

OPERATIONAL PROFILE 2015



Siguiiri, one of AngloGold Ashanti's seven operations in the Continental Africa region, is a multiple open-pit oxide gold mine in the relatively remote district of Siguiiri, around 850km by road, north-northeast of the country's capital, Conakry. The gold processing plant treats about 30,000t daily. AngloGold Ashanti holds an 85% interest in Siguiiri with the remaining 15% held in trust for the nation by the Government of Guinea. Siguiiri is contractor-mined using conventional open-pit techniques. The area has significant potential for gold mining and has long been an area of traditional artisanal mining.

SIGUIRI
GUINEA

HIGHLIGHTS

PLANNED FALL IN GRADE

impacted production

RECORD BEST

safety performance

PROJECT PLANNED

to extend Siguiiri's life of mine

WAGE NEGOTIATIONS

successfully concluded

NO ENVIRONMENTAL INCIDENTS

reported

As at 31 December 2015:

- **MINERAL RESOURCE*** of 5.5Moz 4Moz (inclusive)
- **ORE RESERVE*** of 2.1Moz

*Attributable

PERFORMANCE IN 2015

Production

Siguiiri's production was negatively impacted by a planned fall in recovered grade, driven by depletion of the higher-grade ore in mined areas owing to delayed access to the Soloni pit. This was compounded by a decrease in tonnage throughput following unplanned maintenance that occurred during the year.

Production however, started improving in the last quarter of the year as delays in accessing mining areas were resolved and the mine began processing ore from the Soloni pit.

Costs

Overall, costs at Siguiiri increased, a result of the year-on-year decline in production. Nevertheless, the operation was able to benefit

from lower oil prices, especially as it is an open-pit operation running a large mining fleet.

Growth and improvement

Several project opportunities are planned, targeted at energy cost savings and extending the life of mine. A feasibility study on the Combination Plant Project to extend Siguiiri's life of mine and improve plant performance was recently completed. This project involves the conversion of the Siguiiri process plant into a hard rock treatment plant, enabling the treatment of fresh and transitional material.

The project remains conditional on securing access to the Area 1 mining zone with the local Kintinian community and realisation of an acceptable amendment to the fiscal Convention de Base, the stability agreement with the Guinean government. Siguiiri is currently party to

a mining convention, an agreement concluded with the Guinean government in November 1993. For further information on this and the new mining code, see the section below entitled Regulatory Compliance.

SUSTAINABLE DEVELOPMENT PERFORMANCE

Safety

The overall safety performance in the region continued to improve. The all injury frequency rate (AIFR) for the region improved to 0.50 per million hours worked from 1.56 in 2014. This was a record best.

Health

The principal occupational health concern in the region is noise-induced hearing loss (NIHL). No new cases of silicosis were diagnosed in the region during 2015.

Although we continued to make progress, malaria remains endemic. Our integrated malaria control programmes, which include our operational site and local communities in and around Siguiiri, continued to make good progress. These multi-faceted programmes, undertaken in partnership with communities and local governments, as well as health authorities, have had positive impacts for the company and surrounding communities, and support the United Nations Sustainable Development Goals.

Employees and labour relations

To facilitate constructive engagement and equip union representatives with the skills required for collective bargaining and wage negotiations, all



parties participated in capacity-building training workshops prior to the start of negotiations. Despite the challenging union relations at Siguiiri, positive engagement and successful wage negotiations, underpinned by sound working relationships, have enabled business continuity. The 2015 annual wage negotiations were successfully concluded within the first mandate.

Localisation and the skills development of nationals is a particular focus at our Continental African operations, including Siguiiri. Our approach includes a progressive reduction in the company's dependence on skilled expatriates. The aim is localisation at all levels from technical skills functions to leadership and managerial roles. In line with our employee localisation programme, the first Guinean national was appointed General Manager at Siguiiri.

Environment

Certification under the International Cyanide Management Code is considered best practice in cyanide management. AngloGold Ashanti is a founding signatory to the code and the majority of our processing plants have been certified to the code. Siguiiri was audited at the end of 2015 and recommended for full recertification.

Communities

While every effort is made to avoid the need for community resettlement and displacement, when necessary this involves a complex process that is dealt with in a highly sensitive manner and requires in-depth community engagement.

A resettlement process is underway at Siguiiri. Agreement regarding access to a portion of land was reached with the community of Kintinian, granting access to the area, subject to resettlement conditions agreed with the community currently living in the area. Construction of houses for resettlement is expected to begin in the first half of 2016.

There were two reportable community incidents in 2015:

- On 22 August 2015, after an illegal miner fell into Soloni Pit Lake and drowned, several artisanal miners invaded the Kozan and Soloni pits, causing substantial damage to several light and heavy vehicles. A security guard and six military personnel, who responded to the incident, were injured. The two pits were cleared of trespassers and control regained following intervention by the gendarmerie and a rapid reaction force stationed at Siguiiri. The military and local authorities initiated an operation to curb illegal mining activities in the upper Guinea area, which includes Siguiiri. Following the incident, the mine engaged the local community leaders and authorities regarding the health, safety and environmental dangers of illegal mining. However, reportedly, many of the trespassers were migrants over whom limited authority could be exerted by local leaders.
- On 29 October 2015, a demonstration at the nearby Kintinian village lasted more than

two days, following the arrest of nine village representatives as ordered by the Prefect of Siguiiri. Those arrested publically opposed a commitment made by the Prefect to the country's President to support a planned resettlement project at Area 1 at Siguiiri. Siguiiri engaged with the relevant authorities to intervene in the arrests, which led to the release of a female detainee. In addition, the mine engaged and continues to engage with community members affected by planned resettlement activities at Area 1. This includes involving the affected parties in an asset inventory survey as part of developing an agreed land access and compensation framework.

Following the update of the group policy on anti-bribery and anti-corruption, an anti-bribery and anti-corruption policy localisation project is being piloted at Siguiiri.

Artisanal and small-scale mining

There was an increase in illegal artisanal and small-scale mining (ASM) activities utilising heavy machinery within Siguiiri's concession. As part of a countrywide clamp down on illegal ASM activities in Guinea by the authorities, the heavy machinery on our concession was removed in November 2015.

Human rights

Our human rights due diligence standard identifies current and future human rights risks, allowing us to address important issues as they arise.

Regulatory compliance

On 9 September 2011, the Guinean government adopted a new mining code, which was subsequently amended on 8 April 2013 (the New Code). As part of the new legal regime, the New Code provides for the audit and review of existing mining titles and conventions and negotiation of related amendments.

Given the timing of Siguiiri's Combination Plant Project and that the current convention will expire in a few years, discussions are currently underway through a Technical Committee established by the Guinean government.



SIGUIRI – KEY STATISTICS

	Units	2015	2014	2013
Operational performance				
Cut-off grade ⁽¹⁾	oz/t	0.020	0.018	0.020
	g/t	0.67	0.61	0.67
	oz/t	0.023	0.026	0.024
Average grade recovered	g/t	0.80	0.89	0.82
Attributable tonnes treated/milled	Mt	10.0	10.1	10.2
Attributable gold production	000oz	255	290	268
Total cash costs	\$/oz produced	827	799	918
All-in sustaining costs	\$/oz sold	965	917	1,085
Attributable capital expenditure	\$m	25	26	25
Productivity	oz/TEC	14.59	15.64	12.88
Safety				
No. of fatalities		0	0	0
All injury frequency rate (AIFR)	per million hours worked	0.13	0.39	0.64
People				
Total average no. of employees		3,445	3,494	3,674
– Permanent		1,910	1,957	1,946
– Contractors		1,535	1,537	1,728
Environment				
Water use	ML	5,145	5,375	6,478
Water use efficiency	kL/t	0.44	0.45	0.54
Energy consumption	PJ	2.09	1.97	2.31
Energy intensity	GJ/t	0.18	0.17	0.19
Greenhouse gas (GHG) emissions	000t CO ₂ e	158	150	175
GHG emissions intensity	000t CO ₂ e/t	14	13	15
Cyanide use	t	2,392	2,543	2,864
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities	\$m	61	75	70

⁽¹⁾ Based on the Ore Reserve.