COMMEMORATING THE FIRST GOLD POUR OBUASI
HONOURED GUESTS

We come together today to mark the first gold pour from the redeveloped Obuasi Gold Mine.

This is a momentous occasion for the people of Ghana, the communities within our lease area, AngloGold Ashanti, its employees and its shareholders.

We are greatly honoured that His Majesty Otumfuo Osei Tutu II and His Excellency President Nana Akufo-Addo, both strong supporters and patrons of this important investment, have honoured us with their presence today.

The rebirth of this iconic orebody gives each of us here great cause to celebrate, and to reflect on the enduring power of shared values, commitment and true partnership.

May God bless each of us as we embark on a prosperous and mutually beneficial future in which Obuasi Gold Mine, and the people of Ghana, will play a central role.

Meda mo ase,

Kelvin Dushnisky
CEO AngloGold Ashanti
AngloGold Ashanti Limited is Africa’s largest gold mining company, with a portfolio of mining operations and exploration projects in 10 countries and three continents. The company has a long history and a deep well of technical expertise in mining, processing and exploration across the world’s major gold-producing regions.

AngloGold Ashanti’s two operations in Ghana are the Obuasi and Iduapriem Mines. Each of the mines is a wholly-owned subsidiary of AngloGold Ashanti.

*AngloGold Ashanti is defined by its core values:*

1. to always place the health and safety of our employees and host communities first
2. to always treat everyone with dignity and respect in all of our internal and external engagements
3. to ensure we are accountable for delivering on our commitments
4. to sincerely undertake the task of leaving the communities in which we operate better for our activities
5. to not only value diversity, but to strive toward an organisation that better reflects the demographics of the societies in which we operate
6. to clearly demonstrate, through our investments and our operating results, our unstinting respect for the environment

AngloGold Ashanti demands every one of its employees adheres to the company’s values, regardless of the gold price or other operating circumstances.

AngloGold Ashanti’s mission is to create value for our shareholders, our employees, and our business and social partners through safely and responsibly exploring, mining and marketing our products. Our primary focus is gold, but we will pursue value-creating opportunities in other minerals where we can leverage our existing assets, skills and experience to enhance the delivery of value.
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Focusing on the strategic areas of the company
AngloGold Ashanti’s core strategic focus is to safely and responsibly generate sustainable cash flow improvements and returns, with a focus on five key areas:

- Acknowledging that people – in our operations and in our host communities – are the foundation of our business
- Ensuring that our balance sheet is always able to meet our core funding needs
- Scrutinising all spending and investment decisions to ensure they are optimally structured and necessary to fulfil our core business objectives
- Actively managing our portfolio of assets to improve the overall mix of our production base as we strive for a competitive valuation as a business
- Keeping a close eye on creating a competitive pipeline of long-term opportunities as we focus on ensuring the most efficient day-to-day operation of our business

These focus areas drive our plans for inward investment to deliver better-quality production aimed at increasing margins, extending mine lives and shaping the portfolio in the longer term.
ABOUT

OBUASI MINE

AngloGold Ashanti aims to be Ghana’s biggest and most profitable long-term producer of gold, through its Obuasi and Iduapriem Gold Mines.

Our Obuasi Gold Mine is located in the municipality of Obuasi, in the Ashanti region of Ghana, some 260km northwest of the capital Accra and 60km south of Kumasi. AngloGold Ashanti has owned and operated Obuasi Gold Mine since 2004, following the business combination with Ashanti Goldfields Limited. The mine itself is one of the oldest gold-mining operations on the continent. Operations started 123 years ago in 1897, and the site has been in continuous operation since that time, except for a brief hiatus while the new mine plan was designed ahead of this redevelopment project.

Obuasi’s mining operations are located on a 201km² lease area that includes the town of Obuasi and many other smaller villages with an estimated population of 240,000 people. Obuasi Gold Mine benefits from the deep culture of mining that exists among the people of the region and the talent pool, which ensures a reservoir of expertise and skill available for the decades-long life that stretches out before the mine.

The Obuasi orebody is truly one of the world’s geological wonders. Even after well over a century of sustained mining, AngloGold Ashanti estimates reserves of 5.86Moz and mineral resources of 30Moz.

Mining will take place predominantly underground to a depth of about 1.5km, with access via two main vertical shafts, GCS and KMS, and a decline access for some materials and equipment. An additional shaft, Adansi, is used for dewatering at the extreme north of the mine.
PRODUCTION WAS 243,000 oz IN 2014
Gold production had been declining almost continuously since 1995, principally due to underground infrastructure challenges, and development and backfill constraints. Production was 243,000oz in 2014, the last year of full production. The mine had sustained heavy losses, with negative cash flow in all but two years in the decades following 2004, with the operating difficulties disguised somewhat by the successive 10-year rise in the gold price. The fall in the gold price since 2012 exacerbated the mine’s cash flow losses, which ultimately ballooned to unsustainable levels.

In late 2014, Obuasi was placed on limited operations and AngloGold Ashanti Ghana applied to the Ghanaian Government for approval to amend its programme of mining operations (APMO). All employees were retrenched and paid their full benefits and entitlements. About 700 of these retrenched employees were given new contracts to oversee the mine during the period of limited operations.
**2014-2015: Limited operations phase (LOP)**

The focus during the LOP was the processing/clean-up of tailings at Diawuoso, continued construction of the Obuasi Deeps Decline, maintenance of surface and underground infrastructure, meeting environmental obligations (including compliant water discharge) and social commitments, among others. Alongside these activities, a feasibility study for the redevelopment of the Obuasi Gold Mine was conducted.

**2016: Optimised feasibility study (OFS)**

With good progress made on the activities set out in the APMO, an extension of the APMO period (up to March 2016) was applied for toward the end of 2015 to allow time to optimise the feasibility study. Unfortunately, the programme was significantly disrupted by a mass incursion of illegal miners into the fenced operational area of the mine in February 2016. The risk to the safety and security of employees and contractors forced the mine to suspend most activities and declare *force majeure*. With the support of government and the public security task force, illegal miners ultimately vacated the site in October 2016, allowing for the completion of the OFS in June 2016.

**2017: Care and maintenance/Early start feasibility study (Project 300)**

The mine was placed on care and maintenance in 2017. It was then decided to conduct a further study to allow for redevelopment with a more attractive – and appropriate – capital intensity. This led to the birth of what was called Project 300, which ultimately delivered the plan for the long-life, efficient and profitable underground modern mining operation that we are here to celebrate today.
2019: Project implementation and operational readiness (Phase 1&2)

In January 2019, the Obuasi Redevelopment Project was officially launched by His Majesty Otumfuo Osei Tutu II, Asantehene, and His Excellency Nana Addo Dankwa Akufo-Addo, President of the Republic of Ghana. The project, which is based on a phased approach to developing mining and processing capacity, is scheduled to take approximately 30 months to complete from commencement. It will deliver an operation with a life of mine of around 21 years with annual average gold production of 400,000oz at a competitive all-in cost.

2017-2018: Negotiations with government

In June 2017, the company started negotiations with the government with the aim of redeveloping the mine into a long-life modern, mechanised mine that would be able to deliver value to stakeholders over several decades. A suite of agreements including a development agreement, granting fiscal stabilisation for the initial years of operation, and a tax concession agreement were executed with the government of Ghana and ratified by Parliament in June 2018. Once the requisite environmental permits were also obtained, AngloGold Ashanti was ready to invest more than $500 million in initial capital – all funded internally – to recapitalise this iconic orebody, and to resume production.

In designing the operation, AngloGold Ashanti envisaged a mine that would generate strong financial returns to all of its stakeholders – from shareholders and employees, to Ghana’s Government and industry – for decades to come.
Official launch of the Redevelopment Project
22 January 2019

a. Phase 1: Redevelopment Project milestones

• 1 February 2019 – First blast marks the commencement of mining development

• April 2019 – Plant work, demolition and refurbishment of parts of the processing plant commenced. Phase 1 completed

• 25 October 2019 – First stope-blast commences

• 18 December 2019 – First gold pour achieved.

• Obuasi Mine is expected to process an average of 2,000 tonnes of ore per day in 2020

b. Phase 2: Continuing up to end of 2020 – targeted major milestones

• Construction of new infrastructure and further work at the processing plant and underground, including construction of a new tailings storage facility

• Upgrading of processing plant to ensure ramp up of production from processing 2,000 tonnes of ore per day to 4,000 tonnes of ore a day by the beginning of 2021

Employment

• About 3,500 people have been employed by the company and its contractors, to date.

• At steady state in 2021, an estimated 2,000 to 2,500 people will be employed by the company and its contractors.
Contracts – Promoting local content and participation

• AngloGold Ashanti is committed to promoting Ghanaian participation and local content across the value chain of the business. It has adopted a policy of prioritising Ghanaian businesses in its contracting and procurement processes. In instances where the technical capacity is not readily available, the company has pushed for Ghanaian businesses to participate as joint venture partners, in an effort to help build that capacity.

• On 29 October 2018, AngloGold Ashanti Ghana finalised a five-year mechanised underground mining contract worth $375 million with Underground Mining Alliance, a joint venture between Australian-owned African Underground Mining Services and Rocksure International, an Accra-based, wholly-owned Ghanaian company. Underground Mining Alliance currently employs a workforce totaling 398, which is expected to exceed 560 at steady state of production.

• As at 15 January 2020, Underground Mining Alliance had achieved one-year lost-time and injury-free and had developed 10,412 metres in 2019.

• Some examples of other major contracts where Ghanaian participation has been achieved are:
  • Drilling contract (scope split and awarded to Ghanaian-owned company)
  • Fuel supply contracts (awarded to a wholly-owned Ghanaian company)
  • Security, catering, construction refurbishment work and some engineering design work

A three-year Social Management Plan has been rolled out, with a budget of $10.6 million

• A contribution of $2 per ounce of gold produced into the Obuasi Community Trust Fund, to be managed by a diverse group of representatives on a Steering Committee and the Board of Directors.

• Ahead of the commencement of gold production, a once-off $250,000 contribution has been made to the Community Trust Fund.

Investment

• Total of $268 million has been spent on the project as at 30 November 2019, 80% of which ($216 million) has thus far been spent in-country.
Examples of the initiatives under the Social Management Plan include:

**Education**
- Kwame Nkrumah University of Science and Technology (KNUST) established an Obuasi Satellite Campus in September 2019 and has already held its first matriculation. The Company donated assets and funds for the refurbishment of buildings, working in collaboration with the Obuasi Municipal Assembly.
- Provision of 1,200 pieces of furniture to GES to support schools in the municipality.
- Expansion of the AGA School to accommodate more students, with 80% of the current student body now coming from local communities.
- Provision of training and motor bikes for GES circuit supervisors to strengthen education supervision.

**Health**
- Construction of a new maternity block at the Obuasi Government Hospital commenced and should be completed by the second quarter of 2020 through the Community Trust Fund.
- 85% of outpatient department cases at the AGA Health Foundation – the mine’s hospital – originate from Obuasi’s local communities.
- The hospital accepts National Health Insurance.
- The AngloGold Ashanti Malaria Control Programme continues to run, protecting over 1,200,000 lives (about 4% of Ghana’s population) each year. The programme now also runs in the whole of the Upper West Region and three districts in the Upper East Region.
- To date, this programme has seen a 90% reduction in malaria cases at the mine hospital. Over a million structures are sprayed annually, giving protection to 1.2 million people from malaria. About 1,300 temporary jobs are also created annually.
- There has also been a marked reduction in prevalence in children aged five years and below (Upper East Region by 66% and Upper West Region by 53%).

**Economic empowerment**
- A youth apprenticeship programme has commenced. A total of 46 youths have been selected to train in various roles, including heavy-duty equipment operators, winder operators, welders, and auto mechanics. Annual intake of apprentices will continue in subsequent years.
- An Enterprise Development Programme aimed at building capacity for small local businesses is to start in the first quarter of 2020. In partnership with the Government of Ghana’s Ministry of Food and Agriculture, an agricultural investment programme aimed at diversifying away from reliance on mining in the area, is being implemented.
Initially established in 1961, the AngloGold Ashanti Ghana School in Obuasi has been reorganised as an independent entity with world-class facilities and teaching faculty. The school introduced the Cambridge International Curriculum in 2016 and it has been duly accredited by the University of Cambridge to run the Cambridge International Qualifications from primary through secondary level. The AngloGold Ashanti Ghana Schools (main GES Campus and Williams and Brew School) currently have more than 2,070 students, 85% of whom come from the surrounding communities and the remaining 15% are dependents of employees and contractors. In 2019, the AngloGold Ashanti Ghana School was rated by the Ghana Education Service as the best performing BECE school in the Ashanti Region.

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AGA HEALTH FOUNDATION

The AGA Health Foundation, formerly Edwin Cade Hospital, is a wholly-owned subsidiary of AngloGold Ashanti Ghana. It is the second-largest hospital in the Ashanti Region in terms of scope of services. It has 84 beds in five main wards and an emergency department.

In addition, the hospital provides direct services to the mine and has first aid posts at high-risk work areas such as the sulphide treatment plant, the George Capendale Shaft and the school. The hospital also offers services at cost to the community. Currently more than 75% of the hospital’s patients come from the local community, where local people avail themselves of the hospital’s high-quality care. AngloGold Ashanti Ghana makes an annual contribution of $2.4 million to the hospital to support its operations.
AGA GHANA MALARIA CONTROL LIMITED (AGAMal)

AGAMal is a wholly-owned subsidiary of AngloGold Ashanti Ghana. In 2005, the Obuasi Mine Hospital (Edwin Cade) recorded on average 6,800 malaria cases each month. Of these, 2,500 were mine employees. Given the cost to the company and to the community caused by this illness, an integrated-malaria control programme at an initial capital outlay of $1.7 million was initiated, with the target of reducing incidence by 50% within two years.

Within two years the incidence of malaria had reduced by more than 75%. An intervention based on indoor residual spraying (IRS), together with other control methods, was implemented. AGAMal now operates in the whole of the Upper West Region, three districts in the Upper East Region and in Obuasi.

AGA Ghana makes an annual CSR contribution of $650,000 to AGAMal. AGAMal also conducts IRS across all prisons and prison officers’ residences across Ghana. AGAMal supports other mining companies in the implementation of similar malaria control programmes and conducts advance laboratory analysis for the United States (US) President Malaria Initiative (PMI) VectorLink project in Ghana. AGAMal continues to collaborate with other institutions in Ghana. At the 2019 Ghana Mining Industry Awards, the malaria programme of the Obuasi Gold Mine won the Corporate Social Investment Award of the Year.
AGA OBUASI COMMUNITY TRUST FUND

Established in 2012, the AngloGold Ashanti Obuasi Community Trust Fund rolls out several community developmental projects in the areas of education, health and sanitation, and economic empowerment. From 2019, AngloGold Ashanti Ghana will contribute $2 per ounce produced to the Trust Fund.

As at the end of the 2018 project year, the Trust Fund handed over five mechanised water systems in three communities and one senior high school and a 20-seater ablution facility with ancillary facilities at Apitikoko. The beneficiaries of the water systems included Kwabrafoso West, Anyimadukrom, Dadwen and Obuasi Senior High Technical School. These interventions have increased access to drinking water, reduced water-related diseases as well as provided ablution facilities for host communities. In 2019, a Tertiary Educational Grant Scheme established by the Trust Fund provided funding for 50 students to pursue tertiary education.

A key intervention in 2020 will be the commissioning of a new 16-bed maternity block at the Obuasi Government Hospital, which was solely funded by the Trust Fund. Upon completion, the facility is expected to reduce the number of maternal and neonatal deaths at the hospital and will improve access to maternal healthcare in the municipality and adjoining districts.

These interventions have reduced water-related illnesses