

## Glossary of terms

### 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 to achieve the 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").

**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).

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**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, 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 per month to the total number of employees or area mined (in square metres) per month 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.

**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.

**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.

**Stopping:** 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.

**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 and other commodity contracts.

**Adjusted headline earnings:** Headline earnings excluding unrealised non-hedge derivatives, fair value adjustments on the option component of the convertible bond, fair value gain (loss) on interest rate swap, adjustments to other commodity contracts and deferred tax thereon.

**Average number of employees:** The monthly average number of production and non-production 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. Employee numbers of joint ventures represents the group's attributable share.

**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 tangible and intangible assets less non-cash revenues.

## Glossary of terms – Financial

**Discontinued operation:** A component of an entity that, pursuant to a single plan, has been disposed of or abandoned or is classified as held-for-sale until conditions precedent to the sale have been fulfilled.

**EBITDA:** Operating profit (loss) before amortisation of tangible and intangible assets, impairment of tangible and intangible assets, profit (loss) on disposal of assets and investments 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.

**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 obligations.

**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 the balance sheet divided by the 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 and other commodity contract gain (loss):** Derivatives that are neither designated as meeting the normal sale exemption under IAS39, nor designated as cash flow hedges and other commodity contracts.

**Normal purchase normal sale (NPNS) exemption:** Hedge contracts designated as meeting the exemption criteria under IAS 39.

**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 and United States of America.

**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.

**Total cash costs:** Total cash costs include site costs for all mining, processing and administration, reduced by 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 and exploration costs are excluded. Total production costs per ounce are the attributable total production costs divided by the attributable ounces of gold produced.

**Unrealised non-hedge derivatives and other commodity contracts:** This represents the change in fair value, including translation differences, of all open non-hedge derivative positions and adjustments to other commodity contracts from the previous reporting date to the current reporting date.

**Weighted average number of ordinary shares:** 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, and increased by share options that is virtually certain to be exercised.