



AngloGold Ashanti Limited  
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JSE Bond Company Code - BIANG  
("AngloGold Ashanti" or the "Company")

**29 October 2018**

## **NEWS RELEASE**

### **AngloGold Ashanti Signs Obuasi Mining Contract with AUMS, Ghana's Rocksure**

(ACCRA – PRESS RELEASE) – AngloGold Ashanti is pleased to announce finalisation of a five-year underground mining contract at the Obuasi Re-Development Project with Underground Mining Alliance Limited (UMA), a joint venture between *African Underground Mining Services* (AUMS) and Accra-based *Rocksure International*, a wholly-owned Ghanaian mining contractor ("Rocksure").

The agreement, valued at \$375m over 5 years, will help develop mechanised, underground mining expertise within Ghana's local mining and engineering sector, given that Rocksure, which has a strong track record in open-pit mining, will work closely with Australia's AUMS, which has significant experience in underground mining. Rocksure will have a 30% stake in the joint venture and AUMS the balance.

UMA will provide the full suite of underground mining services at Obuasi, with major capital equipment supplied by AngloGold Ashanti. Works are expected to start in the first quarter of 2019.

In encouraging the creation of the joint venture, AngloGold Ashanti is demonstrating its commitment to increasing meaningful local participation in the redevelopment of the Obuasi orebody, which has 5.8Moz of Ore Reserves and 34Moz in Mineral Resource, and will have an initial mine life of roughly 20 years. Around 550 people, predominantly Ghanaians, will be employed and trained by the contractors for the duration of the contract term, allowing for knowledge and skills transfer.

"We've worked closely with the Government of Ghana to progress the redevelopment of Obuasi Gold Mine into a modern, productive operation, making it a key asset in our portfolio for the long term," said AngloGold Ashanti Executive Vice President: Group Planning and Technical, Graham Ehm. "This is also an investment in Ghana's future, particularly in terms of local procurement, employment, training and development and overall mining capacity building, which will benefit the region and the economy for decades to come."

Obuasi, which has been primarily an underground operation, was placed on care and maintenance in 2016 pending the commencement of the redevelopment project. In June 2018, the Parliament of Ghana ratified the regulatory and fiscal agreements that cover the

redevelopment of the Obuasi Gold Mine and the Environmental Protection Agency issued environmental permits for the mine.

“Rocksure International is proud to be active participants in the redevelopment of Ghana’s iconic gold mine, and enable it to benefit Ghana’s economy” said Rocksure International CEO, Kwesi Osei Ofori.

With the key permitting and regulatory processes finalised, the finalisation of the mining services contract is a further key milestone in delivering a modern, mechanised underground mining operation with a life of more than 20 years.

The Obuasi Re-Development Project remains on track to produce its first gold by the end of 2019.

### **Obuasi Redevelopment Project – Details**

The project implementation will be undertaken in two distinct phases, with stage one comprising project establishment, mine rehabilitation and development, plant and infrastructure refurbishment to enable production at a rate of 2,000t per day for the first operating year. This is expected to take roughly 18 months, with the first gold pour expected at the end of 2019.

The second phase includes refurbishment of the underground materials handling system, shafts and ventilation; and construction of the primary crusher, the SAG/Ball circuit, carbon regeneration, a new gold room and tailings storage facility. This is expected to take a further 12 months and enable the operation to climb to 4,000t per day. The operation is then expected to ramp up to 5,000t per day, over the following three years.

Mine production for the first 10 years will be focussed on the upper ore bodies and is expected to average 350,000oz to 450,000oz at an average head grade of 8.1g/t. In the second 10 years, production averages 400,000oz to 450,000oz. Total cash costs are expected to average between \$590/oz to \$680/oz, while All-in Sustaining Costs are expected to be between \$750/oz to \$850/oz.

### **Ends**

### **Johannesburg**

JSE Sponsor: Deutsche Securities (SA) Proprietary Limited

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