

ANGLOGOLDASHANTI

Refiner Compliance Report

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Reporting Period: 2020

Date: 31/05/2021

Team:

Evaldo Sperancini

Ricardo Assis Santos



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Purpose

This report has been prepared in accordance with Appendix 5 of the Auditor's Guide, Version 3, and aims to demonstrate how AngloGold Ashanti Brazil Refinery, located at the Queiroz Plant in Nova Lima, Minas Gerais, Brazil, has complied with the requirements set forth in LBMA Responsible Gold Guidance.

Table 1: Description of the Refiner	
Name of Refiner	AngloGold Ashanti Córrego do Sítio Mineração
Location	Fazenda Rapaunha S/N Bairro Galo Nova Lima MG, Brazil.
Reporting period	2020
Date of report:	31/05/2021
Senior manager accountable for the report	Ricardo Assis, Director: People, Projects and Technical Support RASantos@AngloGoldAshanti.com.br Fazenda Rapaunha, S/N, Bairro Galo, Nova Lima-MG Telephone: (+55 31 3589 1508)

Assessment of the AngloGold Ashanti Brazil Refinery at Queiroz Business Unit

Table 2	Summary of activities undertaken to demonstrate compliance
Step 1: Establish strong company management systems	
Statement of Compliance with the Requirement:	
<p>Non-compliances have been identified in Step 1 – Establish Strong Company Management Systems –, of LBMA Responsible Gold Guidance, Version 8 of December 11, 2018.</p> <p>Mitigating procedures are detailed in Step 1.</p>	
1. Has the Refiner adopted a company policy with regard to due diligence of its gold supply chains?	
Comments and demonstration of compliance:	
<p>In 2020, AngloGold Ashanti Refiner followed the guidelines set forth in its Gold Supply Chain Policy, approved by Refinery Coordinator, Evaldo Sperancini, in line with Annex II of OECD Due Diligence Guidance, and acknowledges its accountability to respect human rights and the possibility of significant, adverse impacts associated with the extraction, trade, handling, and export of gold, while reaffirming our commitment to refrain from any action that contributes to the financing of armed conflicts.</p>	

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2. Has the Refiner set up an internal management structure to support supply chain due diligence?

Comments and demonstration of compliance:

Refiner management is supported by a Risk Management System based on recognized standards the certifications of which were maintained in 2020:

ISO 14001:2015 Environmental Management System

OSHAS18001 2007 Occupational Health and Safety Management System

ISO17025:2017 Competence of Testing and Calibration Laboratories

AngloGold Ashanti is also a signatory to the:

International Cyanide Management Code

World Gold Council (WGC)

UN GLOBAL COMPACT

Extractive Industries Transparency Initiative (EITI)

Voluntary Principles on Security and Human Rights (VPSHR)

Due to the pandemic, the company's Crisis Committee has been summoned and, based on PN-0088 – Crisis Management, is adopting several procedures and protocols including:

- Creation of the AGA Health Centre
- Distribution of fabric masks to AGA Brazil's employees and families
- Mandatory use of mask on surface facilities and offices
- Employee temperature checks
- Screening using rapid coronavirus tests
- Use of hand sanitiser
- Disinfection of public spaces
- Employee bus service
- Additional care at the restaurants of our sites
- Preventive actions implemented in our mine shafts
- Early distribution of food vouchers
- Early influenza vaccination
- Pre-employment exams
- Periodic exams suspended and rescheduled
- Protocols for meetings
- Recruitment and selection protocols
- National and international travel protocols
- Fair, congress and external seminar protocols
- Training protocols
- Visit and gathering protocols
- Donation of R\$ 1.6 million to communities
- Centre for Environmental Education (CEA) and Heritage Centre protocols
- Implementation of working from home protocols

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AngloGold Ashanti maintained the recognition of its sustainable practices in Safety, Occupational Health and Environment in 2020 by retaining its ISO14001 and OSHAS18001 certifications and by periodic assessment of its legal compliance with requirements related to Safety, Occupational Health, Environment and Sustainability, which are managed through its Integrated Online Management System (SOGI).

Through its Gold Supply Chain Management System, AngloGold Ashanti demonstrates that its Refinery refined gold from its own mines in Brazil in 2020. It also began transactions with external partners in March, aimed to smelt and refine the final product from Jaguar Mining mines, and in September, aimed to process and recover gold contained in by-products mined by Vale S.A.

In 2020, AngloGold Ashanti provided at its Queiroz Metallurgical Plant, in Nova Lima, smelting and refining services for raw materials sent from Jaguar Mining sites in Caeté-MG and Conceição do Pará-MG. Jaguar Mining headquarters is located in Santa Bárbara-MG.

As a result of the Leach Residue Purchase and Sale agreement, signed between AngloGold Ashanti Córrego do Sítio Mineração SA and Vale SA, gold recovery tests were carried out on residues from the seller's leaching process of copper ore stacked in piles or from its tailings dams located in Canaã dos Carajás, state of Pará, where Vale S.A. is the only and legitimate holder of mining rights No. 851.355/1991, granted by the Ministry of Mines and Energy. The tests were carried out within a determined processing timeframe and included supply/receipt/billing protocols.

The processing of Vale's residues resulted in the recovery of 23,779.24 g of gold from the tests carried out, which were sold as 3 bars.

Based on important points, which were formalised in the agreement between the parties, a critical analysis was carried out by the Senior Management and the Coordination, with no evidence of any risks for the responsible gold supply chain.

The guidelines for complying with the steps described in LBMA Responsible Gold Guidance are defined in the normative document Gold Supply Chain Management System Manual (MN-0013), Revision 04 of December 19, 20196, approved by Refinery Coordinator, Evaldo Sperancini, and controlled through our Electronic Document Management System.

This Manual defines the scope of the Gold Supply Chain, Sequence and Interaction of the Process, Policy, Supply Chain Management Structure, Responsibilities and Authorities, Mapping Processes, Transportation Suppliers, Risks Communication Channels, Supply Chain Risks, Transaction Monitoring, New Chains Risks, Risk Management, Defining Indicators for Improved Risk Management, Audits, Auditor Requirements, Audit Standards, Audit Report, Refiner Compliance Report, Assurance Report, Supply Chain Due Diligence Report, Action Plan, and Monitoring Audit.

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In order to maintain continued internal diligence of the chain, AngloGold Ashanti has allocated the resources required to support the operation and monitoring of these processes in its annual budget plan.

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3. Has the Refiner created a strong system of internal due diligence, controls, and transparency over the gold supply chain, including traceability and identification of other actors in the supply chain?

Comments and demonstration of compliance:

There were no changes in AngloGold Ashanti's gold production processes and all controls that show the assurance of internal traceability have been kept in place, as well as full transparency of the entire gold supply chain from mines to Refinery.

Our process maps list all relevant documents and records detailing forms of control, and set their retention time at a minimum of five years from the closing of the fiscal year.

The Maps are:

PE-0874 – Cuiabá Gold Plant Process Map, Rev. 03, December 9, 2018;
 PE-0875 – Queiroz Plant Process Map, Rev. 03, April 24, 20120;
 PE-0876 – Cuiabá Mine Process Map, Rev. 02, February 25, 2021;
 PE-0877 – Lamego Mine Process Map, Rev. 03, February 04, 2021;
 PE-0878 – Córrego do Sítio Open Pit Mine Process Map, Rev. 02, May 24, 2020;
 PE 0879 – Córrego do Sítio Underground Mine Process Map, Rev. 02, May 24, 2020;
 PE-0896 – Oxide Plant Process Map, Rev. 04 of June 25, 2018;
 PE-0897 – Sulphide Plant Process Map, Rev. 05, April 12, 2019;
 PE-0662 – Services/Production Execution Planning Map, Rev. 07, August 10, 2019;
 PE-0512 – Receipt of Raw Materials Process Map, Rev. 04 of January 13, 2019;
 PE-0510 – Smelting Process Map, Rev. 06, December 16, 2018;
 PE-0513 – Refining and Manufacture Process Map, Rev. 06 of January 13, 2019;
 PE-0509 – Clearance and Shipping Process Map, Rev.04, January 20, 2019;
 PN-0691 – MSG Metallurgical Plant Process Map – Rev. 02, November 02, 2019;
 PN-0692 – MSG Process Map – Mines – Rev. 02, June 2, 2020;
 PE-0995 – Hydrorefining Unit Operation, Ver. 2, December 16, 2018.

Refiner records showing the assurance of traceability, as identified in the Records Control Master List, Revision 11 of June, 2019, have given full transparency to the gold smelting and refining process from receipt to delivery of the gold bars.

The FundOuro system has enabled the Refiner to monitor the information related to the bars' production process through internal audits carried out by auditors with IT skills, where the recorded information is evaluated, and its security verified, in order to validate the process change.

The Refinery produced 1,717 bars, small bars and semi-finished products in 2020, as a result of 883 transactions from AngloGold Ashanti Brazil and 150 transactions from Jaguar Mining, which are distributed as follows:

AngloGold Ashanti:

164 Precipitates and 163 Concentrates: transactions from Cuiabá Mine
 160 Cathodes and 243 Concentrates: transactions from Córrego do Sítio Mine, Portaria II
 82 Cathodes: transactions from Córrego do Sítio Mine Portaria I
 71 Bullions: transactions from Mineração Serra Grande

Jaguar Mining:

47 Gravimetrics – Caeté-MG
 45 CIP – Caeté-MG
 08 Dam – Caeté-MG

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50 CIP – Conceição do Pará-MG

Good Delivery Bars made in 2020 were monitored/tracked by sampling.

Medium Risk Non-Compliance – Lack of timeliness in carrying out mandatory training.

AngloGold Ashanti suspended its training program in March due to the Pandemic, and then resumed it in October. Following the guidance set forth by the competent authorities and in compliance with the established protocols, a schedule for refresher training was set up, so that all the Smelter and Refinery employees complete the refresher training by the expiration date of their certificates.

During this period, the Smelter experienced problems due to Covid and the absence of professionals that were on vacation, and 8 employees were not certified with refresher training in 2020. Nevertheless, the mitigating procedures that the Refiner carried out to address the risk found that:

- Five professionals were promoted to new positions or do not work in the activity related to the training of their former position;
- Training of 3 professionals was rescheduled due to Covid protocols. It is worth noting that the Refiner removed two of the three professionals above mentioned from their activity. With regard to the third employee, the course is not related to the refinery and production; it is a support course for AngloGold areas.

Despite the weakness identified in meeting the schedule, this training did not impact production, since it is a periodic refresher training and there has been no change in the content of the training since the last certification of these professionals. Additionally, employees who failed the certification exam or were not refresher trained were not allowed to work in their respective functions.

Considering the recurrence of non-compliance in relation to the 2019 audit cycle, we understand that the risk assessment should be Medium, based on the LBMA Guidance.

Training specific to one’s job (OTJ – On the Job) was maintained throughout 2020 and carried out on the jobsite under the direct supervision of the employee’s immediate superior and/or mentor, during which employees received information pertaining to their processes.

The marketing of gold bars produced in the year 2020 followed the guidelines of PE-0640 “Marketing of Gold/Silver Metal for Export”, rev06, October 25, 2020, which establish the procedures and controls to ensure that payments are made through official banking systems.

With reference to Compliance, a procedure on Government Relations is in place, which aims to ensure that relations with government officers are transparent, auditable and in line with AngloGold Ashanti’s internal regulations and policies.

Evaldo Sperancini, Compliance Coordinator and owner of the Refining Process, kept a direct line of communication with Senior Manager (Ricardo de Assis Santos), who relayed information to the Vice President of AGA Brazil, as required, through meetings for critical analysis and to review the Refiner Compliance Report against the requirements of the Responsible Gold Guidance.

4. Has the Refiner strengthened company engagement with gold supplying counterparties, and where possible, assisted gold supplying counterparties in building due diligence capabilities?

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Comments and demonstration of compliance:

A strategic decision was made in 2020 by the Company's Management to provide services to external clients of the Refiner, after due assessment of any Gold Supply Chain risks.

The Refiner builds long-lasting relations with its suppliers, based on trust and mutual respect. The Procurement area is responsible for the controls, monitoring, assessment and review of all AngloGold Ashanti suppliers, which includes suppliers of products and services that are required to operate the Refinery, and the Refinery does not have autonomy in this process.

Medium Risk Non-Compliance: Weakness in the assessment of supplier corruption and legal investigations

Based on the notes pertaining to the last audit of 2019, the Procurement area improved its management procedures on the suppliers of services and goods for the gold supply chain, which had already been included in the company's register after prior assessment. This new criterion is related to carrying out specific background checks for potential investigations and corruptions in progress by obtaining certificates of good conduct from the Federal Police.

However, the Procurement area did not complete the review of the entirety of its registered suppliers during the year 2020 in order to obtain this certificate. It should be noted that the Refiner has other procedures for evaluating suppliers, such as an analysis of legal documentation, a responsibility questionnaire filled out by the supplier, and a mandatory formal acknowledgment of AngloGold's internal policies.

Considering the event of non-compliance in relation to the 2019 audit cycle, we understand that the risk assessment is Medium, based on the LBMA Guidance.

5. Has the Refiner created a communication mechanism throughout the company to encourage broad participation of the employees and reporting identified risks to management?

Comments and demonstration of compliance:

In 2020, AngloGold Ashanti Brazil maintained communication channels for its employees to express their concerns about the gold supply chain and newly identified risks.

Through the channels listed below the employees report any situation that may endanger the security of the gold supply chain or compromise its policy guidelines of investigating and taking action, if so required.

Namely: the PGR (Risk Management Program) Newsletter, which is received, assessed, and managed by the immediate supervisor; a toll-free number (0800 727 1500) to our Communication Coordination desk where situations are addressed and feedback is given to the employees; and a whistle-blowing channel to address ethical violations, which can be reported through the Company's Intranet or by a toll-free number (0800 703 8422) to an outsourced company, which records the complaint for further investigation.

Investigation Reports are sent to AngloGold Ashanti Corporate Office and to the managers of the processes involved, and where the gold supply chain is concerned, a copy is also sent to the Senior Manager.

Furthermore, any risks identified in the process are also reported during our Daily Toolbox Meetings.

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Step 2: Identify and assess risks in the supply chain

Statement of Compliance with the Requirement:

Non-compliances have been identified in relation to Step 2 – Identify and Assess Risks in the Supply Chain, of the LBMA Responsible Gold Guidance, Version 8 of December 11, 2018. Mitigating procedures are detailed in Step 2.

1. Does the Refiner have a process to identify risks in the supply chain?

Comments and demonstration of compliance:

Transactions with external partners were initiated in 2020, by decision of the Company's Senior Management.

External partners were assessed in accordance with the normative instrument PE-0917 – Identification, Assessment and Management of Risks Associated with the Gold Supply Chain, rev2, March 03, 2019.

In 2020, the Refiner identified the risk factors at each stage of its gold supply chain by using risk identification and assessment tools, such as AuRisk and WRAC, in AngloGold Ashanti processes.

The Refiner reviewed the risks identified over its gold supply chain against existing control measures, and was able to rank them and check whether actions to minimize major risks were required or not. No risk with potential to produce significant adverse impacts on our gold extraction, marketing, handling and export was identified.

2. Does the Refiner assess risks in light of the standards of their due diligence system?

Comments and demonstration of compliance:

We did not identify any high risk in the gold supply chain in 2020. Neither have we identified any areas affected by conflicts nor any high risk of human rights violation.

Jaguar Mining is a recognized mining company in the market, which had commercial relations with the Refiner in the past, with no records that may question its good repute, or risks to the supply chain, since the supplier's processes are similar to those of AngloGold Ashanti mines.

AngloGold Ashanti provided smelting and refining services at its Queiroz Metallurgical Plant, in Nova Lima, in 2020, for raw materials sent by Jaguar Mining from its sites in Caeté-MG and Conceição do Pará-MG. Jaguar Mining's headquarters is located in Santa Bárbara-MG.

Medium Risk Non-Compliance: Due diligence procedures carried out on Jaguar Mining (gold supplier) are weak and lack objectivity

Before starting any business transactions with Jaguar Mining, the Refiner collected the KYC (Know Your Customer) and Self-Assessment Questionnaire documents, according to the LBMA toolkit. However, the review of the documents provided by the client (Jaguar Mining) lack objectivity, due to no independent visits by AngloGold. Technical visits were made in 2021, after the identification of this weakness, and no risks to the gold supply chain were identified in the practices declared by Jaguar Mining.

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The Refiner implemented an action plan for visits every 6 months to Jaguar Mining starting in 2021, following the guidelines of the “Site Visit Report for Mined Material” form provided by LBMA.

Considering the identification of recurring failure to meet requirements within the same audit cycle (both instances related to due diligence on Jaguar Mining and Vale S.A.), we understand that this risk should be assessed as Medium, according to the LBMA Guidance.

In addition to maintaining transactions with Jaguar Mining, the Refiner established a contract for the Purchase and Sale of Leach Residues supplied by Vale S.A. for the purpose of conducting gold recovery tests on residues from Vale’s copper ore leaching process. The tests were carried out within a determined processing timeframe and included supply/receipt/billing protocols.

Medium Risk Non-Compliance: Due diligence procedures were not performed on the purchase of waste from Vale S.A. (gold supplier) for gold recovery tests.

In order to formalise commercial purchase and sale of waste supplied by Vale S.A. for gold recovery tests, the Refiner established a contract with Vale S.A., the gold supplier. However, despite collecting operating permits and environmental certificates from the supplier, no due diligence procedures according to the LBMA Toolkit were performed before establishing the commercial relation with the gold supplier. It is noteworthy that only 3 bars were produced with part of the gold supplied by Vale S.A.

Considering the identification of recurring failure to meet requirements within the same audit cycle (both instances related to due diligence on Jaguar Mining and Vale S.A.), we understand that this risk should be assessed as Medium, according to the LBMA Guidance.

Should this occur, however, we will carry out an enhanced due diligence over the supply chain, from the gold extraction source to AngloGold Ashanti Refinery in Brazil, in accordance with the guidelines set forth in PE-0917 – Identification, Assessment, and Management of Risks Associated with the Gold Supply Chain, Rev. 2 of October 3, 2019.

The Refinery had the support of the Security area in 2020, whose main purpose is “to ensure the integrity of the company’s people and assets, through actions strategically planned and aligned with the organization’s objectives, and by combining human, technological, procedural factors and continuous assessment of risks and threats.”

The Security area is responsible for assessing and controlling the risk factors identified, in compliance with the World Gold Council (WGC) recommendations and corporate guidelines.

The guidelines set forth in the Procedure Smelter and Refinery Security (PE-0529, Rev. 07, of August 26, 2019) have been complied with in order to minimize risks and ensure the protection of the Refinery, and for this purpose, specific Security controls have been adopted.

3. Does the Refiner report risk assessment to the designated manager?

Comments and demonstration of compliance:

As part of his duties, the Compliance Coordinator assesses the risks of any new supply chains and reports them to the Senior Manager.

Step 3: Design and implement a management strategy to respond to identified risks

Statement of Compliance with the Requirement:

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We have fully complied with Step 3, Design and Implement a Management Strategy to Respond to Identified Risks, of LBMA Responsible Gold Guidance, Version 8 of December 11, 2018.

The action plans containing the strategies to address non-compliance identified in Steps 1 and 2 are available in documents attached to this report.

1. Has the refiner devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade; (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk?

Comments and demonstration of compliance:

As detailed in Step 2 of the LBMA Guidance, instances of non-compliance related to due diligence procedures on gold suppliers Jaguar Mining and Vale S.A. have been identified. AngloGold Ashanti Refinery, at the Queiroz plant in Nova Lima, carried out mitigating procedures to minimise risks identified, and developed action plans including management strategies, in accordance with the recommendations of LBMA Responsible Gold Guidance.

Risk assessments of the new partnerships were conducted in accordance with the normative instrument PE-0917 – Identification, Assessment and Management of Risks Associated with the Gold Supply Chain – rev2, October 3, 2019.

Jaguar will be reassessed in 6 months.

2. Whenever a risk mitigation strategy is designed, it should include:

measurable steps to be taken and achieved, monitoring of performance, periodic risk reassessment, and regular reporting to designated senior management.

Comments and demonstration of compliance:

As detailed in Step 2 of the LBMA Guidance, instances of non-compliance related to due diligence procedures on gold suppliers Jaguar Mining and Vale S.A. have been identified. AngloGold Ashanti Refinery, at the Queiroz plant in Nova Lima, carried out mitigating procedures to minimise risks identified and developed action plans including management strategies, in accordance with the recommendations of the LBMA's Responsible Gold Guidance.

Risk assessments of the new partnerships were conducted in accordance with the normative instrument PE-0917 – “Identification, Assessment and Management of Risks Associated with the Gold Supply Chain” – rev2, March 10, 2019.

Step 4: Arrange for an independent third-party audit of the supply chain due diligence.

Statement of Compliance with the Requirement:

We have fully complied with Step 4, Arrange for an Independent Third-Party Audit of the Supply Chain Due Diligence, of LBMA Responsible Gold Guidance, Version 8 of December 11, 2018.

Comments and demonstration of compliance:

We have hired Ernst & Young Auditores Independentes S.S., a provider of assurance services. and their Assurance Report of April 2, 2020, together with our Refiner Compliance Report for the 2019 reporting period, were sent to LBMA on April 11, 2020.

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Step 5 – Report on supply chain due diligence
<p>Statement of Compliance with the Requirement:</p> <p>We have fully complied with Step 5, Supply Chain Due Diligence Report, of LBMA Responsible Gold Guidance, Version 8 of December 11, 2018.</p>
<p>[Comments]</p> <p>Other information and details on how the systems, procedures, processes, and controls are defined at the AngloGold Ashanti Brazil Refinery in Queiroz are in accordance with the specific requirements set forth in the LBMA Responsible Gold Guidance Program and have been included in our Gold Supply Chain Management System Manual. This is to ensure that the refined gold comes from responsible mining, processing, and refining practices, and that no funds have been used to finance armed conflict nor have there been human rights violations, money laundering, or terrorist financing at any point in the gold chain supply.</p> <p>The Assurance Report issued by Enerst & Young Auditores Independentes S.S. on April 2, 2020, the Refiner Compliance Certificate and the Refiner Compliance Report in relation to the requirements set forth in the Responsible Gold Guidance, reporting period 2019, can be found at the Company web site: www.anglogoldashanti.com.br</p>

AngloGold Ashanti Brazil Refiner Overall Conclusion

Table 3: Management Conclusion	
Is the Refiner in compliance with the requirements of the LBMA Responsible Gold Guidance for the reporting period?	
[Yes/No]	[Comments]
No	<p>AngloGold Ashanti Refinery, at Queiroz Plant in Nova Lima-MG, Brazil, has a robust management system for managing its gold supply chain. We have nevertheless identified instances of non-compliance, classified as medium risk against the requirements of the LBMA Responsible Gold Guidance programme, for the year ended December 31, 2020.</p> <p>The Refiner implemented mitigating procedures during the year 2020 to minimise all identified weaknesses, as demonstrated throughout this report.</p> <p>AngloGold Ashanti Refinery, at Queiroz Plant in Nova Lima-MG, Brazil, has prepared action plans for each non-compliance listed in this document, and is determined to continually improve and take corrective actions, and to regularly monitor them internally.</p> <p>Descriptions of the action plans, persons accountable and the expected completion date are detailed in specific documents attached to this report.</p>

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Other details

Table 4: Other comments

AngloGold Ashanti Brazil Refinery at Queiroz Plant may be reached through the following e-mails for further information and feedback to this report:

Evaldo Sperancini – EOSperancini@AngloGoldAshanti.com.br

Ricardo Assis Santos – RASantos@AngloGoldAshanti.com.br

Country of Origin		
Country of Origin: Brazil		
Bars produced at AngloGold Ashanti Refinery during the reporting year 2020.		
Location	Production (g) (2020)	Production (oz) 2020
Cuiabá Mine (MG)	6,652,558.30	213,885
Lamego Mine (MG)	1,470,538.45	47,279
CDS I Mine Oxide (MG)	793,216.52	25,502
CDS I Mine Sulphide (MG)	2,024,028.08	65,074
CDS II Mine Sulphide (MG)	322,988.07	10,384
Serra Grande Mine (GO)	3,544,857.61	113,970
Jaguar Mining	2,398,851.68	77,125
Total Brazil	17.207.038,71	553.219

Evaldo Sperancini

