



# ANGLOGOLD ASHANTI

**AngloGold Ashanti Limited**

(Incorporated in the Republic of South Africa \ Reg. No. 1944/017354/06)

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## News Release

**24 October 2012**

### **AngloGold Ashanti Strike and Q3 Production Update**

(PRESS RELEASE -- JOHANNESBURG) – AngloGold Ashanti is pleased to report that the unprotected strike across the three mines at its Vaal River region has come to an end. Workers at the Kopanang, Great Noligwa and surface operations returned to work on Monday, 22 October 2012 and those at Moab Khotsong ended their unprotected work stoppage on Tuesday, 23 October 2012. All of these operations have begun the process of ramping up production levels and all returning workers will receive the recently improved wage offer made through the industry's Collective Bargaining framework.

Unfortunately, about 12,000 workers remain on the unprotected strike, primarily at AngloGold Ashanti's West Wits region which comprises the Mponeng, TauTona and Savuka mines. This is despite the concerted attempts made to resolve the issue through the gold industry's collective bargaining framework which includes the Chamber of Mines and organised labour.

AngloGold Ashanti's management issued an ultimatum on Monday 22 October, for striking workers to return to work no later than 12h00 today, Wednesday, 24 October or face dismissal proceedings. While the ultimatum has passed, and the dismissal process has started, management remains in dialogue with employees.

### **Termination of the Obuasi Development Contract**

AngloGold Ashanti's decision to terminate its relationship with Mining and Building Contractors Ltd, the underground development contractor at the Obuasi mine, was announced to the market on 12 October 2012. This is the initial stage of a larger restructuring program that aims to build a profitable and sustainable long-term future for this operation, where sub-par underground development has been identified as a key reason for under-performance and declining production in recent years. After the required 28-day notice period, AngloGold Ashanti will assume operational accountability for this crucial part of the mine's operation. More detail will be provided on 8 November 2012, along with the third-quarter financial and operating results.

### **Third-quarter gold production**

The production for the three months to 30 September 2012 was 1.03Moz, which compares with guidance for the period of 1.07Moz to 1.10Moz at a unit total cash cost of \$835/oz and \$865/oz. The lower-than-expected production level was primarily due to continued labour unrest in South Africa and lower-than-anticipated production at Obuasi, and will have a commensurate impact on unit total cash costs. Further details will be provided on 8 November 2012.

### **About AngloGold Ashanti's South African Operations**

AngloGold Ashanti's South African operations accounted for approximately 32% of total group production during the first half of the year. Approximately 35,000 people are employed across AngloGold Ashanti's South African operations. This figure is inclusive of contractors and those working on two major capital projects under way at the Moab Khotsong and Mponeng mines. Under normal operating conditions, the Vaal River region typically accounts for about 40% of AngloGold Ashanti's South African gold production and all of the group's uranium production.

AngloGold Ashanti is a member of the gold industry's collective wage bargaining unit at the Chamber of Mines and as such is committed to addressing demands regarding pay and other substantive issues through this framework. At present, the gold industry is in the second year of a two-year wage agreement with the latest increases, ranging from 8% to 10%, awarded to the workforce in July 2012, under the agreement reached in 2011. A similar increase was awarded last year. South Africa's annual Consumer Price Inflation was 5% in August 2012. In addition, under the auspices of the Entry Level Task Team established by the Chamber of Mines, major gold producers and the recognised unions and associations during the 2011 wage talks, additional improvements to the current pay structure were offered to workers on October 18.

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### **ENDS**

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