

Section 172 (1) Statement

The Chevaning Mining Board is cognisant of its legal duty to act in good faith and to promote the success of the Company for the benefit of its shareholders and with regard to the interests of stakeholders and other factors. These include the likely consequence of any decisions we make in the long term, the need to foster relationships we have with all of our stakeholders; the impact our operations have on the environment and local communities, and the desire to maintain a reputation for high standards of business conduct.

Culture, strategy and values

By listening to, understanding and engaging with our stakeholders, the Board endeavours to live up to their expectations, but staying true to our purpose, acting in accordance with our values and delivering our strategy. As a consequence of interactions with stakeholders we identified and adopted at our subsidiary a “top 10” material issues list which included, amongst others, employee safety, employee and community health, responsible environmental stewardship and employee, community and asset security.

Decision-making and likely consequences of any decision in the long term

The Company with support from its immediate parent company took a broad range of factors and stakeholder considerations into account when making decisions throughout the year. The board supported the actions and processes taken to resolve the gold recovery issues arising from the Société AngloGold Ashanti de Guinée S.A (‘SAG’) mill which included secondment of specialised staff.

In implementing our business decision we take into account any potential impacts on stakeholders and the environment. Like any business, we are aware that some of the decisions we make may have an adverse impact on some stakeholders. We endeavour to limit adverse impacts in line with our values and through compliance with laws and regulations.

The ultimate holding company of the Company, AngloGold Ashanti Limited, provided guidance and support to the Company to assist it in its business decisions, including the provision of mining technical support during the year as well as supporting the business plans of the operation in Guinea including local stakeholder engagement and environmental mitigation work.

Our stakeholder interactions covered aspects of the decision making and included communications to employees where we dealt with mitigating safety risk, employee wellness and ensuring stable labour relations and for local communities our communication was aimed at managing expectations, respecting and promoting human rights and ensuring security of assets and the community.



Capital allocation and dividend policies

Principal decisions included dividend payments to shareholders, deferring the receipt of some dividends to assist in providing the necessary funds to resolve some of the gold production problems arising from poor recovery and provide further support for the business operational plans of the subsidiary. Dividend payments were determined firstly by ensuring that the amount of capital available to our subsidiary would support its business plans and accordingly dividends were determined from cash flows from operating activities after providing for the capital needs to support the business plan.

Stakeholder engagement

As an investor in a mining project the Board understands that it may have a wide range of indirect stakeholders that are integral to the sustainability of the investment and may have impacts on the underlying investment and its licence to operate. In addition, the Board is conscious that expectations around our performance and contributions to society both local and global - are diverse and continuously evolving.

The Company has no direct employees or suppliers and uses the processes operating at the operation in Guinea to assess and communicate with the diverse stakeholders affected by the mining operation.

In the following section, we detail our key stakeholders and summarise their interests, how the Board has engaged with them, and how what the Board has heard has influenced our decision-making.

Our engagement with government and regulators covered appraising the Guinean government of new developments at the operation by regular meetings, engaging in policy development, regulatory proposals and identifying ways in which our contributions to the fiscus can flow through at the national, local and community levels.

Local communities are our host and provide the majority of our labour force and thus fostering good relations assists in maintaining a productive and engaged work force. Working with the United States Agency for International Development, we signed a memorandum of understanding to fund a body called the Siguirri Agricultural Development Activity, which supports local agricultural projects providing seeding and capacity building support. We also funded 50% of the cost of the Siguirri – Kintinian national road resurfacing project, which included tarring, thereby improving road conditions and dust mitigation levels.

As part of a mining group we support the UN's Sustainable Development Goals which are designed to make a comprehensive and lasting contribution that we expect will positively transform how our stakeholders experience our business.

Further information where our ultimate parent company has assisted in the operations of the Company and its subsidiary, including a copy of this Section 172 (1) report, can be found at www.aga-reports.com.