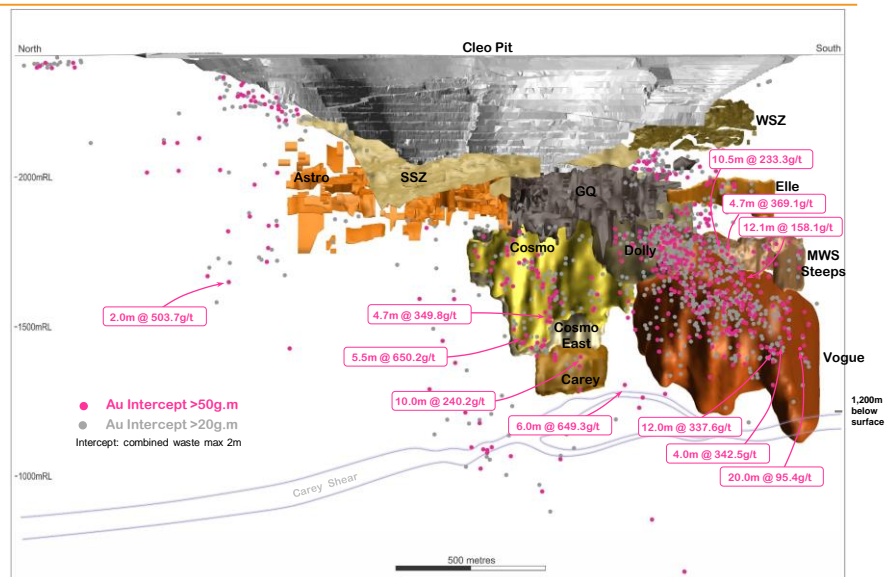
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## AGENDA

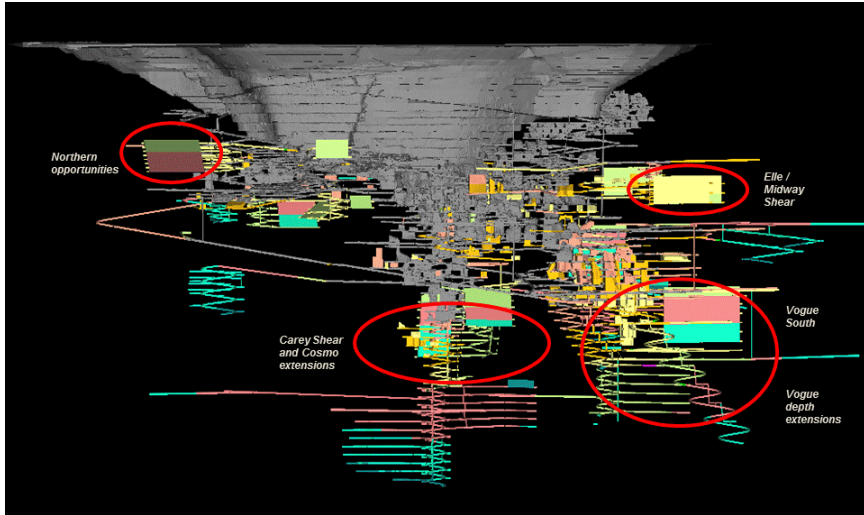
- Exploration
- Optimised mining approach
- Recovery enhancement
- Ore handling
- Exploiting district upside



## OREBODY POTENTIAL



## ENDOWMENT MODELLING



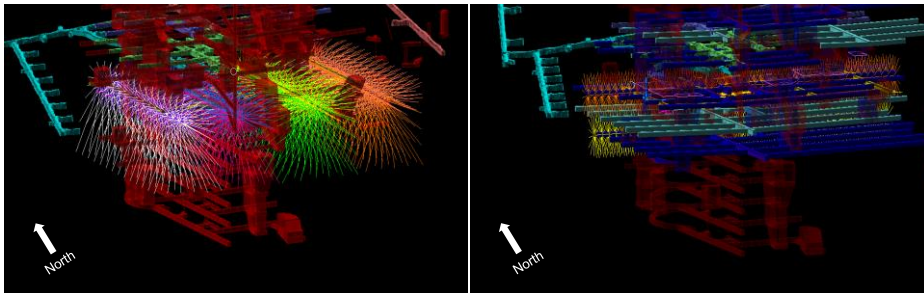
## EVOLVING MINING STRATEGY

- Refined mine design linked to RC drilling capability
- Systematic approach for development, GC & exploration drilling and Ore Reserve conversion
- Trialling longer exploration drill holes to speed up Ore Reserve replacement
- Optimising large stope extraction
- Underground Mine Management System to drive productivity even further



## EVOLVING MINING STRATEGY

Mine design and grade control approach to target higher mined grade & convert Mineral Resources to Ore Reserves from optimised development layout



NEW

CURRENT

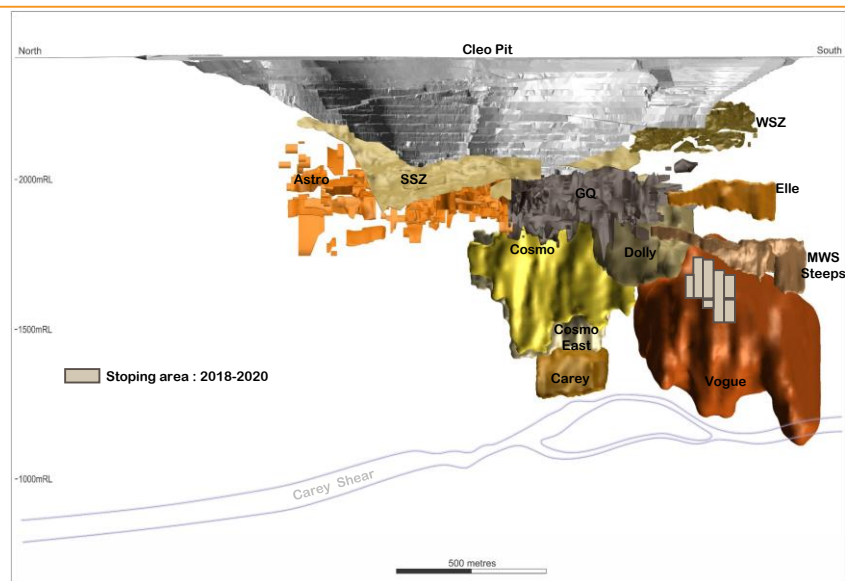
- Drill level spacing – 75m
- Drill drives spacing – 100m laterally
- Rings drilled perpendicular to ore strike
- Advance drilling – 75m below drill level

- Drill level spacing – 50m
- Drill drives spacing – 50m laterally
- Rings drilled parallel to ore strike
- Just-in-time drilling – 25m below drill level



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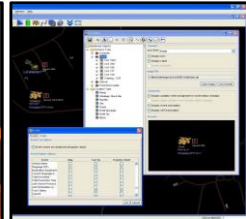
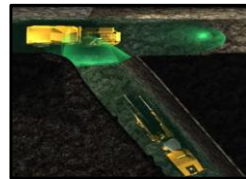
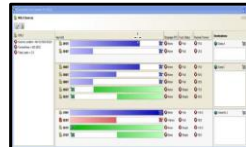
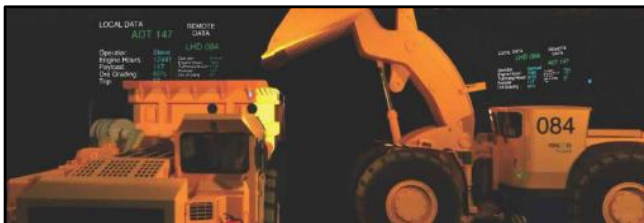
## VOGUE STOPPING



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## MINE MANAGEMENT SYSTEM

- Latest communications technologies
- Mine control and dispatch
- Improved safety (proximity detection)
- Data acquisition
- Short interval control



## RECOVERY ENHANCEMENT PROJECT

- Addition of flotation and ultra-fine grind circuit to achieve an average increase in recovery of 8 - 10%
- Successfully commissioned on schedule in June 2018
- Capital investment of US\$28 million
- Project IRR 34%
- Opportunity to increase mill throughput



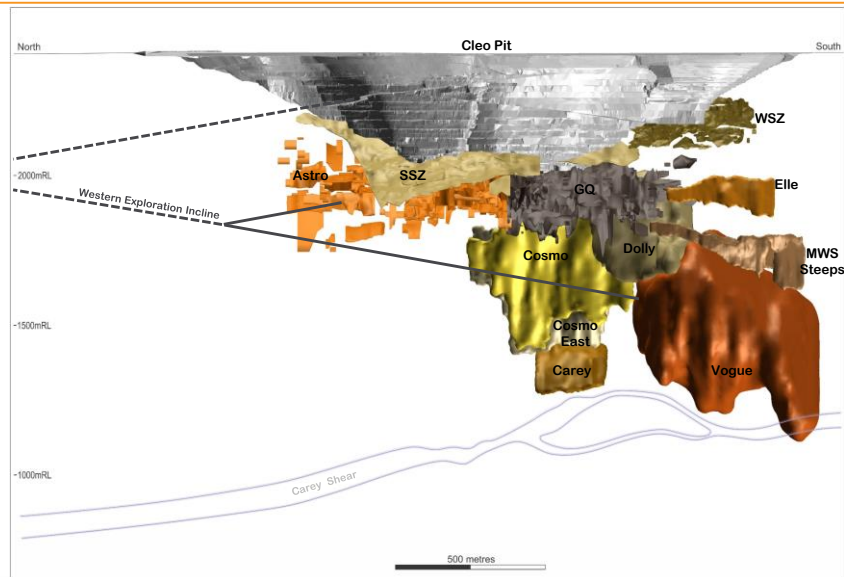


## RECOVERY ENHANCEMENT PROJECT

Float fine-grind circuit



## ORE HANDLING



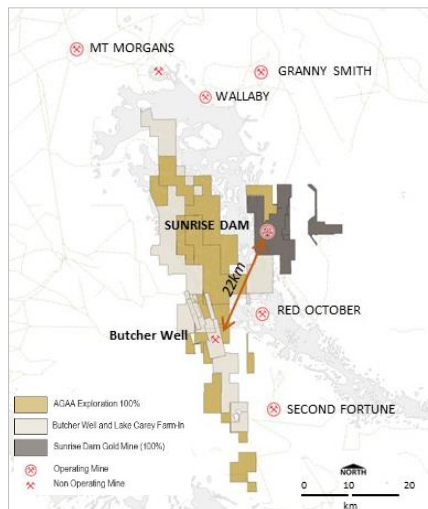
## ORE HANDLING

- Targeting annual ore production rate of 4 Mtpa
- Road-train solution for ore haulage out of the underground mine can be introduced in a short time frame with relatively low infrastructure and capex requirements
- Will unlock potential to lift underground production rate

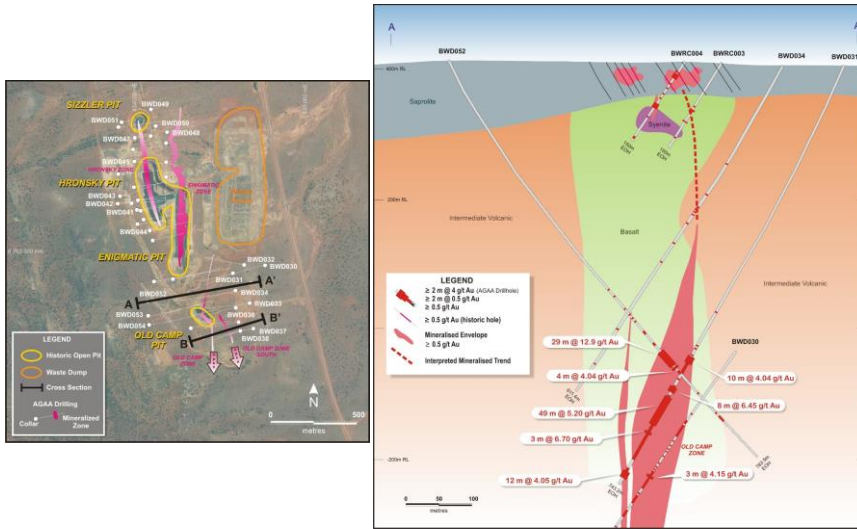


## DISTRICT UPSIDE

- Consolidation of a highly prospective 500+ sq km tenement package in a world-class location
- Agreement to earn up to 70% in Saracen Mineral Holdings' Butcher Well and Lake Carey tenements through expenditure of up to A\$25 million
- Encouraging exploration results to date
- Synergy with Sunrise Dam = opportunity to replace low-grade stockpiles and leverage increased mill capacity



## DISTRICT UPSIDE – BUTCHER WELL

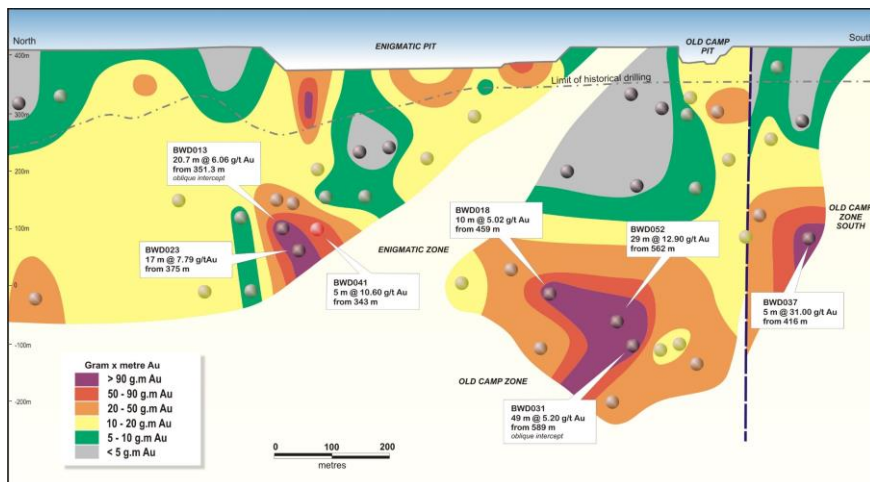


**Cross section A-A' showing significant intercepts in BWD052 and BWD031, 100m slice width\*.**



\*For intercept details, Competent Persons Statement and JORC tables see market announcement of 15 February 2018

## DISTRICT UPSIDE – BUTCHER WELL



**Long section looking east with gram-metre plot within Enigmatic, Old Camp Zone and Old Camp Zone South projected onto a single plane\*.**



\*For intercept details, Competent Persons Statement and JORC tables see market announcement of 15 February 2018

## GAS PIPELINE PROJECT UPDATE

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- 293 km of pipeline constructed to Tropicana via Sunrise Dam – commissioned end 2015 and now in 3<sup>rd</sup> year of operation
- Based on current diesel price savings on power costs are significant
- The incremental cost of power is cheap – benefits projects such as REP
- Further reductions in gas price locked in for 2020 and 2021
- 6% reduction in Greenhouse Gas Emissions in FY 2017
- 1,400 fewer road train trips per year

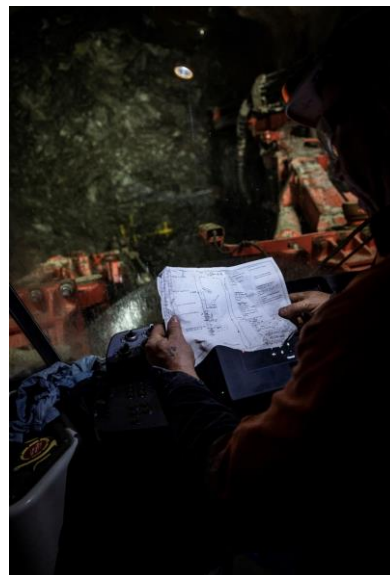


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## KEY TAKE AWAY POINTS

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- Investment in exploration to best exploit world-class orebody
- Investment in recovery improvement and expansion of TSF
- No major capital expenditure on the horizon
- De-constraining and optimising drilling, mining and haulage to fill the mill
- District upside



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