

FUTURE OF OBUASI

AngloGold Ashanti is working on a development plan to rebuild the Obuasi Mine into a viable, long-life mining business with an attractive cost structure and returns. A feasibility study, currently underway, is required to determine whether the mine can be redeveloped into a profitable, productive operation that can once again be a significant employer and sustainable contributor to the local, regional and national economies in Ghana.

Obuasi, located in the Ashanti region of Ghana 320 kilometres northwest of the capital Accra, is a large, high-grade deposit with proven and probable ore reserves (as reported by AngloGold Ashanti in their 2014 Annual Report) of 24.53Mt at 6.70g/t for 5.29Moz, part of a substantial mineral resource base. In 2012, AngloGold Ashanti initiated the programme to modernise the mine, principally by starting to develop the ramp access to run from surface to high-grade blocks of ore underground. The ramp will supplement current vertical hoisting infrastructure and help debottleneck the underground operation by allowing for greater ease in transporting people and materials underground, and transporting ore to surface. This was a necessary step ahead of the envisaged transformation of the mine

The company envisages that the more modern mine design and operating methodology will be complemented by the ramp from surface to provide additional flexibility in moving men and materials underground, and in moving ore from underground to surface. This ramp, along with a refurbished plant, would form the centre piece of the 'new' mine on a concentrated footprint, greatly reduced from the sprawling acreage that Obuasi has occupied for more than 100 years.

By the end of 2014, AngloGold Ashanti converted Obuasi to limited operations, ceasing underground production, retrenching the workforce, but continuing to process tailings and starting a feasibility study on the redevelopment of the mine. Development of the decline ramp continued over this period. Also in 2014, AngloGold Ashanti committed to following due legal process in returning as much as 60% of the Obuasi mining concession area to the Government of Ghana. We are working with the relevant delegated authorities in this regard, and the process is now awaiting completion. Thereafter, the Government will be at liberty to utilise the land as it sees fit.

The successful redevelopment of Obuasi is conditional on the receipt of the approvals necessary for the implementation of the development plan from the Government of Ghana, on terms acceptable to the parties. This includes: conclusion of a revised stability agreement; acknowledgement and adherence to legal, safety and security obligations agreed to by government; a development agreement reflecting the development plan and their ratification by the Parliament of Ghana; and the issue of all necessary environmental licences and permits for the project.

AngloGold Ashanti Ghana's ultimate aim is to prove the viability of a project to turn Obuasi Gold Mine into a long-life, modern, world-class mining operation that will provide foreign investment, high-quality direct and indirect employment, taxes and foreign exchange revenue to Ghana. It has invested significant resources into this project in recent years. It is crucial that the Government of Ghana work with the company to resolve the current illegal occupation of the site by Galamsey, which not only poses a direct threat to the safety of employees, their families and other community members, but also threatens the viability of Obuasi, and jeopardises its long-term contribution to Ghana's economy.

The recent withdrawal of employees at Obuasi (in early February, 2016), in response to an incursion of illegal miners onto the site, has had no immediate impact on AngloGold Ashanti's Group production and All-In Sustaining

Costs, as the site is not forecast to be in production for at least this year. Remaining employees are performing critical tasks related to maintenance of the site, and also water treatment, provision of medical services and maintenance of electrical facilities that provide power and water to employees' homes and surrounding communities. The ongoing presence of these illegal miners is an impediment to the work underway to revive this important mining asset for the benefit of a broader group of stakeholders.