

TROPICANA

Tropicana

Tropicana, the first greenfield gold discovery to be brought into production in Australia for more than a decade, poured first gold in September 2013 after two-and a-half years of construction and eight years after the initial discovery.

Location: 330 kilometres east-northeast of Kalgoorlie-Boulder on the western edge of Western Australia's Great Victorian Desert.

Ownership: AngloGold Ashanti Australia Ltd (70% and manager) and Independence Group NL (30%) through the Tropicana Joint Venture.

Project Parameters (100% project)

Production 2015: 491,000 oz

Mine Life: 10+ years

Plant Throughput: +7.0 Mtpa

Head Grade 2015: 2.57 g/t

Gold Recovery: 90%

Total Cash Costs CY2015: US\$492/oz (AGA)

All in Sustaining Cash Costs CY2015: US\$671/oz (AGA)

Ore Reserve (as at December 31, 2015): 44 million tonnes grading 1.85 g/t for 2.62Moz of contained gold.

Mineral Resource (inclusive, as at December 31, 2015): 112.1 million tonnes grading 1.74 g/t for 6.28Moz of contained gold.

The Ore Reserve and Mineral Resource estimates for Tropicana are updated on an annual basis. AngloGold Ashanti and Independence Group provide full details of these estimates, including the applicable JORC statements, on their websites: www.anglogoldashanti.com and www.igo.com.au.

Key Contractors

Mining: Macmahon Holdings

Power Generation: Kalgoorlie Power Systems

Village & Administration: ESS

Aviation: Network Aviation, Goldfields Air Services

Dayworks Services: Bundarra

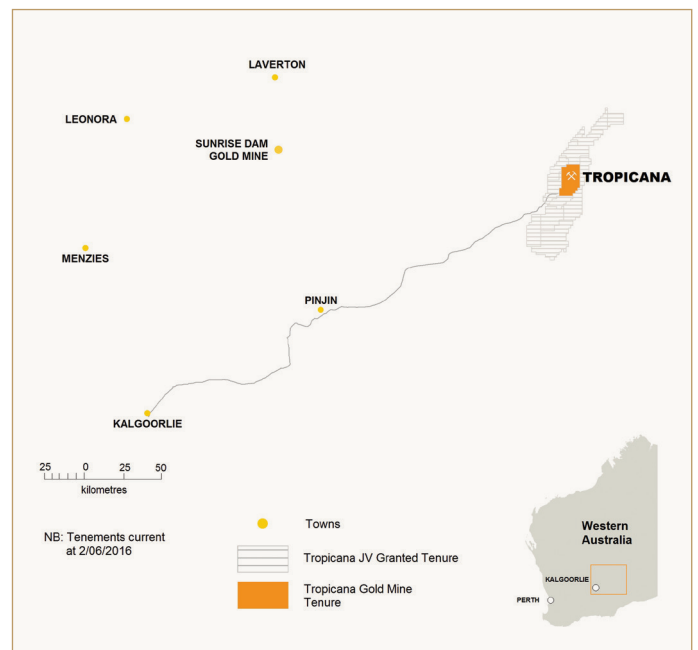
Light Vehicle Workshop: Triodia

Subcontractors

Ancillary Equipment and Personnel: Carey Mining

Explosive Supply: Dyno Nobel

Grade Control: Wallis Drilling



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Overview

Tropicana was officially opened in March 2014 by Western Australian Minister for Mines and Petroleum, the Hon. Bill Marmion, and produced its 1 millionth ounce on schedule in December 2015, just over two years after pouring first gold.

The large-scale, open pit operation features a modern processing plant which uses conventional carbon-in-leach technology and includes high pressure grinding rolls (HPGR) for energy-efficient comminution. Mining is carried out by a contract mining company.

Mining started in the Tropicana and Havana pits and extended to the Boston Shaker pit in 2015. Together, the Tropicana, Havana, Havana South and Boston Shaker deposits define a northeast trending mineralised corridor spanning a width of 1.2km and length of 5km and drill-tested to a vertical depth of more than 1,200m.

A grade streaming strategy that underpins the life of mine (LOM) plan has seen the higher grades treated in the first years of operation gradually decline from 3.01 g/t in 2014 to 2.57 g/t in 2015. Grades will ultimately decline to the LOM average head grade of approximately 2.0 g/t. In the six months to June 2016, Tropicana produced 196,000 oz (100%).

Work is underway to optimise the processing plant in order to lift throughput capacity and partially offset the impact of the decline in grade over time, with benefits expected to be realised from 2017 onwards. The plant optimisation project, which is designed to lift annual throughput to 7.5 Mpta, is on track and on budget for practical completion in late September 2016. This work includes upgrades to the plant conveyor systems, optimisation of screens, installation of two CIL tanks, and associated upgrades to lime storage, the oxygen plant, and to the air, water and elution systems.

Project work also continues on an alternative, low-cost approach to mining the down dip extensions of the Havana and Tropicana pits, along with extensions to the north and south. The Long Island Mining Study is looking at the application of mine design techniques that are used more commonly in mining other commodities, such as coal.

Broad-spaced exploration drilling continues to test the along-strike and down dip extensions of the Tropicana gold system to provide data for the Long Island Mining Study. An updated resource model for the Study will be completed in the second half of 2016.

Completion of the Eastern Goldfields Pipeline (EGP) in December 2015 delivered natural gas ahead of schedule to Tropicana. Constructed by the APA Group under long-term agreements signed with AGAA in July 2014, the 293km-long pipeline will provide a clean source of energy for power generation at Tropicana and AGAA's 100%-owned Sunrise Dam mine, reducing exposure to diesel price volatility and reducing the number of annual truck movements to the remote sites by more than half. At Tropicana 17 new gas generators were installed in the power station to replace the diesel generators. The site has retained diesel back-up generation capability.



History

Tropicana was discovered in 2005 after AngloGold Ashanti Australia followed up an unexplained gold-in-soil anomaly Independence Group had recognised in public domain regional data collected in the 1990s.

Subsequent exploration identified the Havana deposit and led to a PFS before a decision in July 2009 to commit to a Feasibility Study based on resources at the time of 5.01Moz and reserves of 3.3Moz.

The project was approved by the Boards of the JV partners in November 2010 and had received all regulatory approvals by the end of that year.



Biodiversity is another feature of the safety and environmental management plan developed for Tropicana.



Environment

The Environmental Impact Assessment for Tropicana was completed in the second half of 2010 and received Federal and State environmental approval by year end. The EIA documents can be viewed at www.tropicana-jv.com.au. The approach to the approval for the Tropicana JV has been recognised as a benchmark in environmental approvals in WA.

Biodiversity is another feature of the safety and environmental management plan developed for Tropicana. As part of the operation's biodiversity offsets strategy in its approved environmental management plan, the Great Victoria Desert Biodiversity Trust was established.

A condition of the Federal Environmental Protection and Biodiversity Conservation Act approval for the mine, the Trust reflects the Tropicana Joint Venture partners' recognition of the need to base environmental management decisions on robust science. The Trust will fund research on the remote Great Victoria Desert, where the mine is located. In November 2015 the first round of projects to be funded by the Trust were awarded. Updates on the Trust and its research projects can be found on www.gvdbiodiversitytrust.org.au.

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Community

A 'Think Local, Buy Local, Employ Local' strategy has been adopted at Tropicana to promote the growth of local supply networks. Procurement spend in the Goldfields-Esperance region, in which AngloGold Ashanti's operations are located was \$197 million in 2015, or approximately 34% of total spend, with procurement from businesses in the rest of the state of WA making up a further 62% of the total of \$513 million.

An indigenous business development programme has resulted in several indigenous-owned businesses supplying goods and services to Tropicana. Youth development programmes target the broader community of Kalgoorlie-Boulder and the North Eastern Goldfields with a particular focus on creating opportunities for young indigenous people. Work readiness programmes seek to support the transition of indigenous, female and disadvantaged youth to the workplace through training and work experience which can lead to employment in the mining industry.

Employment

The remote location of Tropicana necessitates a fly-in, fly-out operation with flights arranged to cater for employees and contractors based in both Kalgoorlie-Boulder and Perth. The site operates a combination of 8:6 and 2:1 rosters. Tropicana places an emphasis on recruiting locally where possible.



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