

OBUASI

GHANA



LEGEND

① **Obuasi**

② **Iduapriem**

● Operation ○ Project

0 150km

Obuasi, which is primarily an underground operation, mining to a depth of 1,500m, is in the Ashanti region, approximately 60km south of Kumasi.

Obuasi had been on care and maintenance since 2016, until the start of its redevelopment in 2019, following the receipt of the requisite approvals from the Government of Ghana. The first face blast took place in February 2019 with first gold being poured in December 2019.

FEATURES OF THE YEAR

GROWTH

redevelopment on track

FIRST

gold poured

COMMITMENT

to local participation and content across the value chain

COMMUNITY

trust fund established

31.04Moz

inclusive Mineral Resource (5.52Moz below infrastructure)

PERFORMANCE 2019

Operating performance

Obuasi redevelopment project

The Obuasi redevelopment project has progressed well and remains on schedule and within budget.

Phase 1 of the project, which set up the plant to achieve a daily processing rate of 2,000t of ore, was completed. Phase 2 which aims to expand plant capacity to 4,000t a day continues through 2020. The civil engineering work is progressing well with most orders already having been placed.

First blast underground, signalling the start of underground development, took place on 11 February 2019 and the first stope blast was in October 2019.

This indicated the start of ore production, albeit on a limited scale, and was followed by the first pour of gold on 18 December 2019, demonstrating the successful implementation of the plan to redevelop Obuasi into a modern, mechanised mining operation, following the suspension of mining activities five years ago.

Phase 2 work mainly involves construction of new buildings in the plant, surface infrastructure and tailings storage facilities, in parallel with underground materials handling systems and shaft refurbishment, paste-fill plant and new underground pumping and piping systems. Phase 2 operational readiness includes ramping up the mining operation including the start of mining in Block 8 lower, commissioning the KRS shaft, GCVS vent shaft, paste fill plant and installing the underground paste systems and commensurate recruitment and training.

Sustainability performance

Safety

The all injury frequency rate (AIFR) for the year was 0.62 injuries per million hours worked across Continental Africa. The 27% regression from the previous year is primarily due to an increased number of injuries associated with the mine redevelopment project that is currently underway at Obuasi in Ghana.

Health

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

Non-occupational lifestyle and community health risks such as malaria, which is endemic in our African operations, present challenges to business productivity and continuity.

In Ghana, malaria control activities continued in collaboration with the Ghana Department of Health as well as The Global Fund. The programme covers 16 districts with indoor residual spraying and its supporting activities. These districts are in Obuasi, and in the Upper West and Upper Eastern regions of Ghana and extended to all 45 national prisons. The programme sprayed just over 1 million structures, a coverage projected to protect just over 1.1 million people from malaria, or about 91% of the targeted total population of 1.2 million people. The programme created about 1,267 temporary jobs for community members and initiated

community-based information and awareness campaigns to help keep Obuasi clean.

Employee and labour relations

AngloGold Ashanti 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. In 2019, we continued to have good engagements with employees at all levels.

The Obuasi redevelopment project has been designed to be a modern mechanised and automated operation, with a flat organisational structure and a skilled workforce employed on modern employment conditions. Ghanaian employment and female representation have been prioritised. Ghana is currently experiencing a mining boom, with many large-scale mining projects underway across the country. This has brought with it an increased demand for local mining, engineering, processing and project skills. As such, being competitive in the labour market and establishing the Obuasi mine as the employer of choice has been a key focus. A constructive relationship is maintained with the Ghana Mineworkers' Union, and the company and the unions are progressing with discussion on an enterprise agreement covering the operating level of the organisation.

At the end of 2019, 3,800 people were employed on the Obuasi project, 700 of whom are AngloGold Ashanti Ghana employees, and the remainder are engaged in the mining, operating and construction contracts.

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.

As part of the Obuasi redevelopment project, the company is committed to promoting Ghanaian participation and local content across the value chain of the business. It has therefore adopted a policy of prioritising Ghanaian businesses in its contracting and procurement processes. In instances where the technical capacity is not readily available, the company has identified and promoted Ghanaian businesses to participate as joint venture partners, in an effort to help build Ghanaian capacity.

A social management plan (SMP) has been designed and is being implemented, and a trust fund composed of representatives from across the community, the Obuasi Community Trust Fund, was established. In addition to supporting social investment in areas of health, education, skills development and infrastructure, a contribution of \$2 per ounce of gold produced will be contributed to the Obuasi Community Trust Fund. The trust fund is governed by an independent board and a steering committee made up of representatives from across the community.

PERFORMANCE 2019 CONTINUED

Through the mine's Footprint Reduction Project, the northern assets of the mine, including office buildings and accommodation units were relinquished to the Kwame Nkrumah University of Mines and Technology based in Kumasi and a satellite university campus has been established in Obuasi as part of a strategy to diversify the local economy. See the case study *Kwame Nkrumah University of Science and Technology*.

Two brand new Toyota Hilux pickups were donated to the Obuasi District and Divisional Police Commands to build their capacity to police and improve security in and around Obuasi.

Sanitation equipment including waste bins, a heavy-duty waste collection tricycle, wheel barrows, rakes, shovels, among others were donated to support the Keep Obuasi Clean Campaign championed by the AngloGold Ashanti Malaria Control Limited.

Environment

At Obuasi, permits for the mine's redevelopment project were renewed in November 2019, in accordance with the Environmental Protection Agency schedule. There were no reportable environmental incidents at Obuasi in 2019.

Environmental management and compliance systems have also been established at Obuasi. In accordance with the 2018 Reclamation Security Agreement, reclamation commenced in the old

Pompora Treatment Plant and the Eaton Turner Shaft areas in the north of the mine. Implementation of the approved reclamation plan is ongoing and remains on track. Obuasi continues to implement the legacy closure works as agreed in the Reclamation Security Agreement signed with the Ghana Government in 2018.

Obuasi's ISO 14001:2015 Environmental Management System certification remained suspended for 2019 while the mine was being recommissioned.

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

Obuasi ⁽¹⁾	Units	2019	2018	2017
Operating performance				
Cut-off grade ⁽²⁾	oz/t	0.120	0.120	0.120
	g/t	4.10	4.10	4.10
Recovered grade	g/t	–	–	–
Tonnes treated/milled	Mt	–	–	–
Gold production	000oz	2	–	3
Total cash costs	\$/oz	–	–	–
All-in sustaining costs	\$/oz	–	–	–
Capital expenditure	\$m	246	48	–
Productivity	oz/TEC	–	–	–
Safety performance				
No. of fatalities		0	0	0
All injury frequency rate (AIFR)	per million hours worked	1.38	0.62	–
People				
Total average no. of employees		2,924	1,321	1,066
– Permanent		500	290	277
– Contractors		2,424	1,031	789
Environmental performance				
Water use	ML	–	–	–
Water use efficiency	kL/t	–	–	–
Energy consumption	PJ	0.58	0.26	0.26
Energy intensity	GJ/t	–	0.00	0.00
Greenhouse gas (GHG) emissions	000t	64	31	36
GHG emissions intensity	t CO ₂ e/t	0	0	0
Cyanide use	t	115	–	–
No. of reportable environmental incidents		0	0	2
Total rehabilitation liabilities	\$m	186	163	211
Social performance				
Community investment	\$000	336	122	120
Payments to government ⁽³⁾	\$m	86	48	38

⁽¹⁾ Obuasi was placed on limited operations at the end of 2014 and Obuasi on care and maintenance in 2016.

⁽²⁾ Based on the Ore Reserve.

⁽³⁾ Total payments made to the Ghanaian government on behalf of all AngloGold Ashanti operations in Ghana.

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.