

Mining terms

BIF

Banded Ironstone Formation. A chemically formed iron-rich sedimentary rock.

By-products

Any products that emanate from the core process of producing gold, including silver, uranium and sulphuric acid.

Calc-silicate rock

A metamorphic rock consisting mainly of calcium-bearing silicates such as diopside and wollastonite, and formed by metamorphism of impure limestone or dolomite.

Carbon-in-leach (CIL)

Gold is leached from a slurry of gold ore with cyanide in agitated tanks and adsorbed on to carbon granules in the same circuit. The carbon granules are separated from the slurry and treated in an elution circuit to remove the gold.

Carbon-in-pulp (CIP)

Gold is leached conventionally from a slurry of gold ore with cyanide in agitated tanks. The leached slurry then passes into the CIP circuit where carbon granules are mixed with the slurry and gold is adsorbed on to the carbon. The granules are separated from the slurry and treated in an elution circuit to remove the gold.

Comminution

Comminution is the crushing and grinding of ore to make gold available for treatment. (See also "Milling").

Contained gold

The total gold content (tons multiplied by grade) of the material being described.

Cut-off Grade (Surface Mines)

The minimum grade at which a unit of ore will be mined so as to achieve a required mining grade and hence a desired economic outcome.

Depletion

The decrease in quantity of ore in a deposit or property resulting from extraction or production.

Development

The process of accessing an orebody through shafts and/or tunnelling in underground mining operations.

Diorite

An igneous rock formed by the solidification of molten material (magma).

Electro-winning

A process of recovering gold from solution by means of electrolytic chemical reaction into a form that can be smelted easily into gold bars.

Elution

Recovery of the gold from the activated carbon into solution before zinc precipitation or electro-winning.

Grade

The quantity of gold contained within a unit weight of gold-bearing material generally expressed in ounces per short ton of ore (oz/t), or grams per metric tonne (g/t).

Greenschist

A schistose metamorphic rock whose green colour is due to the presence of chlorite, epidote or actinolite.

Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Inferred Mineral Resource

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

Leaching

Dissolution of gold from crushed or milled material, including reclaimed slime, prior to adsorption on to activated carbon.

Life of mine (LOM)

Number of years that the operation is planning to mine and treat ore, and is taken from the current mine plan.

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing, information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

Metallurgical plant

A processing plant erected to treat ore and extract gold.

Milling

A process of reducing broken ore to a size at which concentrating can be undertaken. (See also "Comminution").

Mining terms

Mine call factor

The ratio, expressed as a percentage, of the total quantity of recovered and unrecovered mineral product after processing with the amount estimated in the ore based on sampling. The ratio of contained gold delivered to the metallurgical plant divided by the estimated contained gold of ore mined based on sampling.

Mineral deposit

A mineral deposit is a concentration (or occurrence) of material of possible economic interest in or on the Earth's crust.

Mineral Resource

A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Ore Reserve

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate that at the time of reporting, extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

Ounce (oz) (troy)

Used in imperial statistics. A kilogram is equal to 32.1507 ounces. A troy ounce is equal to 31.1035 grams.

Pay limit

The grade of a unit of ore at which the revenue from the recovered mineral content of the ore is equal to the total cash cost including Ore Reserve Development and stay-in-business capital. This grade is expressed as an in-situ value in grams per tonne or ounces per short ton (before dilution and mineral losses).

Precipitate

The solid product of chemical reaction by fluids such as the zinc precipitation referred to below.

Probable Reserve

A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Productivity

An expression of labour productivity based either on the ratio of grams of gold produced to the total number of employees or area mined (in square metres) to the total number of employees in underground mining operations.

Proved Reserve

A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Project capital

Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially extend the productive life of an asset.

Reclamation

In the South African context, reclamation describes the process of reclaiming slimes (tailings) dumps using high-pressure water cannons to form a slurry which is pumped back to the metallurgical plants for processing.

Recovered grade

The recovered mineral content per unit of ore treated.

Reef

A gold-bearing sedimentary horizon, normally a conglomerate band that may contain economic levels of gold.

Refining

The final purification process of a metal or mineral.

Rehabilitation

The process of reclaiming land disturbed by mining to allow an appropriate post-mining use. Rehabilitation standards are defined by country-specific laws including, but not limited to the South African Department of Minerals and Energy, the US Bureau of Land Management, the US Forest Service, and the relevant Australian mining authorities, and address among other issues, ground and surface water, topsoil, final slope gradient, waste handling and re-vegetation issues.

Seismic event

A sudden inelastic deformation within a given volume of rock that radiates detectable seismic waves (energy), which results from mining activities.

Shaft

A vertical or subvertical excavation used for accessing an underground mine; for transporting personnel, equipment and supplies; for hoisting ore and waste; for ventilation and utilities; and/or as an auxiliary exit.

Mining terms

Skarn

A rock of complex mineralogical composition, formed by contact metamorphism and metasomatism of carbonate rocks.

Smelting

A pyro-metallurgical operation in which gold is further separated from impurities.

Stay-in-business capital

Capital expenditure to maintain existing production assets. This includes replacement of vehicles, plant and machinery, ore reserve development and capital expenditure related to safety, health and the environment.

Stope

Underground excavation where the orebody is extracted.

Stoping

The process of excavating ore underground.

Stripping ratio

The ratio of waste tonnes to ore tonnes mined calculated as total tonnes mined less ore tonnes mined divided by ore tonnes mined.

Syngenetic

Formed contemporaneously with the deposition of the sediment.

Tailings

Finely ground rock of low residual value from which valuable minerals have been extracted.

Tailings dam (slimes dam)

Dam facilities designed to store discarded tailings.

Tonne

Used in metric statistics. Equal to 1,000 kilograms.

Ton

Used in imperial statistics. Equal to 2,000 pounds. Referred to as a short ton.

Tonnage

Quantity of material measured in tonnes or tons.

Total cash costs

Total cash costs include site costs for all mining, processing and administration, as well as contributions from by-products and are inclusive of royalties and production taxes. Amortisation, rehabilitation, corporate administration, retrenchment, capital and exploration costs are excluded.

Total cash costs per ounce are the attributable total cash costs divided by the attributable ounces of gold produced.

Total production costs

Total cash costs plus amortisation, retrenchment, rehabilitation and other non-cash costs. Corporate administration, capital and exploration costs are excluded. Total production costs per ounce are the attributable total production costs divided by the attributable ounces of gold produced.

Waste

Material that contains insufficient mineralisation for consideration for future treatment and, as such, is discarded.

Yield

The amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne.

Zinc precipitation

Zinc precipitation is the chemical reaction using zinc dust that converts gold in solution to a solid form for smelting into unrefined gold bars.

Financial terms

Adjusted gross margin

Adjusted gross profit (loss) divided by gold sales including realised non-hedge derivatives.

Adjusted gross profit (loss)

Gross profit (loss) excluding unrealised non-hedge derivatives.

Adjusted headline earnings

Headline earnings excluding unrealised non-hedge derivatives, fair value adjustments on the option component of the convertible bond, fair value gains (losses) on interest rate swaps, and deferred tax thereon.

Average number of employees

The monthly average attributable number of employees and contractors employed during the year, where contractors are defined as individuals who have entered into a fixed-term contract of employment with a group company or subsidiary.

Capital expenditure

Total capital expenditure on tangible assets which includes stay-in-business and project capital.

Cash gross margin

Cash gross profit (loss) divided by gold sales including realised non-hedge derivatives.

Cash gross profit (loss)

Adjusted gross profit (loss) plus amortisation of intangible and tangible assets less non-cash revenues.

Discontinued operation

An operation that, pursuant to a single plan, has been disposed of or abandoned or is classified as held-for-sale.

EBITDA

Operating profit (loss) before amortisation of tangible and intangible assets, impairment of tangible and intangible assets, profit (loss) on disposal of assets and unrealised non-hedge derivatives, plus the share of associates EBITDA.

Effective tax rate

Current and deferred taxation as a percentage of profit before taxation.

Equity

Shareholders' equity adjusted for other comprehensive income actuarial gain (loss) and deferred taxation. Where average equity is referred to, this is calculated by averaging the figures at the beginning and the end of the financial year.

Financial terms

Free cash flow

Net cash inflow from operating activities less stay-in-business capital expenditure.

Gross margin %

Adjusted gross profit (loss) as a percentage of gold income including realised non-hedge derivatives.

Interest cover

EBITDA divided by finance costs and unwinding of decommissioning and restoration obligations.

Market capitalisation

Number of ordinary shares in issue at close of business on 31 December multiplied by the closing share price as quoted on the JSE Limited.

Monetary asset

An asset which will be settled in a fixed or easily determinable amount of money.

Net asset value per share

Total equity per balance sheet divided by shares in issue.

Net capital employed

Equity as defined above plus minority interests and interest-bearing borrowings, less cash and cash equivalents and other cash investments. Where average net capital employed is referred to, this is the average of the figures at the beginning and the end of the financial year.

Net debt

Borrowings less cash and cash equivalents and other cash investments.

Net operating assets

Tangible assets, current and non-current portion of inventories, current and non-current trade and other receivables (excluding recoverable tax, rebates, levies and duties), less current and non-current trade and other payables and deferred income (excluding unearned premiums on normal sale extended contracts).

Net tangible asset value per share

Total equity per balance sheet less intangible assets, divided by the number of ordinary shares in issue.

Non-hedge derivative gain (loss)

Derivatives that are neither designated as meeting the normal sale exemption under IAS39, nor designated as cash flow hedges.

Normal purchase normal sale (NPNS) exemption

Hedge contracts designated as meeting the exemption criteria under IAS 39.

Operating special items

Material items of income and expenditure that relate to the underlying performance of the business and require separate disclosure in accordance with IAS 1.86. They include impairment charges and profits and losses on disposal of tangible assets.

Price received (\$/oz and R/kg)

Attributable gold income including realised non-hedge derivatives divided by attributable ounces/kilograms sold.

Realised non-hedge derivatives

Represents the current year income statement effect of non-hedge derivatives that were settled during the current year.

Region

Defines the operational management divisions within AngloGold Ashanti and these are South Africa, Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, Tanzania, United States of America and Zimbabwe.

Related party

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Return on equity

Adjusted headline earnings expressed as a percentage of the average equity, adjusted for the timing of acquisitions and disposals.

Return on net capital

Adjusted headline earnings before finance costs and unwinding of decommissioning and restoration obligations expressed as a percentage of average net capital employed, adjusted for the timing of acquisitions and disposals.

Significant influence

The ability, directly or indirectly, to participate in, but not exercise control over, the financial and operating policy decision of an entity so as to obtain economic benefit from its activities.

Unrealised non-hedge derivatives

This represents the change in fair value of all open non-hedge derivative positions from the previous reporting date to the current reporting date.

Weighted average number of ordinary shares in issue

The number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group.

Abbreviations

\$	United States dollars	M or m	Metre or million, depending on the context
A\$	Australian dollars	Moz	Million ounces
ADS	American Depositary Share	Mt	Million tonnes or tons
ADR	American Depositary Receipt	Mtpa	Million tonnes/tons per annum
ARS	Argentinian peso	N\$	Namibian dollars
ASX	Australian Stock Exchange	NOSA	National Occupational Safety Association
BRL	Brazilian real	NYSE	New York Stock Exchange
bn	Billion	oz	Ounces (troy)
capex	Capital expenditure	oz/t	Ounces per ton
CDI	Chess Depositary Interests	R or ZAR	South African rands
CHF	Swiss francs	RIFR	Reportable injury frequency rate per million hours worked
CLR	Carbon Leader Reef	SAMREC	South African Code for the Reporting of Mineral Resources and Mineral Reserves
FCFA	Communauté Financière Africaine Francs	SEC	United States Securities and Exchange Commission
FIFR	Fatal injury frequency rate per million hours worked	SRP	South African Securities Regulation Panel
g	Grams	SOX	Sarbanes-Oxley Act of 2002
g/t	Grams per tonne	t	Tons (short) or tonnes (metric)
g/TEC	Grams per total employee costed	tpm	Tonnes/tons per month
GHC	Ghanaian cedi	tpa	Tonnes/tons per annum
GhDS	Ghanaian Depositary Share	tpd	Tonnes/tons per day
GSE	Ghana Stock Exchange	VCR	Ventersdorp Contact Reef
JORC	Australasian Code for Reporting of Mineral Resources and Ore Reserves	VCT	Voluntary counselling and testing
JIBAR	Johannesburg interbank agreed rate		
JSE	JSE Limited		
King Code	South African King Code on Corporate Governance, 2002		
kg	Kilograms		
LSE	London Stock Exchange		
LIBOR	London interbank offer rate		
LOM	Life of mine		
LTIFR	Lost-time injury frequency rate per million hours worked ⁽¹⁾		
m²/TEC	Square metres per total employee costed		

⁽¹⁾ **Note** that AngloGold Ashanti utilises the strictest definition in reporting Lost Time Injuries in that it includes all Disabling Injuries (where an individual is unable to return to his place of regular work the next calendar day after the injury) and Restricted Work Cases (where the individual may be at work, but unable to perform full or regular duties on the next calendar day after the injury) within this definition.

Rounding of figures in this report may result in computational discrepancies.