

TROPICANA

Tropicana

The Tropicana Gold Mine poured first gold in September 2013 after two-and a-half years of construction and eight years after the initial discovery. At the time Tropicana was the first greenfields gold discovery to be brought into production in Australia for more than a decade.

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

Production 2018: 480,000 oz (AGAA 70%)

Total Cash Costs CY2018: US\$594/oz (AGA)

All in Sustaining Costs CY2018: US\$843/oz (AGA)

Processing Plant Throughput 2018: 7.8 Mtpa

Average Recovered Grade CY2018: 1.91 g/t

Metallurgical Recovery CY2018: 89%

Mine Life: 2029

Ore Reserve at 100% (as at December 31, 2018): 65.7 million tonnes grading 1.77 g/t for 3.74Moz of contained gold.

Mineral Resource at 100% (inclusive, as at December 31, 2018): 136.2 million tonnes grading 1.76 g/t for 7.70Moz 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

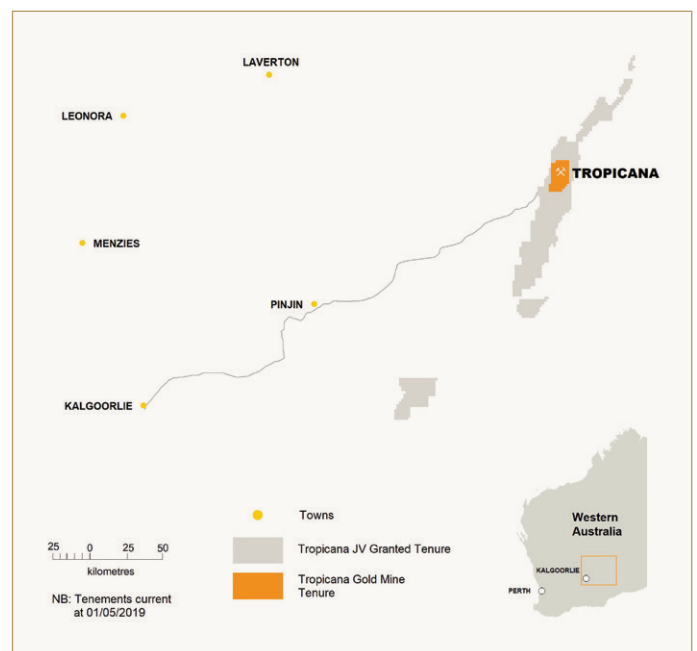
Ancillary Equipment and Personnel: Carey Mining

Explosive Supply: Dyno Nobel

Grade Control: Wallis Drilling

Workforce

Approximately 238 employed by AGAA and 813 employed by contractors.





Overview

Tropicana is a large-scale, open pit operation featuring 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 under an alliance-style contract with Macmahon.

Mining during 2018 focussed on the Havana South, Havana 3 and Tropicana 2 pits. Mining of the Tropicana pit was completed in the first half of 2019, and mining of the Boston Shaker open pit cutback 4 will take place in the second half of the year.

The site continues to focus on continuous improvement through AngloGold Ashanti's Operational Excellence approach.

The Long Island mining sequence was further optimised during 2018, with mining rates stabilising at approximately 95 Mtpa. Grade streaming continued in 2018 with preferential processing of higher grade ore while low-to-medium grade ore was stockpiled.

A second 6MW ball mill was added to the grinding circuit in 2018 to optimise the circuit, improve metallurgical recovery and match mine output. The new mill was commissioned ahead of schedule in November 2018 with full ramp-up achieved within a week. It is expected to lift annual throughput to 8.1 Mtpa and, through a reduction in grind size, to improve baseline metallurgical gold recovery by up to 3% to approximately 92%.

In March 2019 development of the Boston Shaker Underground Project was approved after a feasibility study confirmed it was technically and financially viable with an anticipated IRR of 39% for a capital investment of \$79.3 million (100%). Boston Shaker will contribute higher grade mill feed, resulting in an improved gold production profile and enhanced cash flow. Importantly, the underground mine will provide improved cash flow during 2021-23 when the mine includes periods of higher waste stripping in the Havana open pit.

Ore from the underground mine will enable Tropicana gold production to be maintained at between 450,000-500,000 ozpa (100%) over the next five years. The project started in the June quarter 2019 and underground ore production is scheduled to start in the September 2020 quarter.

The Feasibility Study was based on the mining of 6.58 million tonnes, grading 3.84 g/t, assuming the systematic conversion of Mineral Resources to Ore Reserves over the life of the mine. The average underground mining rate will be approximately 1.1 Mtpa (including development) over an eight year mine life to 2026 to produce a total of 732,000 oz. Mining methods will comprise conventional mechanised mining and underhand sublevel open stoping.

The underground mining contract was awarded to Macmahon, the mining alliance partner at Tropicana since commencement of open pit mining in 2012. As Macmahon will operate both the open pit and underground mines significant operational and management synergies will be delivered.



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 was recognised as a benchmark in environmental approvals in WA.

Tropicana achieved environmental certification under the new ISO 14001:2015, following audits by Bureau Veritas in 2018.

Biodiversity is a 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 funds research on the remote Great Victoria Desert, where the mine is located. Updates on the Trust and its research projects can be found at www.gvdbiodiversitytrust.org.au.

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 Pre-Feasibility Study 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.





Community

A 'Think Local, Buy Local and Employ Local' strategy has been adopted at Tropicana to promote the growth of local supply networks.

AGAA is actively involved in communities across the Western Australian goldfields, from Laverton to Kalgoorlie-Boulder and beyond, including remote Aboriginal communities such as Tjuntjuntjara. The company supports education, youth, community development and health programmes and local training, along with offering employment and business participation opportunities.

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.

In 2018 the unique *Get into Mining* training programme, was run for the second time at the site, offering a unique, entry-level employment opportunity for indigenous people in WA's goldfields region.

A collaborative programme run by Aboriginal-owned mining and civil contracting company Carey Mining, with the support of Macmahon Holdings and the Tropicana JV partners, *Get into Mining* comprises a blend of training in a classroom, at a simulated worksite and through practical activities at Tropicana. The programme graduates are now working in traineeships across the mining and exploration departments at the site.

Contact Details

AngloGold Ashanti Australia Ltd

Ph: 08 9425 4600

Email: AGAACorporateAffairs@anglogoldashanti.com

Website: www.tropicana-jv.com.au