

# GEITA

TANZANIA



**G**eita, is located in north-western Tanzania, in the Lake Victoria goldfields of the Mwanza region, about 120km from Mwanza and 4km west of the town of Geita.

The Geita gold deposit is mined as a multiple open-pit and underground operation. Underground mining began in 2016. The mine will continue to operate as a mixed open-pit and underground operation until the entire economic open-pit Mineral Resource is exhausted. The mine is currently serviced by a CIL processing plant with an annual capacity of 5.1Mt.

## FEATURES OF THE YEAR

### EXCEPTIONAL PERFORMANCE

production at highest level in 14 years

### SUCCESSFULLY TRANSITIONING

to underground mining

### IMPROVED

recovery rates

### DECLINE

in costs

### 6.64Moz

inclusive Mineral Resource at 31 December 2019

# PERFORMANCE 2019

## Operating performance

### Production

Geita produced 604,000oz in 2019, the highest level in 14 years, compared to 564,000oz in 2018. The operation is successfully transitioning to predominantly underground operations, with a 10% increase in recovered grades achieved on the back of additional flexibility in the blending strategy resulting in improved recovery rates. Record quarterly production of 208,000oz was achieved in the last quarter of the year, largely a result of the higher volumes of tonnes treated and higher-grade material from Star & Comet Cut 3.

### Costs

The drive for continuous cost improvements through the Operational Excellence programme is well entrenched across all sites and disciplines in the region. The focus remains on delivering systemic and sustainable operational improvements in the management of the region's stay-in-business projects.

Geita reported lower operating costs given the decline in open pit mining and its transition to higher-grade underground mining. Cost savings were also achieved as a result of reagent optimisation.

### Capital expenditure

Capital expenditure at Geita related primarily to underground Ore Reserve development projects which continued at Star & Comet and Nyankanga. These projects will provide access to orebodies identified for future gold extraction.

### Growth and improvement

The development of Nyankanga Block 1 Portal began in December 2019 to accelerate mining in Blocks 1 and 2 following the delay in permitting for Geita Hill.

At Star & Comet and Nyankanga, approximately 4,568m of development was completed during the year to access new areas for stope mining and further exploration. Open pit mining at Nyankanga will reach the end of its economic life during 2020. Surface exploration continued at Selous, a satellite pit 2.4km from Star & Comet, to supplement the underground operation in the near term.

## Sustainability performance

### Safety

There were no fatalities reported during the year, with an AIFR of 0.08 per million hours worked achieved, improving from 0.60 in 2018.

The mine recorded several commendable safety achievements. These included:

- Recognition as the best performing company in Tanzania from a safety and health management perspective at the Annual Occupational Safety and Health Authority event. The mine was rated Overall Winner in Safety and Health best practice against 40 companies in the country. This is the third time that Geita has achieved this accolade.
- Certified as being compliant with the ISO 45 001 Standard – the first AngloGold Ashanti operation in Africa to be certified against the new standard.

### Health

Protection, promotion and optimisation of health and wellbeing among our employees and communities remain key priorities for the organisation.

There were no major changes in 2019. We continued with constant monitoring and control of workplace exposures to dust, noise and lead, which are major occupational health risks. One case of occupational disease was diagnosed in the region in 2019, a noise-induced hearing loss case at Geita. Necessary medical support was provided to prevent further loss of hearing and workplace controls were also strengthened to prevent adverse effects on other employees and contractors.

As reported in 2018, we started a remote formal training programme to address an acute shortage of local occupational hygiene capacity in our Africa operations. This programme was designed to develop professional occupational hygiene specialists, with minimal staffing disruptions, while reducing dependence on expatriates. So far, five of the six locals undergoing training have completed their intermediate-level qualifications as occupational hygiene technicians and are now only a step below professional-advanced level.

## Employee and labour relations

AngloGold Ashanti maintained good and stable labour relations during the year with its employees. Employees have a right to freedom of association and to collective bargaining. This is central to effective labour relations at all operations, where the country's regulations allow.

The labour relations climate was stable during the year. The employee engagement survey conducted earlier in the year showed an improvement in executive leadership practices, our values and organisational vision, with more employees preferring to remain with the Geita mine as opposed to seeking employment elsewhere. Overall, engagement levels remained strong.

The third collective bargaining agreement between Geita and the union (TAMICO) was signed on 19 November 2019. It marked another milestone towards building a long-term relationship based on cooperation between employer and employees.

Geita has two trade unions, TAMICO and NUMET. Membership of TAMICO stands at 56%, while the minority trade union NUMET has 3% membership in the bargaining unit (Paterson grades A-C4). The remaining 41% are non-members but still enjoy the services of the two trade unions mentioned above.

## Community development

Work within communities continued in the region. Each operation has a forward-looking community engagement strategy that identifies potential areas of concern for the respective communities. We have local economic development programmes, which are developed and run in partnership with local governments and host communities. These programmes are aimed at contributing towards economic growth, income-generating opportunities, creation of employment, and nurturing sustainable livelihoods beyond the life of mine.

At Geita, the following projects have been implemented:

- Nyankumbu Girls School – \$7.1m was invested in school infrastructure, labs, library and sports grounds. The school accommodated 900 boarding students in 2019 of whom 625 were O-level students and 275 A-level students. In 2019, 125 students graduated compared 116 students in 2018
- Sunflower processing and storage facility construction – the installation of supporting machinery at Kasota village was completed in 2019

As part of the corporate social responsibility plan, Geita constructed three dispensaries, two schools, two market frame stalls, installed street lights in Geita town, funded the roofing of 506 school classrooms, donated medical equipment and upgraded various educational facilities, to a total value of \$4m.

## Environment

Geita has received certification for the new ISO 14001:2015 Environmental Management System. These have now had their first and successful surveillance audits in 2019.

Geita submitted its mine closure plans to the respective regulatory authorities in Tanzania.

## Security and human rights

No human rights violations were recorded, and no incidents were reported during the year. However, proactive management of ASM, illegal mining and general criminality remains a focal point for the security discipline in the region. Our ongoing commitment to the respect for human rights is evidenced by our participation in the UN Forum for Business and Human Rights, the Voluntary Principles on Security and Human Rights (VPSHR) initiative and the United Nations Global Compact (UNGC). As a member of the International Council on Mining and Metals (ICMM), AngloGold Ashanti actively participates in various working groups and initiatives designed to promote human rights. The VPSHR remains the key driver of our security management practices. For more information, see Continental Africa in the *Regional reviews* section in the [<IR>](#).



# PERFORMANCE 2019 CONTINUED

## Key statistics

Geita	Units	2019	2018	2017
<b>Operating performance</b>				
Cut-off grade <sup>(1)</sup>	oz/t	0.036	0.042	0.041
	g/t	1.25	1.45	1.40
Average recovered grade	g/t	3.61	3.28	3.13
Tonnes treated/milled	Mt	5.2	5.3	5.4
Gold production	000oz	604	564	539
Total cash costs	\$/oz	695	804	608
All-in sustaining costs	\$/oz	894	940	941
Capital expenditure	\$m	75	59	157
Productivity	oz/TEC	22.16	21.84	22.65
<b>Safety performance</b>				
No. of fatalities		0	0	0
All injury frequency rate (AIFR)	per million hours worked	0.08	0.60	0.43
<b>People</b>				
Total average no. of employees		5,066	4,567	4,251
– Permanent		1,957	1,828	1,768
– Contractors		3,109	2,739	2,483
<b>Environmental performance</b>				
Water use	ML	3,229	3,711	4,689
Water use efficiency	kL/t	0.62	0.69	0.88
Energy consumption	PJ	3.69	3.90	3.49
Energy intensity	GJ/t	0.71	0.73	0.65
Greenhouse gas (GHG) emissions	000t	251	266	238
GHG emissions intensity	t CO <sub>2</sub> e/t	48	50	44
Cyanide use	t	1,632	1,519	1,323
No. of reportable environmental incidents		0	0	0
Total rehabilitation liabilities	\$m	68	62	57
<b>Social performance</b>				
Community investment	\$m	6	4	6
Payments to government	\$m	190	168	141

<sup>(1)</sup> Based on the Ore Reserve.

For further information on AngloGold Ashanti and its work and performance, as a group and in the Continental Africa region, see the <IR> and <SR> which are available online at [www.aga-reports.com](http://www.aga-reports.com).