



LSE: ABG

16 February 2011

Preliminary Results for the 12 months ended 31 December 2010 (Unaudited)

Based on IFRS and expressed in US Dollars (US\$)

**African Barrick Gold plc (“ABG”) reports full year 2010 results
> Net income of US\$218 million - up 272% year-on-year**

Financial Highlights

- Net income of US\$218 million, with an EPS of US\$53.2 cents, up 272% on 2009.
- EBITDA² of US\$419 million, up 68% on 2009.
- Operational cash flow of US\$345 million, an increase of 78% on 2009.
- Revenue of US\$975 million, up 37%³ on 2009.
- Net cash position of US\$401 million as at 31 December 2010.
- Proposed final dividend of US\$3.7 cents per share and total dividend for 2010 of US\$5.3 cents per share.

Operational Highlights

- Strong fourth quarter saw sales for the year reach 724,083 ounces, a 6% increase on 2009, due to sales of concentrate on hand.
- Full year production of 700,934 ounces, 2% lower than 2009 production, primarily due to production challenges at Buzwagi.
- Cash costs² of US\$569 per ounce, an increase of 7% on 2009 due to a combination of industry cost pressures, lower than expected production and additional spend at Buzwagi.
- Bulyanhulu and North Mara showed consistent production and cost performance throughout the year.
- Measures undertaken at Buzwagi during the year began to show positive effect during the fourth quarter.
- Tulawaka focus successfully shifted from closure to mine life extension.
- A successful year for exploration:
 - Initial high grade underground resource declared at North Mara under the Gokona and Nyabigena pits.
 - Higher grades at depth with additional near surface mineralisation indicated at the Nyanzaga Project.

Commenting on the results CEO Greg Hawkins states: “Our key focus over this past year has been to ensure that our assets are positioned to generate long-term, consistent operating performance. This has been evident in the achievements at Bulyanhulu and North Mara, the mine life extension at Tulawaka and our determined approach to overcoming the challenges at Buzwagi. This marks the approach ABG will continue to take with the business, to ensure that it can be run consistently and sustainably, to manage business risks and to apply all of our available resources to deal with any challenges. This underpins our strategy of building growth on a solid operating base and adding value for our shareholders. Our financial performance during 2010 has been particularly strong, and we ended the year with a net cash balance of over US\$400 million. For 2011, we expect to produce between 700,000–760,000 ounces of gold at a cash cost of between US\$590–650 per ounce sold, whilst also continuing to advance our portfolio of growth projects and assess other opportunities to expand our asset base.”

African Barrick Gold plc	Three months ended			Year ended		
	31 December 2010	31 December 2009	% change	31 December 2010	31 December 2009	% change
Attributable Gold Production (ounces) ¹	179,730	213,588	(16%)	700,934	716,306	(2%)
Attributable Gold Sales (ounces) ¹	201,298	197,927	2%	724,083	683,687	6%
Attributable cash cost (US\$/ounce) ²	603	613	(2%)	569	533	7%
Average realised gold price (US\$/ounce) ²	1,394	1,093	28%	1,240	974	27%
<hr/>						
(in US\$'000)						
Revenue	309,522	229,616	35%	975,021	711,182 ³	37%
EBITDA ²	133,650	68,578	95%	419,167	249,456	68%
Cash generated from operating activities	125,305	108,814	15%	345,141	193,961	78%
Net profit/ (loss) attributable to owners	79,005	(15,980)	494%	218,103	58,577	272%
Operating cash flow per share (cents)	30.6	26.5	15%	84.2	47.3	78%
Basic earnings per share (cents)	19.3	(3.9)	494%	53.2	14.3	272%
Total dividend per share (cents)	n/a	n/a	-	5.3	n/a	-

¹ Production and sold ounces reflect equity ounces which exclude 30% of Tulawaka's production base.

² Cash costs per ounce sold, average realised gold price per ounce sold and EBITDA are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to "Non-IFRS measures" on page 27 for the definitions of each measure.

³Based on restated revenue to include sales of co-products, refer to pages 19 and 42.

CEO Statement

With the positive performances at Bulyanhulu and North Mara, as well as the contribution from Tulawaka, we finished the year with production of 700,934 ounces of gold at a cost of US\$569 per ounce. With the positive evolution in gold prices over 2010, we are pleased to report a robust operating cash flow of US\$345 million, and a year end net cash position of US\$401 million. We were also successful in growing our overall resource base by 3.5% to 26.9 million ounces, of which 63% are classified as reserves. However, despite these achievements the issues faced at Buzwagi meant that we did not meet all of our 2010 targets. As such, resolving the issues at Buzwagi was a top priority for our management team during much of 2010, with the objective of ensuring that the mine entered 2011 in a position to deliver on expectations.

We implemented a range of plans in 2010 to help drive further efficiency and growth in our business, and we will continue to invest in these in 2011. We aim to reach 1 million ounces of production per year, representing growth of 40% from 2010 levels. We plan to achieve this while also striving to deliver cost-base efficiencies. These are fundamental pillars of our focus on creating shareholder value and we aim to deliver them by:

- optimising our existing assets;
- expanding through organic growth; and
- growing through acquisitions in Africa.

Optimising our existing assets

In order to ensure that our assets remain world class and continue to operate at maximum efficiency levels, we continue to undertake a range of capital investment measures and efficiency programmes. Against a backdrop of cost pressures in the industry, we believe that these will help us to continue to operate at or below the midpoint of the industry cost curve.

In 2010, these activities included an upgrade of the ventilation system at Bulyanhulu, fleet expansion at Buzwagi and Tulawaka, and de-bottlenecking at our North Mara process plant to increase throughput. We also streamlined our procurement and supply chain functions, as well as re-organising our office in Dar es Salaam. In 2011, we have a capital expenditure budget of US\$140 million for sustaining and development capital, US\$24 million for expansion projects and US\$73 million for waste stripping. Key capital investment projects include the water treatment facility at North Mara, the addition of pebble ports and back-up generating capacity at our Buzwagi process plant, additional underground mining equipment for Tulawaka and continued security investment.

Expanding through organic growth

The optimisation projects for all four of our mine sites remain on track to deliver substantial and sustainable additional production within the next 3-4 years.

At Bulyanhulu, we are continuing to dewater and rehabilitate access to the Upper East Zone. The feasibility study for this project is progressing, and we expect to finalise it during the first half of 2011.

At North Mara, we have been encouraged by the drill results below the Gokona and Nyabigena pits, where we released an initial high-grade resource of 370,000 gold ounces during the fourth quarter of 2010. We are targeting expanding this to 1 million ounces through an intensive drill programme throughout 2011, and the feasibility study for this project is also on track to be completed during the first half of 2011.

At Golden Ridge, we expect to announce an initial resource for the deposit in the coming weeks and the feasibility study is also on schedule to be completed before the middle of the year.

Thanks to the success of our exploration drilling programme, we are extending the life of our Tulawaka mine for the full year 2011 and into the second quarter of 2012. We will continue our exploration drilling at the site with the aim of further increasing the life of mine. If successful, we anticipate this will be based solely on the underground operation through the addition of a second portal. We aim to provide an update on this later in the year.

We also made encouraging progress at the greenfield Nyanzaga Project in 2010, notably with the discovery of mineralisation closer to surface as well as increasing grades at depth. We are stepping up the drill programme in 2011, with the aim of initiating a scoping study later in the year. Elsewhere, the main focus of our generative exploration work was in the North Mara area along the Gokona corridor, with some exciting initial results that we will follow up on in 2011.

In recognition of the critical importance of organic growth to our long-term ambitions, we are increasing our total exploration budget in 2011 to US\$55 million, including US\$26 million of capitalised expenditure. This represents a 103% increase on 2010.

Strengthening our management team

We have continued to strengthen our management team over the course of the year, employing and promoting individuals with a track record of leadership and the skill set and experience to help take our business forward.

In September, we announced the appointment of Marco Zolezzi as our Chief Operating Officer. Marco has significant expertise in running mines and bringing complex, large-scale projects through to full ramp up. He has been of significant value as we continue to focus on delivering consistent performance at our operating mines and driving forward our organic growth projects.

We also appointed Boyd Timler as General Manager at Buzwagi. Boyd has 28 years of mining experience and has been instrumental in defining and implementing the action plan used to address 2010 production issues at the mine. Towards the end of the year, we also appointed Basie Maree as General Manager of Tulawaka. Basie brings substantial experience of the industry, including a number of years with Anglo American, and will lead Tulawaka forward into a new stage of its development.

With these and other appointments, I am confident that we now have a management team in place with the necessary experience, energy and enthusiasm to further develop the business and deliver on ABG's potential.

Final Dividend

The Directors are pleased to recommend the payment of a final dividend of US\$3.7 cents per ordinary share. This represents a total dividend of US\$5.3 cents for 2010. Subject to the shareholders approving this recommendation at the AGM, the final dividend will be paid on 26 May 2011 to shareholders on the register at 3 May 2011. The ex-dividend date is 27 April 2011. ABG will declare the final dividend in US dollars. Unless a shareholder has elected or elects to receive dividends in US dollars, dividends will be paid in pounds sterling with the US dollar amount being converted into pounds sterling at exchange rates prevailing on or around 9 May 2011. Currency elections must be made by return of currency election forms. The deadline for the return of currency election forms is 6 May 2011.

Outlook

As I have already mentioned, 2010 was a year of significant achievement while we also faced a number of challenges that impacted production targets. However, with the measures we have taken, with the investments

made and with the additional expertise we have added to our team, we ended 2010 strongly and enter 2011 with an impressive platform on which to build.

We are aiming to develop the business further through the following key objectives for 2011:

- achieving attributable group production between 700,000–760,000 ounces;
- maintaining cash cost of between US\$590–US\$650 per ounce sold, and direct cash operating cost of between US\$545–US\$605 per ounce sold;
- increasing group throughput and recoveries;
- completing feasibility studies at our brownfield projects;
- achieving growth in our overall resource base;
- improving further in our safety record; and
- continuing our focus on opportunities for strategic acquisitions to expand our footprint throughout Africa.

Finally, I would like to thank all of my colleagues for their commitment, enthusiasm and hard work throughout what has been an extraordinary year in the development of our business. I would also like to thank our Board of Directors for their unwavering support, their wise counsel and their commitment throughout the year.

Greg Hawkins, Chief Executive Officer

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About ABG

ABG is headquartered in London and is listed on the Main Market of the London Stock Exchange under the symbol ABG. ABG is the largest gold producer in Tanzania and the fifth largest in Africa, growing from no production in 2000 to approximately 701,000 attributable ounces in 2010, with 16.8 million ounces of reserves. It has four producing mines, all located in northwest Tanzania, and seven principal exploration projects.

ABG has substantial gold mining experience and expertise, from exploration and development to mine construction and operation. It has modern, well invested operations that have benefited from the experience, technology and high standards of its majority shareholder, Barrick Gold Corporation ("BGC").

ABG's four mines are:

Bulyanhulu: an underground gold mine, which began production in April 2001;

Buzwagi: an open pit gold mine, which began production in May 2009;

North Mara: an open pit gold mine consisting of three open pit deposits, which began production and

Tulawaka: an open pit gold mine that has transitioned to an underground operation, which began June 2005.

ABG's recent exploration focus has been on advancing the exploration opportunities around its existing operating mines in order to increase ABG's reserves and resources. Historically, and prior to ABG's listing on the London Stock Exchange, the operations of ABG comprised the Tanzanian gold mining business of BGC.

BGC reports under US GAAP. Due to differences in the basis of accounting, there are significant differences in the operating results and balance sheet reported by ABG compared to the corresponding amounts included in the consolidated operating results and balance sheet of BGC.

Presentation and conference call

A presentation will be held for analysts and investors on 16 February 2011 at 9.00 am London time. A dial in facility will be available as follows:

Participant dial in: +44 (0) 203 003 2666
Password: African Barrick Gold or ABG

There will be a replay facility available until 23 February 2010. Access details are as follows:

Replay number: +44 (0) 208 196 1998
Replay PIN: 1958056#

FORWARD-LOOKING STATEMENTS

This report includes "forward-looking statements" that express or imply expectations of future events or results. Forward-looking statements are statements that are not historical facts. These statements include, without limitation, financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future production, operations, costs, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "plans," "expect," "anticipates," "believes," "intends," "estimates" and other similar expressions.

All forward-looking statements involve a number of risks, uncertainties and other factors. Although ABG's management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of ABG, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements contained in this report. Factors that could cause or contribute to differences between the actual results, performance and achievements of ABG include, but are not limited to, political, economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations (including the US dollar; South African rand and Tanzanian shilling exchange rates), ABG's ability to recover its reserves or develop new reserves, including its ability to convert its resources into reserves and its mineral potential into resources or reserves, and to timely and successfully process its mineral reserves, risks of trespass, theft and vandalism, changes in its business strategy, as well as risks and hazards associated with the business of mineral exploration, development, mining and production. Accordingly, investors should not place reliance on forward-looking statements contained in this report.

The forward-looking statements in this report reflect information available at the time of preparing this report. Subject to the requirements of the Disclosure and Transparency Rules and the Listing Rules or applicable law, ABG explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this report that may occur due to any change in ABG's expectations or to reflect events or circumstances after the date of this report. No statements made in this report regarding expectations of future profits are profit forecasts or estimates, and no statements made in this report should be interpreted to mean that ABG's profits or earnings per share for any future period will necessarily match or exceed the historical published profits or earnings per share of ABG or any other level.



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Key Statistics

African Barrick Gold

(Unaudited)	Three months ended 31 December		Year ended 31 December	
	2010	2009	2010	2009
Operating results				
Tonnes mined (thousand of tonnes)	9,794	10,304	40,016	36,781
Ore tonnes mined (thousand of tonnes)	2,091	2,690	7,970	11,018
Ore tonnes processed (thousand of tonnes)	2,023	1,951	7,706	6,546
Recovery rate (percent)	87.0%	86.2%	86.1%	87.0%
Average grade (grams per tonne)	3.2	3.9	3.3	3.9
Attributable gold production ¹ (ounces)	179,730	213,588	700,934	716,306
Attributable gold sold ¹ (ounces)	201,298	197,927	724,083	683,687
Copper production (thousands of pounds)	2,100	2,082	7,958	6,788
Copper sales volume (thousand of pounds)	4,604	1,752	13,370	6,487
Cash cost per tonne milled ²	62	64	55	57
Per ounce data				
Average spot gold price ³	1,367	1,100	1,225	972
Average realised gold price ²	1,394	1,093	1,240	974
Total cash cost per ounce sold ²	603	613	569	533
Amortisation and other costs per ounce data ²	138	165	147	128
Total production costs per ounce sold ²	741	778	716	661

(in US\$'000) (Unaudited)	Three months ended 31 December		Year ended 31 December	
	2010	2009	2010	2009
Financial results				
Revenue ⁴	309,522	229,616	975,021	711,182
Cost of sales ⁴	(175,267)	(164,770)	(589,039)	(487,027)
Gross profit	134,255	64,846	385,982	224,155
Corporate administration	(9,083)	(9,955)	(35,436)	(37,759)
Exploration and evaluation costs	(6,251)	(1,882)	(14,861)	(8,871)
Other charges	(13,747)	(18,738)	(26,033)	(21,419)
Profit before net finance cost	105,174	34,271	309,652	156,106
Finance income	174	299	1,202	361
Finance expense	(448)	(133)	(1,777)	(6,062)
Profit before taxation	104,900	34,437	309,077	150,405
Taxation expense	(23,429)	(49,625)	(86,471)	(84,388)
Net profit/ (loss) for the period	81,471	(15,188)	222,606	66,017
Attributed to:				
- Non-controlling interests	2,466	792	4,503	7,440
- Owners of the parent	79,005	(15,980)	218,103	58,577

Other financial information summary

African Barrick Gold

(Unaudited)

(in US\$ '000 unless otherwise stated)

	Three months ended 31 December		Year ended 31 December	
	2010	2009	2010	2009
Cash and cash equivalents	401,012	69,726	401,012	69,726
Cash generated from operating activities	125,304	108,814	345,141	193,961
Capital expenditure ^b	77,328	61,769	224,391	223,268
EBITDA ^z	133,650	68,578	419,167	249,456
Basic earnings/(loss) per share (US\$ cents)	19.3	(3.9)	53.2	14.3
Long term debt (Borrowings) ^b	-	1,383,415	-	1,383,41
Equity	2,543,085	657,415	2,543,085	657,415

¹ Production and sold ounces reflect equity ounces which exclude 30% of Tulawaka's production base.

² Cash cost per tonne milled, average realised gold price per ounce sold, total cash cost per ounce sold, amortisation and other costs per ounce, total production cost per ounce and EBITDA are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non IFRS measures' on page 27 for definitions.

³ Reflects the London PM fix price.

⁴ Restated to reflect the inclusion of co-product sales in revenue, refer to pages 19 and 42.

⁵ Excludes acquisition of Tusker Gold Limited and includes non-cash reclamation asset adjustments during the year.

⁶ Reflects external debt to the Group and amounts owed to BGC.

Operating Review

Operationally, 2010 has seen unprecedented levels of activity for ABG. For the first time, all four of our mines were operational for the full year, although we faced certain challenges in our operating environment that impacted on our overall group production levels. Nonetheless, our group production for the year was 700,934 ounces.

With respect to our cash costs for the year, we saw a 7% increase over 2009 to US\$569 per ounce sold. The increase was primarily due to lower than expected production levels at Buzwagi, increased costs incurred at the mine and industry cost pressures generally. Cash costs of US\$55 per tonne milled for the year were slightly lower than the 2009 figure of US\$57 per tonne, primarily as a result of the overall incremental increase in tonnes milled from open pit operations.

ABG sold 724,083 gold ounces for the year, up by 6% on 2009 (683,687 ounces), despite the decrease in our overall production. The increase was driven by the sale of concentrate ounces on hand at Bulyanhulu and Buzwagi at the end of 2009.

We mined 40 million tonnes for the year, compared to 36.8 million in 2009. The increase was driven primarily by the focus on waste-stripping at the Gokona open pit, in order to access high-grade ore from 2012.

Tonnes processed for the year totalled 7.7 million, an 18% increase on 2009 levels (6.5 million tonnes). The increase was mainly driven by increased throughput at North Mara and at Buzwagi compared to the prior period, which only reflected eight months' production at Buzwagi.

The average grade for the year was 3.3 grams per tonne, 15% lower than the prior year period. The decrease was due to three key issues: the processing of low-grade stockpiles at Buzwagi in the third and fourth quarters; the lower grade of the transitional ore processed overall at Buzwagi when compared to the oxide material mined during 2009; and the low-grade stockpiles processed throughout the year at Tulawaka.

Our copper production for the year of 8 million pounds represents a 17% increase on 2009, which only reflected eight months of production at Buzwagi.

Bulyanhulu delivered in line with expectations throughout the year; however it was deeply regrettable that we suffered three fatalities as a result of a rock fall in March as well as a further fatality from a non-mining related accident later in the year. We must learn from these incidents and from the thorough investigations we subsequently carried out to ensure that there is no reoccurrence.

North Mara delivered production ahead of budget and at a slightly lower cash cost per ounce sold, when compared to 2009. In addition, the announcement of a high-grade initial underground resource beneath the planned final Gokona and Nyabigena open pits highlights the potential for North Mara both to extend its mine life and to add significant ounces to ABG's production base going forward.

Tulawaka has continued to outperform its original feasibility study for its underground operation, with an initial extension of its life-of-mine, through to the second quarter of 2012.

At Buzwagi, a number of challenges impacted production and cash costs per ounce sold at the mine, notably the issues faced in processing the layer of transitional ore between the oxide cap and the primary sulphide ore, a series of unscheduled power outages and the organised and systematic onsite fuel theft uncovered during the third quarter. We implemented a series of measures to address these issues during the year. These included:

- strengthening the senior management team with Boyd Timler's appointment as General Manager;
- bringing forward mining fleet expansion from 2011 to accelerate stage-two mining;
- optimising the drill-and-blast programme in the open pit;
- hiring and training replacement mining personnel following the fuel theft;
- recommissioning the sulphur plant and optimising the flotation plant;
- ordering additional pebble ports and back-up generating power for 2011; and
- conducting a full site security review.

Overall, we are confident that the measures undertaken in 2010 will have a positive long-term impact at Buzwagi, and were beginning to show positive effects by the end of the year with production stabilising around 20,000 ounces per month in December.

With our other operating mines also delivering in line with expectations, our portfolio of growth projects showing encouraging progress and our strong capital position providing us with balance sheet flexibility, we believe that we are well positioned to deliver on the potential of the Company's asset base as we enter 2011. This year, our focus will remain on achieving operational excellence in order to deliver stable and profitable production levels.

Bulyanhulu

Key statistics

(Unaudited)		Three months ended 31 December		Year ended 31 December	
		2010	2009	2010	2009
Underground ore tonnes hoisted	Kt	275	262	958	967
Ore milled	Kt	271	268	954	959
Head grade	g/t	8.6	9.1	9.2	8.7
Mill recovery	%	91.7%	92.2%	92.2%	92.1%
Gold ounces produced	oz	68,619	72,137	259,873	248,991
Gold ounces sold	oz	84,785	73,441	262,442	255,121
Cash cost per ounce sold	\$/oz	530	667	539	651
Cash cost per tonne milled	\$/t	165	183	148	173
Capital expenditure	\$(000)	23,412	24,279	80,539	59,583

Operating performance

Bulyanhulu delivered solid results in 2010, hitting key production targets for the year.

Gold production for the year was 259,873 ounces, 4% higher than the prior year period's total of 248,991 mainly due to the higher-grade ore mined in 2010.

Gold ounces sold for the year were 262,442 ounces, which was 1% higher than the production figure and also 3% higher than 2009. The difference in sales was due to selling all unsold gold concentrate from the previous year, bringing the year-end finished gold inventories back to normalised levels, combined with an increase in the production base of 10,882 ounces.

Cash costs for the year of US\$539 per ounce sold were 17% lower than the prior year of US\$651. This was primarily a result of our improved production base and increased co-product revenue, which was driven by increased copper prices. Other contributing factors include improved cost-management measures, with lower consumables costs, lower maintenance cost due to investments made in new mining equipment, and a decrease in contracted services costs as a result of insourcing Alimak mining activities. The cost benefits of these measures were partially offset with an increase in labour costs due to increased headcount and inflationary pressure.

Cash costs per tonne milled fell to US\$148 in 2010 (US\$173 in 2009) as a result of mining cost reductions and increased copper revenues.

Capital expenditure for the year of US\$80.5 million was 35% higher than the prior year of US\$59.6 million. This was mainly driven by a number of investments made in the underground mine and surface infrastructure. Notable investments included the new refrigeration plant, the shaft dewatering system, the underground workshop and additional mining equipment.

Buzwagi

Key statistics

(Unaudited)		Three months ended 31 December		Year ended 31 December	
		2010	2009	2010	2009
Tonnes mined	Kt	4,510	5,399	18,848	19,843
Ore tonnes mined	Kt	1,167	1,261	4,285	5,034
Ore milled	Kt	904	956	3,553	2,671
Head grade	g/t	1.9	2.6	2.0	2.5
Mill recovery	%	81.6%	83.4%	81.0%	87.4%
Gold ounces produced	oz	44,257	66,357	186,019	189,031
Gold ounces sold	oz	45,706	52,086	198,221	153,682
Cash cost per ounce sold	\$/oz	869	616	685	422
Cash cost per tonne milled	\$/t	44	34	38	24
Capital expenditure	\$(000)	12,641	5,955	29,781	109,298

Operating performance

The mine's gold production for the year was 186,019 ounces, compared to 189,031 ounces for the previous year, which only reflected eight months of production. This production level was lower than management's expectations for the year and was primarily due to two reasons: firstly, the longer than expected time taken to process the low-grade transitional ore, which adversely impacted throughput and plant recoveries, and, secondly, the short-term impact of measures taken to address the systematic onsite fuel theft discovered during the third quarter. To address these production challenges, management focused efforts on training new mining and maintenance personnel and improving plant and equipment availability. We also made a number of investments in additional mobile mining equipment to help advance mining activities and to address delays in the overall production timetable. In addition to production challenges, it was also necessary to address mill downtime resulting from unplanned breakdown and power outages throughout the year, which remain an ongoing issue. Production improved over the second half of November and throughout December, as the operational measures taken during the year began to take effect. The grade of 2.0 g/t was 20% lower than the previous year's 2.5 g/t. This decrease was primarily due to processing a different material blend and lower-grade ore when compared to 2009.

Gold ounces sold during the year amounted to 198,221, exceeding production by 7% and representing a 29% increase over the previous year (153,682). The increase in gold ounces sold versus the prior year as well as versus 2010 production was due to a combination of the gold concentrate and gold in circuit inventories that built up in the process throughout 2009 and which were subsequently sold in 2010.

Cash costs for the year were US\$685 per ounce sold, compared to the previous year's US\$422. Key factors which negatively impacted cash costs included: (i) the lower than expected production levels; (ii) higher energy costs resulting from the fuel theft; and (iii) higher maintenance and contracted services costs incurred in addressing mill downtime and processing issues. In addition, a number of measures were taken to enhance security and onsite management in response to the fuel theft, which resulted in increased labour-related costs.

Cash costs per tonne milled increased to US\$38 in 2010 (US\$24 in 2009). The increase in costs was primarily due key factors as explained above and lower monthly average milling throughput due to power outages and unplanned breakdowns.

Capital expenditure for the year was US\$29.8 million compared to US\$109.3 million in 2009. Capital investment in 2009 included project development costs of US\$101.2 million, whereas capital investment in 2010 was primarily focused on mining equipment and improving the production plant to optimise operations.

North Mara

Key statistics

(Unaudited)		Three months ended 31 December		Year ended 31 December	
		2010	2009	2010	2009
Tonnes mined ¹	Kt	4,969	4,631	20,106	15,888
Ore tonnes mined	Kt	610	1,154	2,624	4,933
Ore milled	Kt	765	644	2,860	2,605
Head grade	g/t	2.6	3.6	2.8	3.2
Mill recovery	%	84.7%	81.7%	82.9%	79.7%
Gold ounces produced	oz	54,973	61,350	212,947	212,358
Gold ounces sold	oz	57,300	57,185	218,684	209,495
Cash cost per ounce sold	\$/oz	459	569	472	508
Cash cost per tonne milled	\$/t	34	51	36	41
Capital expenditure	\$(000)	31,506	26,038	91,442	46,114

Operating performance

North Mara performed in line with expectations and showed stable production results.

The mine's gold production for the year was 212,947 ounces, remaining flat when compared to the prior-year figure of 212,358 ounces, where lower mine production was offset by strong mill performance. The decrease in ore tonnes mined was a result of our continued focus on stripping at Gokona, which was offset by increased ore tonnes mined from Nyabirama. The 2010 grade of 2.8 g/t compared negatively to the 2009 grade of 3.2g/t. This was the result of processing a higher proportion of lower-grade stockpiled ore in the second half of 2010 to supplement lower production from the Nyabirama and Nyabigena open pits. The processing plant's throughput of 2,860 Kt was 10% higher than the previous year owing to high mill uptime and a favourable ore blend.

Gold ounces sold for the year were 218,684, 3% higher than the production of 212,947 ounces and 4% higher than the previous year's ounces sold of 209,495 ounces. The increase in sales ounces was mainly due to the sale of ounces on hand at the end of the previous year.

Cash costs for the year were US\$472 per ounce sold compared to US\$508 in the prior year period. The decrease was primarily driven by lower administrative expenditure, cost savings achieved in the energy, consumables and maintenance areas and the capitalisation of Gokona stripping costs.

Cash costs per tonne milled decreased to US\$36 in 2010 (US\$41 in 2009). The decrease was primarily due to improved mill productivity processing and administrative costs savings.

Capital expenditure for the year totalled US\$91.4 million, 98% higher than the US\$46.1 million in the prior year. Key capital expenditure driving the increase included capitalised waste stripping mainly relating to the Gokona stage 2 push back (US\$49.8 million) and capitalised exploration expenditure (US\$8.1 million) to define the Gokona Deeps underground project.

Tulawaka

Key statistics (reflected as 70%)

(Unaudited)		Three months ended 31 December		Year ended 31 December	
		2010	2009	2010	2009
Underground ore tonnes hoisted	Kt	39	11	103	83
Ore milled	Kt	82	84	340	312
Head grade	g/t	4.8	5.4	4.1	7.0
Mill recovery	%	93.2%	93.8%	93.2%	94.1%
Gold ounces produced	oz	11,881	13,746	42,094	65,926
Gold ounces sold	oz	13,507	15,224	44,736	65,389
Cash cost per ounce sold	\$/oz	779	493	709	413
Cash cost per tonne milled	\$/t	128	93	93	87
Capital expenditure (100%)	\$(000)	4,788	5,089	15,513	7,884

Operating performance

Tulawaka has successfully outperformed its original feasibility for the underground operation in terms of reserve additions and ounce production. Throughout the year a key focus of the mine's management has been on exploration and definition drilling to extend the mine life beyond 2011. We are pleased to announce an initial extension of the life-of-mine to the second quarter of 2012 and will continue to focus on further extensions in 2011.

The mine's attributable gold production for the year was 42,094 ounces compared to the 65,926 ounces achieved in 2009. This lower gold-production level resulted from mining lower-grade ore from the underground pit and processing lower-grade material from the stockpiles than in 2009.

Gold ounces sold amounted to 44,736 for the year, 6% higher than production and down 32% compared to 2009, reflecting the decline in production.

Cash costs for the year were US\$709 per ounce sold compared to US\$413 in the prior year. This cost increase was mainly due to the lower production base and increased mining costs compared with 2009. The increased mining costs were driven by higher fuel, labour and maintenance costs.

Cash costs per tonne milled increased to US\$93 in 2010 (US\$87 in 2009) primarily as a result of the higher cost of underground mining.

Capital expenditure for the year totalled US\$15.5 million compared to US\$7.9 million for the previous year. Notable investments included additional mining equipment (US\$4.4 million), increased exploration development (US\$2.8 million) and the support of mine-life extension.

Exploration Review

ABG's commitment to exploration continues to grow, and for 2011 our exploration budget is again being increased following the additional expenditure in 2010. For 2011, we are budgeting total exploration expenditure, both expensed and capitalised, of US\$55 million. This represents a 103% increase on 2010.

The core objectives under which these funds will be deployed in our exploration and development activities are threefold:

- to continue to drive our strategy of organic growth through near-mine exploration and resource expansion;
- to optimise our existing assets through the identification and delineation of higher-grade satellite deposits; and
- to progress regional exploration in order to evaluate new opportunities throughout Africa, particularly through acquisitions.

Throughout 2010, our Exploration and Technical Services teams have principally focused on advancing the organic growth projects in and around each of ABG's current Tanzanian operations, as well as advancing important exploration programmes at our North Mara and Nyanzaga Projects.

We are undertaking ongoing feasibility studies at four key projects: Golden Ridge, North Mara Underground, Bulyanhulu Upper East Zone and the Tulawaka East Zone Underground Extension. All four studies have progressed in line with our expectations. Of particular note were the ongoing feasibility studies at Golden Ridge and Bulyanhulu's Upper East Zone which progressed positively through the year. So have our efforts on the East Zone Underground Extension at Tulawaka, where we have achieved an initial extension of the productive life of the mine. Key achievements during the year included the declaration of an initial underground resource at North Mara. Although at an earlier stage, we also reported a number of successes in the continuing developments of the drill programmes we have been carrying out at the Nyanzaga Project.

During 2010, ABG reviewed a number of opportunities for regional expansion. We are continuing to undertake exploration and evaluation work in a number of countries, assessing the potential for projects that would add value through both enhancing our growth profile and adding strategically important geographic diversification. From a greenfield perspective, in May 2010 we completed the acquisition of Tusker Gold Limited ("Tusker") for a consideration of approximately US\$63 million, net of cash acquired. As a result of this acquisition, we now control 100% of the Nyanzaga project, which includes the Tusker deposit. Importantly, this is one of the largest undeveloped gold deposits in Tanzania.

Overall, the positive progression of our exploration projects and efforts throughout the year by the Exploration and Technical Services teams clearly shows ABG's ability to recognise near-mine opportunities and additional upside opportunities across regional areas. This is strategically important, as it supports both our existing production platform and organic growth prospects.

Organic Growth Projects

Brownfield Projects

The North Mara Underground Extension

This project is focused on developing underground resources beneath the Gokona and Nyabigena open pits. The objective is to bring underground resources into production as soon as possible, with the aim of processing higher-grade underground ore and displacing some of the lower-grade open-pit ore in order to increase production levels and at the same time extend life-of-mine at North Mara.

As announced in December 2010, following an earlier scoping study, we have delineated and validated an initial high-grade underground indicated resource of 370,000 ounces of gold at 8.29g/t beneath the planned final Gokona and Nyabigena open pits. This indicates that there is the potential to develop a substantial underground operation at the Gokona and Nyabigena deposits with an attractive grade profile. The underground feasibility study to assess the full potential of the current resource on the Gokona-Nyabigena project is on schedule for its targeted completion in mid-2011.

In addition, ABG's exploration group has been completing deep diamond drilling in and around the current Gokona underground resource area. This drill programme is aimed at extending and validating higher grade mineralised zones. Assay results for this drilling programme have now been received for six holes. Results from most of these holes delineate the extent of higher grade shoots and the potential extension of the Gokona West high grade shoot at depth. Based on the positive results of the initial resource estimate and the exploration drilling programme we are scheduled to begin a significant resource drill-out programme early in 2011. The resource drill-out is aimed at expanding the total underground resource to greater than 1 million ounces. We will also use these programmes to demonstrate and validate the economic viability of the project.

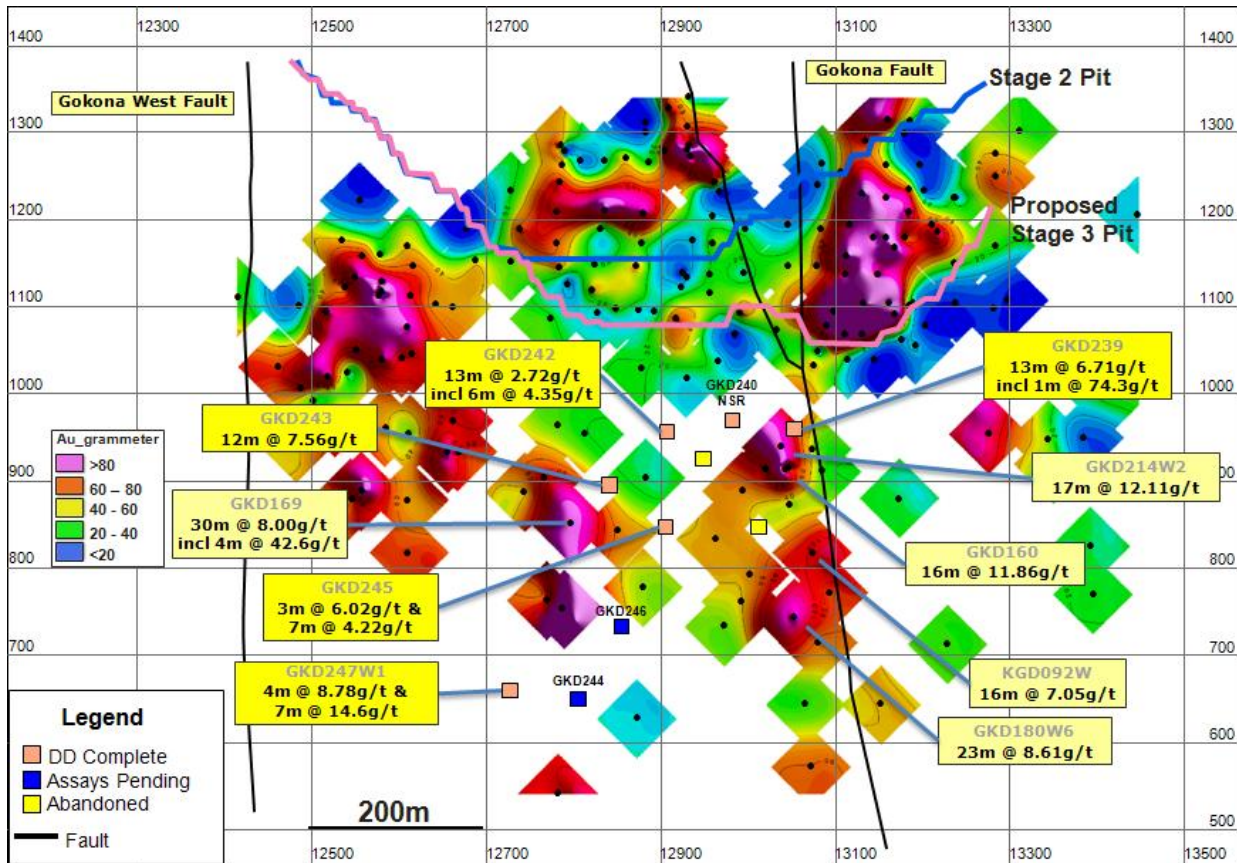


Figure – Gokona Deeps long section showing best intersections from recent Exploration drilling

North Mara – Nyabigena East

Grade-control activities that we conducted throughout the year identified opportunities to extend the Nyabigena resource area at the eastern end of the existing open pit. A reverse circulation drilling programme initiated during the first quarter of 2010 produced good results, highlighting the opportunity to extend mining operations in the Nyabigena East Main Zone and significantly close the gap between the Nyabigena main pit and the Nyabigena East mineralisation.

In addition, the results of infill programmes conducted during the year have led to the upgrade from “Inferred” to “Indicated” of the resource of Nyabigena East, for which a pit has been outlined as part of the Nyabigena operations.

North Mara – Gokona Corridor

In addition to the underground targets at North Mara, we are also undertaking significant additional exploration elsewhere around the mine, particularly in the Gokona Corridor.

The Gokona Corridor extends approximately six kilometres northwest of the Gokona deposit and approximately ten kilometres southeast of the Nyabigena deposit. Historically, very little effective drilling has been completed outside of the immediate mine area. For this reason, during 2010 we completed a reverse circulation scout drilling programme along this corridor to test for additional gold deposits. Initial results are encouraging with several holes intersecting anomalous gold zones (>100ppb Au) along with encouraging zones of alteration and veining. To build on this progress and accurately assess gold deposit potential, we are now carrying out a significant programme of multi-element geochemistry on the drill samples in conjunction with the gold analysis. Additional scout drilling and follow-up of the 2010 scout drilling will be ongoing throughout 2011.

Tulawaka East Zone Underground Extension

Throughout the year, the focus of our near-mine expansion programmes at Tulawaka was on the East Zone Underground Extensions. The objective of the drilling here is to identify and delineate additional high-grade gold reserves and resources below the current East Zone underground infrastructure, with the primary purpose of extending the life of the Tulawaka mine.

Our exploration drilling continued to extend the known high-grade mineralised shoots below the Level 7 resource we had previously defined, indicating potential to extend the mine life further. Overall, our drilling programmes indicate that existing mineralised zones continue to at least 150 metres below the floor of Tulawaka’s now completed open pit. We expect to continue drill programmes throughout 2011, which will aim to extend known high-grade zones for a further 100-200 metres below currently defined depths. In this way, we will be able to assess the possible significant expansion of our current resource base to add further reserves and extend the mine life through an exclusively underground operation.

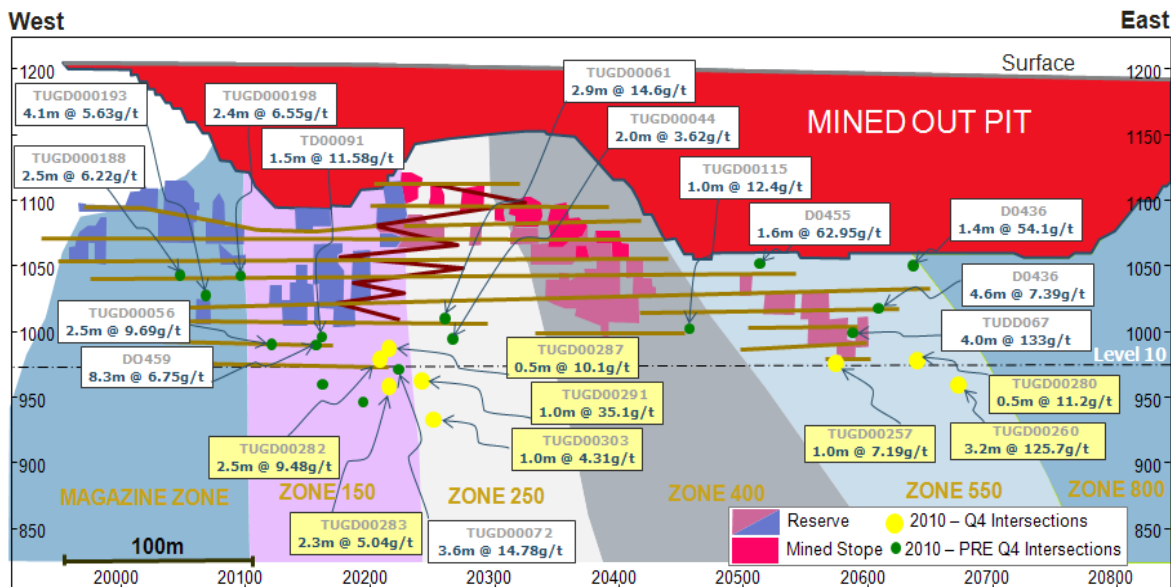


Figure – Tulawaka East Zone long section showing better intersections from Q4 drilling below 7Level

Golden Ridge

Approximately 55 kilometres north of the Buzwagi operation, the Golden Ridge project represents an important opportunity for ABG to exploit a higher-grade mineralisation deposit as a satellite feed to the Buzwagi mill. Findings to date indicate that it has the potential to produce between 70,000 and 100,000 ounces per year from 2013/14.

We are actively progressing the feasibility study, which is scheduled for completion by mid-2011. ABG’s exploration team completed a programme of infill reverse circulation drilling and metallurgical test-work diamond drilling during 2010. Elements of this programme confirmed the width and tenor of mineralisation in the main zone and indicated the potential for further exploration drilling to target higher-grade areas.

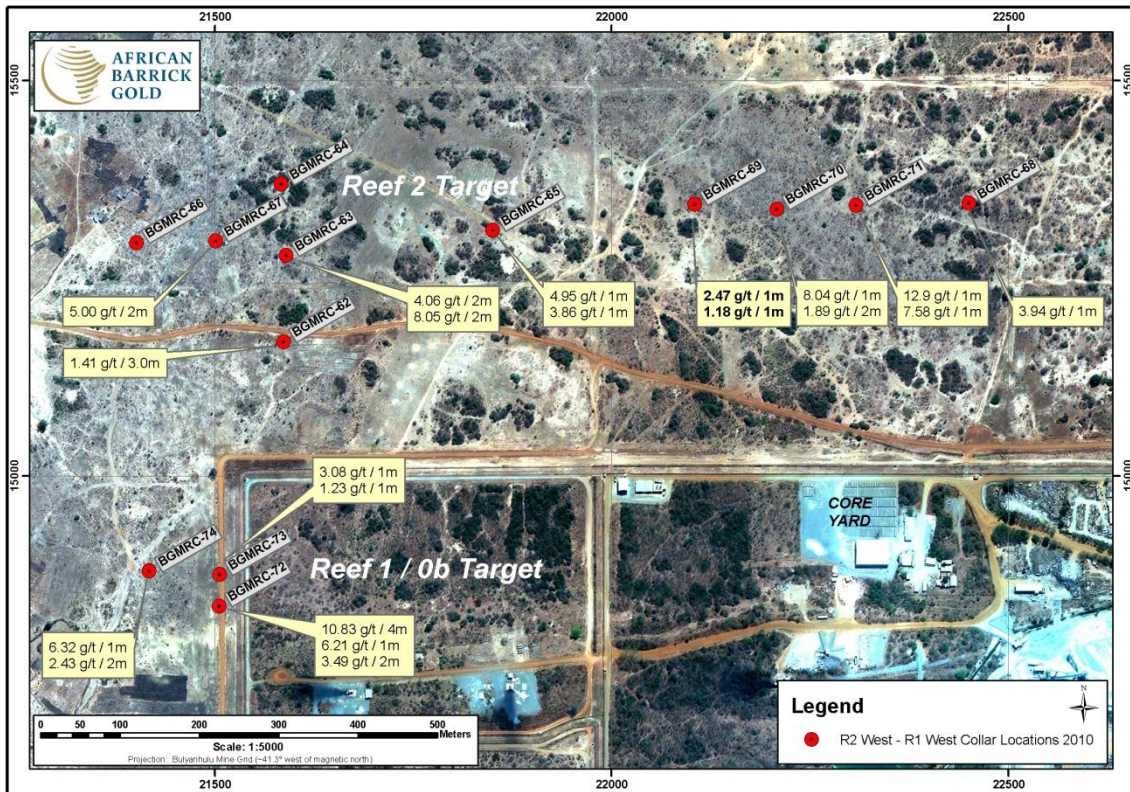
Bulyanhulu Upper East Zone

The Bulyanhulu Upper East Zone is approximately 2.5 kilometres east of the main Bulyanhulu shaft and contains approximately 1 million gold ounces at 10g/t Au within Reef 1 and 2. The mineralisation in the Bulyanhulu Upper East Zone is included in current reserves, but it was not scheduled for mining until later in the mine life. However, following review of planning models and previous feasibility studies, we are now considering accelerating the timetable for mining the Upper East Zone within the overall life of mine. This would make use of an existing 1.8 kilometre decline to this zone, which is being dewatered and rehabilitated, as well as utilising excess milling capacity in the process plant.

We started a further feasibility study into the Upper East Zone area during the year. We intend to complete this study in the first half of 2011, allowing us to assess the viability of mining the reserves in the zone earlier than anticipated in the current life-of-mine plan.

Bulyanhulu Reef 1 and 2 West

During the year, we completed reverse circulation drilling programmes on areas of Reef 2 West, along with Reef 1 and Reef 0b targets where there has previously been relatively limited exploration drilling. Favourable results from this programme warrant a second phase of follow-up drilling so that we can identify additional near surface resources for either open-pit or underground mining. We are planning deeper drill holes targeting extensions of higher-grade zones in early 2011 from the existing underground development at Bulyanhulu.



Location of Reef 2 West drill holes with corresponding intercepts (base plan orthophoto image of Bulyanhulu)

Greenfield Projects

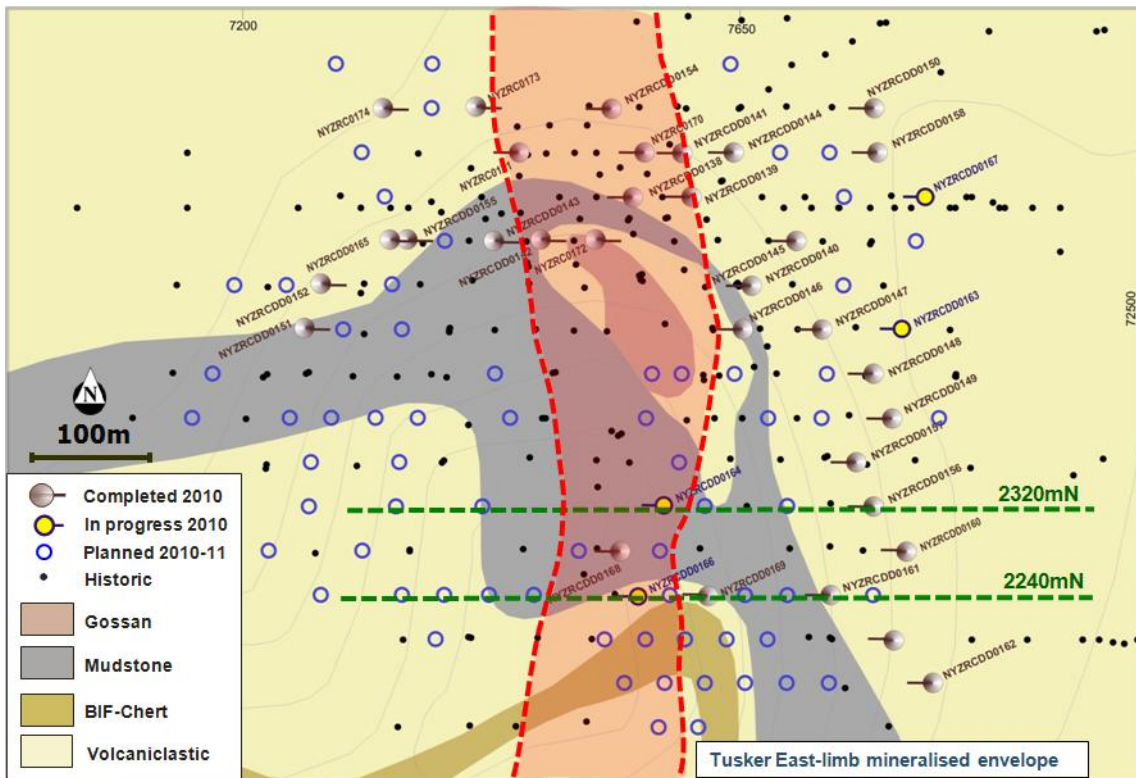
The Nyanzaga project

Following the completion of the acquisition of Tusker in May 2010, we took control of 100% of the Nyanzaga Project. Following on from that, the focus of our exploration activities has remained on further delineating and expanding the project’s current resources. The actions we have taken include an aggressive reverse circulation and diamond-core step-out and infill drill programme on the Tusker and Kilimani resource areas. Additionally, these drill programmes also commenced testing of geophysical and geochemical targets across the Nyanzaga project area for large-scale gold deposits and additional satellite opportunities within 15 kilometres of the Tusker resource area.

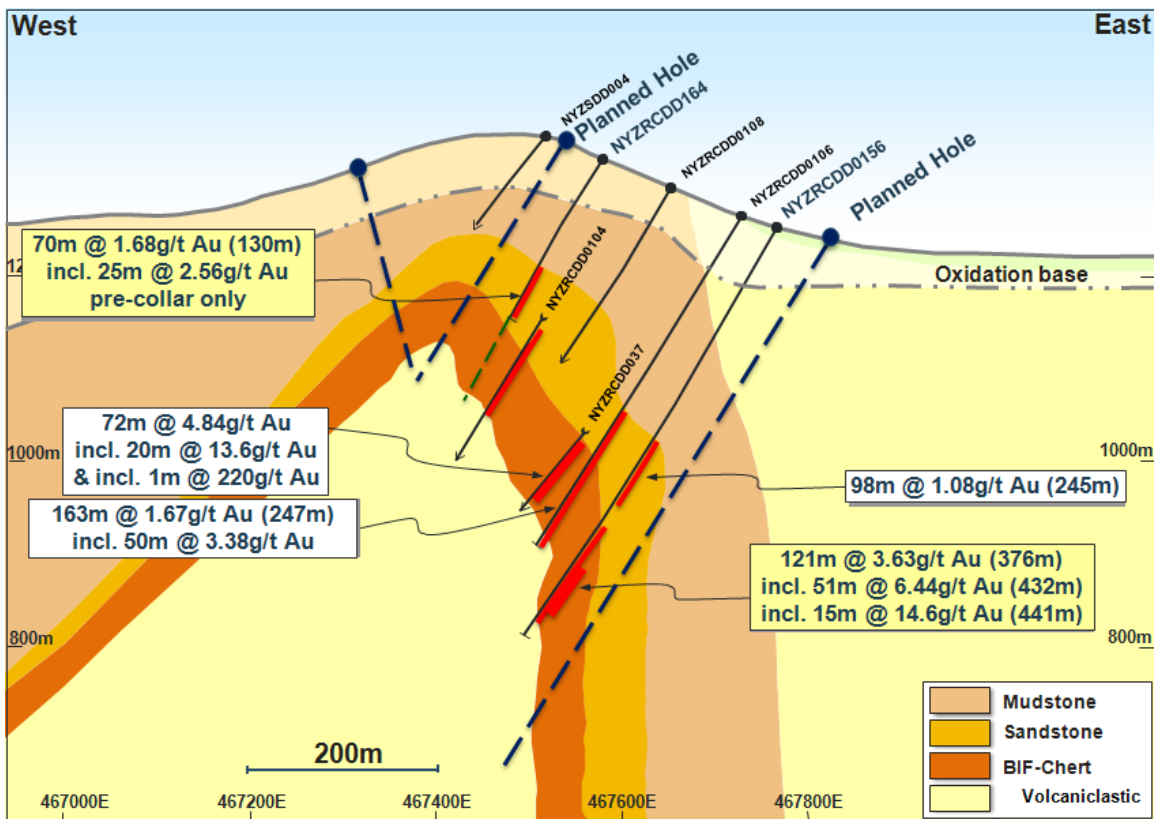
Tusker declared an inferred resource of approximately 4.2 million ounces for the Nyanzaga project in June 2009. Our current drill programme aims to confirm and expand this resource base, and it has shown positive results to date. Step-out and infill drilling on the southern strike extensions of the Tusker prospect have identified wide, higher-grade extensions of gold mineralisation. In particular, recent intercepts indicate that mineralisation on the southern extensions of the Tusker resource area occurs closer to surface than previously modelled, and deeper intersections indicate the potential for grade quality to increase with depth in this area of the system. In addition, results obtained from the drill programme are showing potential to locate additional resources on the western limb and on the north end of the Tusker resource area.

In 2011, our drilling will continue to focus on extending mineralisation on the northern, western and southern domains of the Tusker deposit, and given the success of the drill programme to date, we will expand step-out drilling to allow accelerated follow-up of identified positive intersections. Additionally, infill drilling on the main resource area will commence to upgrade the existing mineral inventory and inferred resources.

We aim to initiate a scoping study later in 2011 as we gain a greater understanding of the extent of the mineralisation on the Tusker and Kilimani project areas.



Tusker Prospect drill hole location plan. Red hatch shows approximate surface trace of eastern limb mineralized envelope.



Tusker Section 2320mN – hole NYZRCDD0156 indicating potential for higher grade zones at depth; and NYZRCDD0164 has identified mineralization closer to surface.

Financial Review

1. Revenue

Revenue for the year of US\$975.0 million was 37% higher than the prior year period of US\$711.2 million after restating 2009 revenue to include co-product revenue as set out below. The Group generated a year on year sales volume increase of 40,396 ounces and benefitted from higher average realised gold prices resulting from global economic conditions that drove market gold prices to record levels. The increase in sales was primarily due to the sale of unsold ounces on hand at the beginning of the year in gold concentrate at Buzwagi and Bulyanhulu. The average realised gold price was US\$1,240 per ounce in 2010 compared to US\$974 per ounce in 2009.

Co-product revenue totalled US\$53.7 million for the year. This represents an increase of 202% from the prior year period (US\$17.8 million). The ramp up of Buzwagi production of gold/copper concentrate contributed to the increase in copper sales volumes. The 2010 average realised copper price of US\$3.55 per pound compared to the prior period realised price of US\$2.24 per pound assisted greatly in the increase in co-product revenue. For these reasons, the Group has reclassified copper and silver as co-product revenue to reflect their increased significance as a percentage of revenue. The table below provides a quarterly reconciliation between gold and co-product revenue for 2010 and the 2009 comparative.

(US\$'000)	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Total	Total 2009
Gold Revenue as previously stated	210,660	213,175	208,767	288,700	921,302	693,412
Plus: Co-product revenue	10,958	11,097	10,842	20,822	53,719	17,770
Total Revenue	221,618	224,272	219,609	309,522	975,021	711,182
Realised copper price (\$ per pound sold)	3.87	3.05	3.18	3.93	3.55	2.24

2. Cost of sales

Cost of sales were US\$589.0 million for the year ended 31 December 2010, representing an increase of 21% from the prior year period (US\$487.0 million) after restating 2009 Cost of sales to reclassify co-product as noted above. The key operational activities that impacted cost of sales during the year included the following: (i) the transition of Buzwagi from a project to a full year operation and the associated operational challenges it faced in 2010; (ii) the transition of the North Mara mine from a three pit operation to focusing on the investment in the stage 2 push back at the Gokona open pit; and (iii) production stability at Bulyanhulu providing the opportunity to focus on cost optimisation.

During 2009, a significant build up in low grade ore stockpiles at North Mara and Buzwagi and copper concentrate at Buzwagi increased the change in inventories to US\$63 million. The unsold gold was subsequently sold in 2010.

Revenue related costs such as royalties and third party smelting and refining fees increased by US\$15.9 million following the rising trend in revenue and concentrate volume. The increase in the third party smelting and refining charges has been impacted by increased metal prices and costs attributable to sales of gold and copper concentrate at Buzwagi, when compared to no such sales in 2009. Depreciation and amortisation was US\$109.5 million for the year. This represents an increase of 17% from the prior year period (US\$93.4 million). This increase is due to the higher capital investment base employed in 2010 as a result of the commercial completion of Buzwagi and the rate of depreciation when compared to other older operations.

African Barrick Gold plc (US\$'000)	Three months ended		Year ended	
	31 December		31 December	
	2010	2009	2010	2009
(Unaudited)				
Cost of Sales				
Direct mining expenses	121,365	129,182	437,420	418,294
Change in inventories	11,431	(11,343)	(9,753)	(62,885)
Direct mining costs	132,796	117,839	427,667	355,409
Third party smelting and refining fees	4,696	2,968	20,308	13,027
Other operating costs	-	2,331	-	2,331
Royalty expense	9,299	7,325	31,549	22,910
Depreciation and amortization	28,476	34,307	109,515	93,350
Total	175,267	164,770	589,039	487,027

The consolidated direct mining expenses totalled US\$437.4 million for the year. This represents an increase of 5% from the prior year period (US\$418.3 million). The key reasons for the increase can be attributed to a full year cost of operating costs at Buzwagi, compared to eight months of operating costs in the prior year, and the operational challenges it faced. The difference in total direct mining expense for Buzwagi was US\$65.6 million year on year. A detailed breakdown of direct mining expenses is shown in the table below.

African Barrick Gold plc (US\$'000)	Three months ended		Year ended	
	31 December		31 December	
	2010	2009	2010	2009
(Unaudited)				
Direct mining expenses				
Labour	40,495	38,567	139,594	126,450
Energy and fuel	20,992	18,794	81,381	62,764
Consumables	22,217	24,091	82,841	86,462
Maintenance	15,384	17,632	64,441	57,292
Contracted services	22,150	14,893	81,873	59,775
General administration costs	21,148	35,499	72,272	68,704
Capitalised direct mining costs	(21,021)	(19,794)	(84,982)	(43,153)
Total direct mining expenses	121,365	129,182	437,420	418,294

Bulyanhulu showed an 8% (US\$12.9 million) improvement in costs driven by improved cost management measures lowering consumable, maintenance, and contracted services costs, which were partially offset by increased labour costs from increased head count and inflationary increases in remuneration. Direct mining costs at North Mara remained flat versus 2009 and significant resources were focused on increased capitalised stripping of the Gokona stage 2 push back. Tulawaka costs increased by 23% (US\$5.7 million) due to the cost of labour, energy, maintenance and administration costs required to mine and process ore at a lower grade. Buzwagi costs increased by 71%, mainly due to Buzwagi operating for a full year as opposed to eight months in 2009. In addition, the higher energy costs caused by the on-site fuel theft, and increased cost pressure from additional operational initiatives taken to improve performance resulted in higher labour, maintenance, consumables and administration expenditure.

Individual cost components comprise:

- Labour costs have been impacted by increased headcount at Buzwagi and Bulyanhulu and inflationary pressure in remuneration to attract and retain personnel.
- Energy and diesel fuel expenses account for all electricity, diesel fuel, and oil/lubricant expenditures. On a comparable basis Buzwagi drove costs higher partly due to increased milling activity and the consequence of the fuel theft. The realised WTI crude oil cost per barrel, the key input of diesel, rose from an average of US\$62 to US\$80 in 2010 contributing to higher energy costs. This increase in diesel costs were partially offset by North Mara converting from self generation of electricity to drawing from the national power grid which resulted in lower costs and less exposure to global fuel prices.
- Consumable costs on a comparable basis have remained in line with 2009 with Bulyanhulu driving cost savings through better cost management partly offset by higher costs at Buzwagi.

- Maintenance costs on a comparable basis were higher, primarily driven by plant breakdowns and a full year of operation at Buzwagi. In addition, Tulawaka costs were high due to mining equipment failure and its transition to in-house maintenance.
- Contractor services comprise mainly of maintenance and repair contractors (“MARC”) and drilling/geology services at Buzwagi and North Mara. MARC costs at Buzwagi increased due to the increase in size and age of the mining fleet and a full year of operation.
- General and administrative costs increased modestly compared to 2009 as a result of additional security costs at Buzwagi.
- Capitalised direct mining costs consisted of capitalised operating costs to reflect deferred stripping at North Mara and underground mine development at Bulyanhulu and, to a lesser extent, Tulawaka.

Other operating costs in the previous year related to net realisable value write downs relating to supplies inventory.

3. Cash Costs

Cash costs for 2010 were US\$569 per ounce sold, a 7% increase over 2009’s cash cost per ounce sold of US\$533. The increase can be explained by lower than expected production levels at Buzwagi, combined with increased costs incurred in dealing with operating challenges at the mine partially offset by improved co-product sales now classified as revenue, which we deduct from cash costs as set out on page 42. Cash costs at Buzwagi for the year were US\$685 per ounce sold, compared to the previous year’s US\$422. Both North Mara and Bulyanhulu performed in line with expectations from a cash costs perspective. However, a lower production base at Tulawaka resulted in a 72% increase in total cash costs per ounce sold at the mine, when compared to 2009.

The table below provides a reconciliation between cost of sales and total cash costs on a by-product revenue and a co-product revenue basis to calculate the cash cost per ounce sold.

(US\$'000) except ounces and per ounce cost	Three months ended 31 December		Year ended 31 December	
	2010	2009	2010	2009
Total cost of sales	175,267	164,770	589,039	487,027
Deduct: By-product revenue	-	-	-	-
Deduct: Depreciation and amortization	(28,476)	(34,307)	(109,515)	(93,350)
Total cash costs on by-product basis	146,791	130,463	479,524	393,677
Deduct: Co-product revenue	(20,821)	(6,115)	(53,718)	(17,771)
Total cash costs on a co-product basis	125,970	124,348	425,806	375,906
Total ounces sold ¹	207,087	204,461	743,256	711,712
Consolidated cash cost per ounce	608	608	573	528
Equity ounce adjustment ²	(5)	5	(4)	5
Attributable cash cost per ounce on a co-product basis	603	613	569	533

¹Reflects 100% of ounces sold.

²Reflects the adjustment for non-controlling interests at Tulawaka.

4. Corporate administration costs

Corporate administration expenses totalled US\$35.4 million for the year ended 31 December 2010. This equated to a 6% decrease from the prior year period of US\$37.8 million. Corporate administration comprised the expenses associated with maintaining the Dar es Salaam, Johannesburg and London offices. Costs include salaries, office rent, consulting, legal, audit fees and investor relations expenses. The decrease was predominantly driven by a saving in corporate labour costs due to the reorganisation exercise completed during the second half of 2009 with the transition from Dar es Salaam to Johannesburg. This was largely offset by the increased costs to run a publicly listed company and costs from a London office which was not fully functional until mid year 2010.

5. Exploration and evaluation costs

Exploration and evaluation costs are incurred to advance the exploration at our greenfield projects. For 2010, US\$14.9 million was incurred approximately 68% higher than the US\$8.9 million incurred in the same period in 2009. Key focus for the year was exploration and step out drilling at Nyanzaga of US\$7.2 million, US\$1.3 million at Golden Ridge to perform metallurgical sampling and resource modelling, and US\$3.6 million at Tulawaka to test satellite open pit opportunities. The increased expenditure supports the current focus on growth projects around existing sites some of which are close to entering the feasibility stage.

Where it is probable that resources will be converted into reserves, the expenditure is capitalised. During 2010 an amount of US\$ 12.2 million of exploration costs were capitalised compared to US\$2.8 million in 2009. Details of these costs are included in the Exploration Review.

6. Other charges

Other charges amounted to US\$26.0 million for the year, 22% up from the 2009 amount of US\$21.4 million. Other charges comprise mostly of one-off costs including foreign exchange gains and losses (previously deemed part of corporate administration), gains and losses on disposals, social development costs, IPO listing costs, asset write downs and provision movements. The main contributors to the expense are the following: (i) foreign exchange losses of US\$7.9 million (US\$10.7 million in 2009) from the continued devaluation of the Tanzanian shilling against the US dollar impairing the TZS denominated assets on the balance sheet; (ii) US\$3.5 million spent during the year on corporate social programmes, compared to US\$1.0 million in 2009; (iii) ABG's entry into zero cost collar contracts as part of a program to protect it against copper market volatilities, which resulted in an unrealised mark-to-market revaluation loss of US\$3.7 million at year end; and (iv) IPO transaction costs of US\$2.6 million.

Other costs incurred related to the reversal of a Buzwagi fuel levy claim associated with the fuel theft; the net provision to account for the discounting impact of non-current receivables; and adjustments to existing indirect tax provisions which were offset with an insurance claim received in respect of a claim settled in relation to an excavator destroyed in 2009.

7. Finance expense and income

The finance expense decreased to US\$1.8 million for the year, compared to US\$6.1 million in 2009. This decrease was primarily a result of the repayment of the external debt facility at North Mara during the first half of 2009. Finance expense for 2010 primarily relates to the interest expense associated with discounting of the environmental reclamation liability as well as the initial fee payable for the US\$150 million credit facility that was completed during November 2010. The initial fees to complete the transaction such as the participation fee and related legal costs will be amortised over the 24 month term of the facility. ABG will incur a monthly commitment fee equal to 40% of the interest margin above LIBOR as negotiated in the agreement. Currently, ABG has no external debt.

Finance income relates predominantly to interest charged on non-current receivables and interest received on cash balances.

8. Taxation expense

The taxation expense increased to US\$86.5 million for the year, compared to from US\$84.4 million in 2009. The 2010 expense consists of deferred tax of US\$86.2 million and corporate taxes of US\$0.3 million which were incurred in 2010. The higher tax expense relates to the increased taxable income for 2010, which was generated mainly from North Mara and Bulyanhulu as a result of improved margins from higher gold prices. The effective tax rate in 2010 amounted to 28% compared to 56% in 2009. The variance relates to a 2009 year end adjustment to unrecognised tax benefits relating to an uncertain tax position raised in the previous year regarding the recoverability of certain tax losses.

9. Commodity prices

Gold prices have a significant impact on ABG's operating earnings and its ability to generate cash flows. In 2010 the price of gold reached an all-time high, trading in a range of US\$1,045 to US\$1,431 per ounce and closing at US\$1,421 per ounce. Market gold prices averaged US\$1,225 per ounce, a new annual average record and a US\$253 per ounce improvement on the US\$972 per ounce average in the prior year period.

The market price of gold has been influenced by low US dollar interest rates, sovereign debt concerns, investment demand and the monetary policies put in place by the world's most prominent central banks. As a result of the global easing of monetary policy, as well as large fiscal deficits incurred in the US and other major developed economies, there is a possibility that both inflation and US dollar depreciation could emerge in the coming years. Gold is viewed as a hedge against inflation and has historically been inversely correlated to the US dollar. Therefore, higher inflation and/or depreciation in the US dollar should be positive for the price of gold.

Gold prices also continue to be influenced by negative long-term trends in global gold mine production, the impact of central bank gold purchases and investor interest in owning gold. In 2010, gold sales by central banks were not significant, while investor interest led holdings by major global ETFs to increase by 10 million ounces in the year to total 67 million ounces at the end of the period. Historically, gold has been viewed as a reliable store of value in times of financial uncertainty and inflation and as a de facto global currency. Investor interest in gold as an asset class has increased greatly as a result of this.

ABG also produces copper as a co-product that is recognised in revenue. Copper prices rose in 2010, particularly in the second half, trading in a range of US\$2.74 to US\$4.42 per pound. The average price for the year was US\$3.42 per pound and closed the year at an all time high of US\$4.42 per pound. Copper's rise during the period resulted from a number of factors including strong demand from emerging markets, especially China, decreasing exchange stockpiles and increasing investor interest in base metals with strong forward-looking supply/demand outlooks. Copper prices should continue to be positively influenced by factors such as demand from Asia, global economic growth, the limited availability of scrap metal and production levels of mines and smelters in the future.

10. Disposals and acquisitions

Acquisition of Tusker

On 27 April 2010, ABG, through BUK Holdco Limited, one of its immediate subsidiaries, purchased 100% of the issued share capital of Tusker by way of a takeover offer for an aggregate net consideration of US\$74 million. Tusker held a 49% interest in the Nyanzaga project, with the ABG Group owning the remaining 51%. Following completion of the acquisition, ABG now owns 100% of the Nyanzaga project. Further details on this project are provided in the Exploration Review and further details on the Tusker acquisition are provided in note 8 to the financial statements.

11. Net profit for the period

As a result of the factors discussed above, net profit for the year ended 31 December 2010 was US\$222.6 million. This represents an increase of 237% from the prior year period (US\$66.0 million). The key drivers were increased revenue as a result of a continued positive gold price environment combined with higher sales ounces. This was partially offset by increased costs of sales which were primarily due to the additional cost base from a full period of production at Buzwagi, increased direct mining expenditure across all sites, the increased taxation expense; and increased exploration and evaluation expenditure incurred.

12. Net profit attributable to non-controlling interest

The net profit attributable to the non-controlling interest for the year ended 31 December 2010 was US\$4.5 million. This represents a decrease of 39% on 2009(US\$7.4 million), due to lower production and increased exploration activity at the Tulawaka operation.

13. EBITDA

EBITDA for the year ended 31 December 2010 increased by 68% to US\$419.2 million compared to the prior year period (US\$249.5 million) as a result of improved gold prices along with increased ounces sold supported further by record co-product revenue. This was partly offset by an increase in direct mining cost base predominantly driven by Buzwagi as it only reflected eight months direct mining costs in the prior year period, increased direct

mining costs across some sites as well as increased revenue related costs such as royalties, smelting, refining and transport costs. Note that EBITDA includes the impact of other charges totalling US\$26.0 million which comprise mostly one-off type expenditure. A reconciliation between net profit/ (loss) for the period and EBITDA is presented below:

(US\$000)	For the three months ended		For the year ended	
	31 December		31 December	
	2010	2009	2010	2009
Net profit/ (loss) for the period	81,471	(15,188)	222,606	66,017
Plus income tax expense	23,429	49,625	86,471	84,388
Plus depreciation and amortization	28,476	34,307	109,515	93,350
Plus finance expense	448	133	1,777	6,062
Less finance income	(174)	(299)	(1,202)	(361)
EBITDA	133,650	68,578	419,167	249,456

14. Basic earnings per share

Earnings per share for the year ended 31 December 2010 was an amount of US53.2 cents showing an increase of 272% from the prior year period of US14.3 cents. The increase has been driven by net profit for the year. The prior year basic earnings per share comparative were calculated using the 2010 number of average weighted shares as ABG was not incorporated until January 2010 and thus had no share capital in 2009.

15. Cash flow

(US\$ '000)	Three months ended		Year ended	
	31 December		31 December	
	2010	2009	2010	2009
Cash flow from operating activities	125,305	108,815	345,141	193,961
Cash used in investing activities	(68,491)	(93,703)	(275,555)	(248,448)
Cash(used in)/ provided by financing activities	32	(17,452)	261,978	71,042
Increase(decrease) in cash	56,846	(2,340)	331,564	16,555
Foreign exchange difference on cash	(278)	(136)	(278)	(136)
Opening cash balance	344,444	72,202	69,726	53,307
Closing cash balance	401,012	69,726	401,012	69,726

Cash flow from operating activities was US\$345.1 million for the year, an increase of US\$151.1 million on the prior year (US\$194.0 million). The increase primarily related to increased EBITDA which was partially offset by working capital movements. EBITDA has predominantly been driven by increased revenue due to both price and sales volume increases. Working capital was adversely impacted by the outflow associated with the increase in indirect tax receivable and prepayments of US\$48.8 million; a decrease in trade and other payables of US\$28.5 million; investment in ore inventory of US\$16.0 million and supplies inventory of US\$9.6 million which was in part offset by a reduction in gold sales receivables and finished gold due to the introduction of quarterly counterparty advance settlement and backlog concentrate sold during the year.

Throughout 2010, ABG has been actively involved in discussions with the Tanzanian Government and the Tanzanian Revenue Authority to resolve the status of fuel excise levies and VAT refunds for its operations. These issues have been outstanding for some time and were further complicated by amendments made to certain tax laws which were passed in 2009. The amendments conflicted with certain provisions contained in our existing Mineral Development Agreements ("MDAs") which guarantee the fiscal stability of our operations. We are pleased to report that the Government has adopted legislation to reverse the amendments, which should allow for the fiscal and tax terms of our MDAs to be honoured. This represents a significant step in supporting the stability of the legal framework for the mining industry in Tanzania. As at 31 December 2010, the discounted outstanding

amounts due to us were approximately US\$121 million. We are in discussions with the authorities to agree terms for the repayment of these amounts, which is likely to be by way of tax offsets.

Cash flow used in investing activities equalled US\$275.6 million for the year. This represents an increase of 11% from the prior year of US\$248.5 million. The increase includes net cash of US\$63.1 million used for the acquisition of Tusker, taking into account the cash in that business on the purchase date, as well as US\$9.7 million in settling outstanding stock options. Total capital expenditure for the year of US\$224.3 million increased slightly from the prior year figure of US\$223.3 million. Key projects include the Bulyanhulu underground development, Buzwagi mining equipment and additional North Mara processing and mining projects; North Mara deferred strip of US\$51.1 million, as well as US\$12.2 million relating to capitalised exploration. The US\$248.5 million 2009 capital spent was primarily driven by US\$101.2 million spent on the construction of Buzwagi.

Total cash capital decreased from the prior year and amounted to US\$196.4 million for 2010 (US\$207.4 million for 2009) and reflects adjustments made for non-cash reclamation additions.

A breakdown of invested capital activities for the year ended is provided below:

(US\$'000)	For the year ended 31 December	
	2010	2009
Sustaining capital	(133,312)	(95,700)
Expansionary capital	(63,131)	(111,668)
Total cash capital	(196,443)	(207,368)
Tusker acquisition ¹	(72,805)	-
Non-current asset movement ²	(6,307)	(41,080)
Cash used in investing activities	(275,555)	(248,448)

¹The Tusker acquisition includes the acquisition of the subsidiary, net of cash for US\$63.1 million including the Tusker stock options settled for US\$9.7 million in total.

²Non-current asset movement relates to the investment in the powerline and land acquisitions reflected as prepaid operating leases; Tanzania government receivables; villlage housing project; and other items. Note that for 2010 the long term indirect tax movement have been reflected as part of working capital in the cash flow from operational activities section which amounted to US\$36.7 million. US\$26.5 million was classified in 2009 in the non-current asset movement as part of the cash flow from investing activities.

Cash provided by financing activities for the year ended 31 December 2010 of US\$262.0 million increased 268% from the prior year of US\$71.0 million. The increase primarily relates to ABG's IPO and is further supported by the partial exercise of the overallotment option. In total the IPO and the overallotment option proceeds resulted in US\$865 million after deduction of transaction costs. This was in part offset by the payment of a special dividend and the repayment of intergroup loans to other members of BGC's group as part of the ABG Reorganisation. The inflow in 2009 was predominantly funded by BGC to support the construction costs associated with Buzwagi and repayment of external debt at North Mara as well as distributions paid to non-controlling interests at Tulawaka. An interim dividend of US\$6.6 million was paid during Q3 of this year.

At 31 December 2010 ABG had cash and cash equivalents of US\$401.0 million.

16. Credit facility

On 24 November 2010, ABG and its wholly owned subsidiary BarbCo One Ltd concluded negotiations with a syndicate of commercial banks, for the provision of a revolving credit facility in a maximum aggregate amount of US\$150 million. The facility has been provided to service the general corporate needs of the ABG Group and to fund potential acquisitions. All provisions contained in the credit facility documentation have been negotiated on normal commercial and customary terms for such finance arrangements. The term of the facility is 24 months and when drawn the spread over LIBOR will be 350 basis points. No amounts were drawn down on the facility at 31 December 2010.

Debt as at 31 December 2010 was zero and decreased substantially from US\$1.4 billion for the prior year, which all related to intergroup borrowings. A portion of the debt was repaid through proceeds generated from the IPO while a large portion was converted into equity through the pre-IPO reorganisation.

17. Dividend

An interim dividend of US\$1.6 cents per share was paid to shareholders on 27 September 2010. The Directors recommend the payment of a final dividend of US\$3.7 cents per share, subject to the shareholders approving this recommendation at the AGM.

18. Significant judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the consolidated financial statements require management to make judgements and/or estimates. These judgements and estimates are continuously evaluated and are based on management's experience and best knowledge of the relevant facts and circumstances, but actual results may differ from the amounts included in the consolidated financial information included in this release. Information about such judgements and estimation is included in the accounting policies and/or notes to the consolidated financial statements, and the key areas are summarised below.

Areas of judgement and key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the consolidated financial statements include:

- Estimates of the quantities of proven and probable gold reserves;
- The capitalisation of waste stripping costs;
- The capitalisation of exploration and evaluation expenditures;
- Review of goodwill, tangible and intangible assets carrying value, the determination of whether these assets are impaired and the measurement of impairment charges or reversals;
- The estimated fair values of cash generating units for impairment tests, including estimates of future costs to produce proven and probable reserves, future commodity prices, foreign exchange rates and discount rates;
- The estimated useful lives of tangible and long-lived assets and the measurement of depreciation expense;
- Recognition of a provision for environmental rehabilitation and the estimation of the rehabilitation costs and timing of expenditure;
- Whether to recognise a liability for loss contingencies and the amount of any such provision;
- Whether to recognise a provision for accounts receivable and the impact of discounting the non-current element;
- Recognition of deferred income tax assets, amounts recorded for uncertain tax positions, the measurement of income tax expense and indirect taxes; and
- Determination of fair value of derivative instruments.

Non-IFRS Measures

ABG has identified certain measures in this report that are not measures defined under IFRS. Non-IFRS financial measures disclosed by management are provided as additional information to investors in order to provide them with an alternative method for assessing ABG's financial condition and operating results. These measures are not in accordance with, or a substitute for, IFRS, and may be different from or inconsistent with non-IFRS financial measures used by other companies. These measures are explained further below.

Average realised gold price per ounce sold is a non-IFRS financial measure which excludes from gold revenue:

- Unrealised gains and losses on non hedge derivative contracts
- Unrealised mark to market gains and losses on provisional pricing from copper and gold sales contracts; and
- Export duties.

Cash costs per ounce sold is a non-IFRS financial measure. Cash costs include all costs absorbed into inventory, as well as royalties, co-product credits, and production taxes, and exclude capitalised production stripping costs, inventory purchase accounting adjustments, unrealised gains/losses from non-hedge currency and commodity contracts, depreciation and amortisation and social development costs. Cash cost is calculated net of co-product revenue, and is measured on a co-product basis. The change in the cash cost measurement to include co-product revenue follows the decision by management to present the sale of copper and silver as co-product revenue and part of total revenue.

The presentation of these statistics in this manner allows ABG to monitor and manage those factors that impact production costs on a monthly basis. ABG calculates cash costs based on its equity interest in production from its mines. Cash costs per ounce sold are calculated by dividing the aggregate of these costs by gold ounces sold. Cash costs and cash costs per ounce sold are calculated on a consistent basis for the periods presented. Refer to page 21 as part of the financial review section 3 for a reconciliation of cost of sales to cash costs.

EBITDA is a non-IFRS financial measure. ABG calculates EBITDA as net profit or loss for the period excluding:

- Income tax expense;
- Finance expense;
- Finance income;
- Depreciation and amortisation; and
- Goodwill impairment charges.

EBITDA is intended to provide additional information to investors and analysts. It does not have any standardised meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA differently. Refer to page 23 as part of the financial review section 13 for a reconciliation of net profit to EBITDA.

EBIT is a non-IFRS financial measure and reflects EBITDA adjusted for depreciation and amortisation and goodwill impairment charges.

Amortisation and other cost per ounce sold is a non-IFRS financial measure. Amortisation and other costs include amortisation and depreciation expenses and the inventory purchase accounting adjustments at ABG's producing mines. ABG calculates amortisation and other costs based on its equity interest in production from its mines. Amortisation and other costs per ounce sold is calculated by dividing the aggregate of these costs by ounces of gold sold. Amortisation and other cost per ounce sold are calculated on a consistent basis for the periods presented.

Cash cost per tonne milled is a non-IFRS financial measure. Cash costs include all costs absorbed into inventory, as well as royalties, by-product credits, and production taxes, and exclude capitalised production stripping costs, inventory purchase accounting adjustments, unrealised gains/losses from non-hedge currency and commodity contracts, depreciation and amortisation and social development costs. Cash cost is calculated net of co-product revenue, and is measured on a co-product basis. ABG calculates cash costs based on its equity

interest in production from its mines. Cash costs per tonne milled are calculated by dividing the aggregate of these costs by total tonnes milled.

Mining statistical information

The following describes certain line items used in the ABG Group's discussion of key performance indicators:

- Open pit material mined – measures in tonnes the total amount of open pit ore and waste mined.
- Underground ore tonnes hoisted – measures in tonnes the total amount of underground ore mined and hoisted.
- Total tonnes mined include open pit material plus underground ore tonnes hoisted.
- Strip ratio – measures the ratio waste-to-ore for open pit material mined.
- Ore milled – measures in tonnes the amount of ore material processed through the mill.
- Head grade – measures the metal content of mined ore going into a mill for processing.
- Milled recovery – measures the proportion of valuable metal physically recovered in the processing of ore. It is generally stated as a percentage of the metal recovered compared to the total metal originally present.
- Total production costs – measures the total cost of production and is an aggregate of total cash costs as well as production specific depreciation and amortisation.
- Direct cash operating cost per ounce – measures the total direct cash cost attributable to producing an ounce. It reflects cash costs adjusted to exclude royalties and third party smelting and refining fees on an ounce basis.

Principal Risks and Uncertainties

ABG and its subsidiaries (together the “ABG Group”) face a variety of risks, the occurrence of which could adversely affect group performance, earnings, financial position and prospects. Over the course of the year under review, the ABG Group made material developments in the identification and management of its risk profile in order to focus on the most significant risks and events that could affect its operations, financials and performance.

The principal risks affecting the ABG Group are set out below, along with the steps taken to mitigate them. There may be additional risks unknown to ABG and other risks, which are currently believed to be immaterial, could turn out to be material. These risks, whether they materialise individually or simultaneously, could significantly affect the ABG Group’s business and financial results. In addition, ABG could also be affected by risks relating to the gold-mining industry generally and the risks and hazards involved in the business of mining metals, which are largely outside of its control.

Risk	Mitigation/Comment	Potential impact
Strategic risks		
Single country risk		
All of the ABG Group’s revenue is derived from production at its four facilities in Tanzania. In order to ensure continued growth, the ABG Group needs to identify new resources and development opportunities through exploration and acquisition targets.	ABG assesses a wide range of potential growth opportunities to build on its existing portfolio, including external acquisition and development opportunities outside of Tanzania to maximise growth potential.	High
Reserves and resource estimates		
The ABG Group’s stated mineral reserves and resources are only estimates based on a range of assumptions, including geological, metallurgical and technical factors; there can be no assurance that the anticipated tonnages or grades will be achieved.	ABG management has implemented a number of processes to continuously monitor and evaluate the current life of the Company’s mine plans and production targets. The ABG Group’s resources and reserves are updated annually. ABG follows NI 43-101 of the Canadian Institute of Mining Metallurgy and Petroleum when calculating its mineral reserves and resources.	High
Financial risks		
Commodity prices		
The ABG Group’s financial performance is highly dependent upon the price of gold and, to a lesser extent, the price of copper and silver. The prices of these commodities are affected by a number of factors beyond ABG’s control. Rapid fluctuations in pricing of these commodities will have a corresponding impact on ABG’s financial position.	ABG’s strategic objective is to provide maximum exposure to the price of gold. As such a no gold hedging policy has been adopted. ABG has implemented a number of processes to assess its exposure to other commodity price fluctuations. ABG has entered into hedging facilities in connection with copper price fluctuations and is reviewing appropriate hedging facilities to assist in the management of exposure to other commodities, such as diesel.	High
Costs and capital expenditure		
ABG operates a cyclical business where fluctuations in operating cash flow and capital expenditure may adversely affect ABG’s financial position.	ABG management continuously monitors operational costs and capital expenditure. It holds a conservative balance sheet and has a rigorous cash flow planning process to mitigate liquidity risks. ABG has also entered into a commercial credit facility to provide further support for working capital requirements.	High

Risk	Mitigation/Comment	Potential impact
External risks		
Political, legal and regulatory developments		
<p>The ABG Group's exploration, development and operational activities are subject to extensive laws and regulations governing various matters in the jurisdictions in which the Company operates. Changes to existing law and regulations, or more stringent application or interpretation of current laws and regulations by relevant government authorities, could adversely affect the ABG Group's operations and development projects. In particular, as ABG's revenue is currently derived exclusively from the production of its facilities in Tanzania, its business operations and financial condition may be adversely affected by legal and regulatory changes and developments in Tanzania, or if existing mineral development agreements are not honoured by the Tanzanian Government. The ABG Group may also be adversely affected by changes in global economic conditions, political and /or economic instability in Tanzania or any of its surrounding countries.</p>	<p>The ABG Group assesses legal and political risks as part of its evaluation of potential projects. It actively monitors legal and political developments in countries in which its existing operations are located. The ABG Group actively engages in dialogue with the Tanzanian government and legal policy makers to discuss all key legal and regulatory developments applicable to its operations, in particular developments in connection with the Tanzanian Mining Act and applicable environmental legislation.</p>	High
Taxation reviews		
<p>The ABG Group's financial condition may be adversely affected if it is unsuccessful in its current appeals and/or its discussions with the Tanzanian Revenue Authority regarding outstanding tax assessments and unresolved tax disputes, namely in respect of fuel levies, VAT and certain corporate taxes.</p>	<p>The ABG Group has entered into a series of ongoing discussions with the Tanzanian government with the goal of resolving outstanding tax disputes and recovering amounts owed.</p>	High
Utilities supply		
<p>Power stoppages, fluctuations and disruptions in electrical power supply or other utilities could adversely affect ABG's operations and impact its financial condition. In addition, an increase in power costs would make production more costly and alternative power sources may not be available.</p>	<p>Back up or alternative power generation have been implemented at North Mara and Tulawaka. ABG is in the process of implementing additional power back-up facilities to maintain critical systems at its other operations.</p>	High
Community relations		
<p>A failure to adequately engage or manage relations with local communities and stakeholders could have a direct impact on the ABG Group's ability to operate at its existing operations.</p>	<p>In addition to its existing corporate social responsibility programmes, the ABG Group is implementing a number of additional initiatives to improve and build on local community relations, including micro finance and adult education programmes.</p>	Medium

Risks	Mitigation/Comment	Potential impact
Operational risks		
Loss of critical processes		
<p>The ABG Group's mining, processing, development and exploration activities depend on the continuous availability of its operational infrastructure, in addition to reliable utilities and water supplies and access to roads. Any failure or unavailability of operational infrastructure, for example through equipment failure or disruption, could adversely affect production output and/or impact exploration and development activities. Deficiencies in core supply chain availability could also adversely affect ABG's operations.</p>	<p>Management assesses the critical components of ABG's operational infrastructure on a continuous basis. In addition to external resources and when required, ABG has established channels through the support of the Barrick Group network to address critical disruptions to its technical services and plant equipment. Supply chain management and support is assessed and reviewed against business requirements on a regular basis.</p>	<p>High</p>
Environmental rehabilitation		
<p>The ABG Group's activities are subject to environmental hazards as a result of the processes and chemicals used in its extraction and production methods. The ABG Group may be liable for losses and costs associated with environmental hazards at its operations, have its licences and permits withdrawn or suspended as a result of such hazards or may be forced to undertake extensive clean-up and remediation action in respect of environmental hazards and incidents relating to its operations. Any such action could have a material adverse effect on the Group's business, operations and financial condition.</p>	<p>The ABG Group has committed itself to the application of global standards including the Global Reporting Initiative standards, International Council on Mining and Metal practices, and the International Cyanide Code standards. Compliance with applicable environmental standards is assessed on a continuous basis. Remediation and rehabilitation costs are assessed and reviewed annually.</p>	<p>High</p>
Employees and contractors		
<p>The ABG Group's business significantly depends upon its ability to recruit and retain qualified personnel, in particular members of the Senior Management Team and its skilled team of engineers and geologists. The loss of skilled workers and a failure to recruit and train equivalent replacements may negatively impact on ABG's operations and production.</p> <p>ABG depends on certain key contractors. Interruptions in contracted services could result in production slowdowns and/or stoppages.</p>	<p>ABG regularly assesses its staff recruitment and retention policies to assist with labour stability, and maintains appropriate investment in training and development to safeguard the skills of its work force. It is also focused on furthering the nationalisation of its workforce in Tanzania and participates in a number of training programmes to help develop local industry expertise.</p> <p>Assessments of arrangements with key contractors are undertaken on a regular basis to ensure that contracted services and support meet business requirements and expectations.</p>	<p>High</p>

Risk	Mitigation/Comment	Potential impact
<p>Security, trespass and vandalism</p> <p>ABG faces certain risks in dealing with trespass, theft, corruption and vandalism at its mines and unauthorised small-scale mining in proximity to and on specific areas covered by ABG's exploration and mining licences. The impact of such risks may have an adverse effect upon ABG's operations and financial condition.</p>	<p>The ABG Group has taken measures to protect its employees, mines and production facilities from various security and theft risks. Steps include the strengthening of existing security personnel, the installation of additional perimeter fencing, surveillance equipment and the imposition of additional security checks and procedures. Where appropriate, the Group continues to work in collaboration with local law enforcement to address security-related matters. In addition, ABG adheres to the Voluntary Principles on Security and Human Rights as part of its membership of the Barrick Group.</p>	<p>High</p>
<p>Health and safety, infectious diseases</p> <p>Due to the nature of ABG's operations, a wide range of occupational health diseases, such as noise-induced hearing loss and lung diseases, pose a risk to ABG's workforce. In addition, tropical and infectious diseases, such as malaria and HIV/AIDS, pose significant health risks to ABG employees, due to the epidemic proportions that such diseases may have in areas at which ABG's operations are located. The potential liabilities related to such diseases and the impact that these diseases may have on ABG's workforce may have an adverse effect upon ABG's operations and financial condition.</p>	<p>The ABG Group has implemented a number of malaria and tuberculosis programmes and HIV/AIDS awareness and prevention programmes for its employees, their families and the local communities surrounding its operations. It also provides occupational health services to its employees at its mine clinics and it continues to improve preventative hygiene initiatives. Health and safety and risk management systems are in place on site at all of ABG's operations.</p>	<p>Medium</p>

Directors

The Directors serving on the Board during the year will be listed in ABG's annual report. A list of current Directors is maintained on ABG's website: www.africanbarrickgold.com

Financial Information
Group Income Statement

(In thousands of US\$) (Unaudited)	For the year ended 31 December	
	2010	2009
Revenue (note 3h)	975,021	711,182
Cost of sales (note 3h)	(589,039)	(487,027)
Gross profit	385,982	224,155
Corporate administration (note 3h)	(35,436)	(37,759)
Exploration and evaluation costs	(14,861)	(8,871)
Other charges (note 3h)	(26,033)	(21,419)
Profit before net finance expense and taxation	309,652	156,106
Finance income	1,202	361
Finance expense	(1,777)	(6,062)
	(575)	(5,701)
Profit before taxation	309,077	150,405
Tax expense (note 5)	(86,471)	(84,388)
Net profit for the period	222,606	66,017
Profit attributable to:		
- Non-controlling interests	4,503	7,440
- Owners of the parent (net earnings)	218,103	58,577
Earnings per share		
- Basic earnings per share (cents) (note 6)	53.2	14.3
- Diluted earnings per share (cents) (note 6)	53.2	14.3

Group Statement of Comprehensive Income

(In thousands of US\$) (Unaudited)	For the year ended 31 December	
	2010	2009
Profit for the period	222,606	66,017
Other comprehensive income for the year	-	-
Total comprehensive income for the year	222,606	66,017
Attributed to:		
- Non-controlling interests	4,503	7,440
- Owners of the parent	218,103	58,577

The notes on pages 37 to 51 form an integral part of this financial information.

Group Balance Sheet

(In thousands of US\$) (Unaudited)	For the year ended 31 December	
	2010	2009
ASSETS		
Non-current assets		
Goodwill and intangible assets	258,513	156,397
Property, plant and equipment (note 9)	1,615,118	1,498,072
Deferred tax assets	121,269	181,188
Non-current portion of inventory	69,122	-
Other assets (note 3h)	104,458	61,286
	2,168,480	1,896,943
Current assets		
Inventories	227,974	278,650
Trade and other receivables (note 7)	59,214	61,598
Other current assets (note 7)	70,428	58,311
Cash and cash equivalents	401,012	69,726
	758,628	468,285
Total assets	2,927,108	2,365,228
EQUITY AND LIABILITIES		
Share capital and share premium (note 10)	929,199	-
Other reserves	1,584,125	636,922
Total owners equity	2,513,324	636,922
Non controlling interest	29,761	20,493
Total Equity	2,543,085	657,415
Non-current liabilities		
Deferred tax liabilities	136,185	87,893
Derivative financial instruments	1,754	-
Provisions	108,944	83,565
Other non-current liabilities (note 3h)	7,483	4,748
	254,366	176,206
Current liabilities		
Trade and other payables	119,961	148,192
Derivative financial instrument	1,904	-
Provisions	4,000	-
Other current liabilities	3,792	-
Borrowings from related parties	-	1,383,415
	129,657	1,531,607
Total liabilities	384,023	1,707,813
Total equity and liabilities	2,927,108	2,365,228

The notes on pages 37 to 51 form an integral part of this financial information.

Group Statement of Changes in Equity

(In thousands of US\$)	Share Capital	Share premium	Contributed surplus/Other reserve	Stock option reserve	Retained Earnings	Total owner's equity	Total non-controlling interests	Total Equity
(Unaudited)								
Balance at 1 January 2009	-	-	633,749	-	(55,407)	578,342	25,257	603,599
Profit for the year and other comprehensive income	-	-	-	-	58,577	58,577	7,440	66,017
Contributed surplus additions	-	-	3	-	-	3	-	3
Distributions paid to non-controlling interests	-	-	-	-	-	-	(12,204)	(12,204)
Balance at 31 December 2009	-	-	633,752	-	3,170	636,922	20,493	657,415
Issuance of shares to BGC	1,991	1,989,138	(1,991,129)	-	-	-	-	-
Capital reduction	-	(1,989,138)	1,989,138	-	-	-	-	-
Bonus issue to BGC	43,805	-	(43,805)	-	-	-	-	-
Profit for the year and total comprehensive income	-	-	-	-	218,103	218,103	4,503	222,606
Special dividends	-	-	(258,680)	-	-	(258,680)	-	(258,680)
Conversion to contributed surplus	-	-	1,039,498	-	-	1,039,498	-	1,039,498
Share issuance	16,301	921,035	-	-	-	937,336	-	937,336
Transaction costs	-	(53,933)	-	-	-	(53,933)	-	(53,933)
Interim dividend	-	-	-	-	(6,562)	(6,562)	-	(6,562)
Stock options	-	-	-	640	-	640	-	640
Distributions from non-controlling interests	-	-	-	-	-	-	4,765	4,765
Balance at 31 December 2010	62,097	867,102	1,368,774	640	214,711	2,513,324	29,761	2,543,085

The notes on pages 37 to 51 form an integral part of this financial information.

Group Statement of Cash Flows

(In thousands of US\$)

(Unaudited)	For the year ended 31 December	
	2010	2009
Cash flows from Operating activities		
Net profit for the period	222,606	66,017
Adjustments for:		
Taxation	86,471	84,388
Depreciation and amortization	107,072	106,969
Finance items	575	5,701
Loss on disposal of property, plant and equipment	90	1,204
Working capital adjustments	(84,248)	(81,227)
Other	11,785	15,441
Cash generated from operations before interest and tax	344,351	198,493
Finance income	1,202	361
Finance expenses	(412)	(4,893)
Net cash generated by operating activities	345,141	193,961
Cash flows from investing activities		
Purchase of property, plant and equipment (note 9)	(224,391)	(223,268)
Investments in other assets	(2,592)	(8,994)
Acquisition of subsidiary, net of cash acquired (note 8)	(63,109)	-
Other investing activities	14,537	(16,186)
Net cash used in continuing investing activities	(275,555)	(248,448)
Cash flows from financing activities		
Repayment of external debt	-	(112,500)
(Repayment) / receipt of related party debt funding	(575,100)	195,743
Share issuance - IPO (net of transaction costs)	865,366	-
Increase in contributed surplus	231,255	3
Special dividend	(252,981)	-
Interim dividend	(6,562)	-
Distributions to outside equity holders	-	(12,204)
Net cash provided by continuing financing activities	261,978	71,042
Net increase in cash and equivalents	331,564	16,555
Net foreign exchange difference	(278)	(136)
Cash and cash equivalents, net of overdrafts, at 1 January	69,726	53,307
Cash and cash equivalents at 31 December	401,012	69,726

The notes on pages 37 to 51 form an integral part of this financial information.

Notes to the Financial Information

1. GENERAL INFORMATION

African Barrick Gold plc (the “Company”) was incorporated on 12 January 2010 and re-registered as a public limited company on 12 March 2010 under the Companies Act 2006. It is registered in England and Wales with registered number 7123187.

On 24 March 2010 the Company’s shares were admitted to the Official List of the United Kingdom Listing Authority (“UKLA”) and to trading on the main market of the London Stock Exchange, hereafter referred to as the Initial Public Offering (“IPO”).

Barrick Gold Corporation (“BGC”) currently owns approximately 73.9% of the shares of the Company and is the ultimate controlling party of the Group.

In preparation for the IPO, BGC conducted a reorganisation, which was completed on 22 of February 2010, whereby the companies comprising the African Regional Business Unit of BGC were reorganised under the Company (The “Pre-IPO Reorganisation”). As such, prior to 22 February 2010, the Company did not control all of the entities (collectively the “Group”) it acquired pursuant to the Pre-IPO Reorganisation.

The condensed consolidated financial information for the year ended 31 December 2010 was approved for issue by the Board of Directors of the Company on 15 February 2011. The condensed consolidated financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The condensed consolidated financial information is unaudited.

The Group’s primary business is the mining, processing and sale of gold. The Group has four operating mines located in Tanzania. The Group also has a portfolio of exploration projects located across Tanzania.

2. BASIS OF PREPARATION OF THE CONDENSED ANNUAL FINANCIAL STATEMENTS

The financial information set out above does not constitute the Group’s statutory accounts for the year ended 31 December 2010, but is derived from the Group’s full financial accounts, which are in the process of being audited. The Group’s full financial accounts will be prepared under International Financial Reporting Standards as adopted by the European Union, and will be the first financial statements prepared by the Group.

The Company became the holding company for the Group pursuant to the Pre-IPO Reorganisation completed on 22 February 2010, as detailed in Note 1. As this was a reorganisation of businesses under common control, the condensed consolidated financial information for the years ended 31 December 2009 and 31 December 2010 has been prepared on a basis that combines the results and assets and liabilities of each of the companies constituting the Group (the pooling of interest method of accounting).

For the periods prior to the Pre-IPO Reorganisation, consolidated financial statements were not prepared for the Group. The accompanying condensed consolidated financial information presents the results of the Company and its subsidiaries as if the Group has been in existence throughout the period presented and as if the Pre-IPO Reorganisation had occurred as at 1 January 2009.

The condensed consolidated financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments at fair value through profit and loss). The financial statements are presented in US dollars (US\$) and all monetary results are rounded to the nearest US\$’000 except when otherwise indicated.

3. ACCOUNTING POLICIES

The accounting policies set out below are consistent with those used in the African Barrick Gold plc Prospectus except for:

a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard requires the application of the acquisition method of accounting for business combinations. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

As the Group has adopted IFRS 3 (revised), it is required to adopt IAS 27 (revised), 'Consolidated and separate financial statements', at the same time. IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. There has been no material impact of IAS 27 (revised).

Other new standards, amendments and interpretations to existing standards are not relevant to the Group.

b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

- IFRS 9, 'Financial instruments', issued in December 2009, but has not yet been endorsed. This addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.
- Revised IAS 24, 'Related party disclosures', issued in November 2009 and endorsed by the EU on 19 July 2010. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011. Earlier application, in whole or in part, is permitted.
- 'Classification of rights issues' (Amendment to IAS 32), issued in October 2009. For rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment should be applied for annual periods beginning on or after 1 February 2010. Earlier application is permitted.
- 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented.
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. Earlier application is permitted.

c) Contributed surplus

The Company did not exist until 12 January 2010, and did not become the parent company for the Group until 22 February 2010 when the transfer of the members of the Group pursuant to the Pre-IPO Reorganisation was completed. Contributed surplus represents the difference between the cumulative investment in the entities and businesses which form part of the combined African Barrick Gold plc Group and non-controlling interests.

d) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

e) Revenue recognition

Revenue is recognised when persuasive evidence exists that all of the following criteria are met:

- The significant risks and rewards of ownership of the product have been transferred to the buyer;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the sale will flow to the Group; and
- The costs incurred or to be incurred in respect of the sale can be measured reliably.

Gold dore sales

The Group produces gold in dore form. Historically all dore sales were made to Barrick International (Barbados) Corporation ("BIBC"), a related party. From May 2010 onwards gold dore is sold directly to third parties. Revenue from gold dore sales is recognised either at the time of sale to a third party or, in relation to quarter end settlements, at the time of shipment should the Group have received confirmation of sale to the third party. The sales price is based on the gold spot price at the time of sales.

Concentrate sales

Under the terms of concentrate sales contracts with independent smelting companies, gold in concentrate is sold at trailing monthly average spot prices based on contractually obliged quotational periods.

Revenue is recorded, net of selling costs, at the time of shipment, which is also when risk passes to the independent smelting companies, using the contract prices on the expected date that final sales prices will be fixed. Variations between the price recorded at the shipment date and the actual final price set under the smelting contracts are caused by changes in market prices, and result in an embedded derivative in accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue.

Co-products

The Group derives revenue from the sale of copper and silver. Beginning in Q4 2010 these revenues were recorded in revenue as co-products in line with a management decision taken to record it as co-product revenue on a basis of its significance. Comparative figures have been restated and impacts Revenue and Cost of Sales.

Revenue is recorded, net of selling costs, at the time of shipment, which is also when risk passes to the smelting companies, using forward market prices on the expected date that final sales prices will be fixed. Variations between the price recorded at the shipment date and the actual final price set under the smelting contracts are caused by changes in market prices, and result in an embedded derivative in accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue.

f) Employee benefits

The Group operates an equity-settled, share based compensation plan ("Stock Option Plan"), a long term incentive plan ("LTIP") and a legacy restricted share unit plan ("Legacy RSU Plan").

Share based payments

Issue of Stock Options

Stock options can be granted either under a Company LTIP or a Stock Option Plan. The Company receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company may issue new shares or procure the transfer of existing shares to satisfy the exercise. Where shares are issued, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

LTIP

The Company has a cash-settled, Restricted Share Unit (RSU) plan for select employees. Under the terms of the RSU plan, selected employees are granted RSUs where each RSU has a value equal to 1 common share of the Company. RSUs vest over a two and a half or three year period and are settled in cash. Additional RSUs are credited to reflect dividends paid on common shares of the Company during the vesting period. A liability for RSUs is measured at fair value on the grant date and is recognised on a straight-line basis over the vesting period, with a corresponding charge to the compensation expense. Changes in the fair value of the RSU liability, due to changes in the price of common shares of the Company, are recorded each period, with a corresponding charge to the compensation expense. Compensation expenses recognised for RSUs incorporate an estimate for expected forfeiture rates. The expected forfeiture is estimated based on historical forfeiture rates and expectations of future forfeiture rates. Adjustments to compensation expense are recognised in periods where the actual forfeiture rate differs from the expected rate.

Legacy RSU Plan

Historically, the Barrick Group maintained a cash-settled, RSU plan for select employees who now work for the Company. This plan operates in the identical manner to the Company RSU plan. These existing legacy restricted share units will continue to be administered and accounted for based on the movement of the fair value of the Barrick common share for recording liabilities and compensation expense.

g) Comparative figures

Where a change in the presentational format of the condensed consolidated interim financial information has been made during the period, comparative figures have been restated accordingly.

h) Presentation changes

- Revenue

Revenue from the sale of copper and silver is treated as co-product revenue, and included in total revenue in line with a management decision to record it as co-product revenue. Co-product revenue increased by 202% year-on-year. This is different to the Prospectus, where it was treated as by-product revenue as a credit to cost of sales. The change was a result of increased revenue from copper which derived from Buzwagi.

- Restricted share units

Assets relating to restrictive share unit liabilities of US\$7.5 million have been reclassified to the liability. This is different to the Prospectus where the asset was shown separately as part of non-current assets. As this amount has an immaterial impact on the opening position, no opening balance sheet is presented.

- Gains and losses on the translation of foreign currency transactions

Gains and losses on the translation of foreign currency transactions are deemed to be part of other charges. This is different to the Prospectus where it was classified as part of corporate administration.

i) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

4. SEGMENT REPORTING

The Group has only one primary product produced in a single geographic location, being gold produced in Tanzania. In addition the Group produces copper as a co-product. Reportable operating segments are based on the internal reports provided to the Chief Operating Decision Maker ("CODM") to evaluate segment performance, decide how to allocate resources and make other operating decisions. After applying the aggregation criteria and quantitative thresholds contained in IFRS 8, the Group's reportable operating segments were determined to be: North Mara gold mine; Tulawaka gold mine; Bulyanhulu gold mine; Buzwagi gold mine; and a separate Corporate and Exploration segment, which primarily consists of costs related to corporate administration and exploration and evaluation activities ("Other").

Segment results and assets include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant and equipment, inventories and receivables. Capital expenditures comprise additions to property, plant and equipment. Segment liabilities are not reported since they are not considered by the CODM as material to segment performance. The Group has also included segment cash cost on a co-product basis. Segment information for the reportable operating segments of the Group for the years ended, 31 December 2010 and 31 December 2009 is set out below.

2010 reflected as 100%	North Mara	Tulawaka	Bulyanhulu	Buzwagi	Other	Total
Gold revenue	268,762	78,499	327,847	246,194	-	921,302
Co-product revenue	804	148	31,977	20,790	-	53,719
Total Segment revenue¹	269,566	78,647	359,824	266,984	-	975,021
Segment cash costs on a by-product basis ²	103,983	45,450	173,491	156,601	50,296	529,821
Other charges ³	12,743	(5,865)	5,100	14,408	(353)	26,033
EBITDA^{4,5}	152,840	39,062	181,233	95,975	(49,943)	419,167
Depreciation and amortization	28,018	10,622	28,386	39,087	3,402	109,515
EBIT⁴	124,822	28,440	152,847	56,888	(53,345)	309,652
Total segment finance income						1,202
Total segment finance expense						(1,777)
Profit before tax						309,077
Income tax expense						(86,471)
Profit for the year						222,606
Capital expenditure:						
Sustaining	26,217	9,748	71,387	18,844	7,116	133,312
Expansionary	59,043	2,758	357	973	-	63,131
Reclamation asset adjustment	6,182	3,007	8,795	9,964	-	27,948
Total Capital expenditure	91,442	15,513	80,539	29,781	7,116	224,391
Cash costs:						
Segment cash cost on a by-product basis ²	103,983	45,450	173,491	156,601		479,525
Deduct: Co-product revenue	(804)	(148)	(31,977)	(20,790)		(53,719)
Total Cash costs on co-product basis	103,179	45,302	141,514	135,811		425,806
Sold ounces ⁶	218,684	63,909	262,442	198,221		743,256
Cash cost per ounce sold	472	709	539	685		573
Equity ounce adjustment						(4)
Attributable cash cost per ounce sold⁴						569

2009 reflected as 100%	North Mara	Tulawaka	Bulyanhulu	Buzwagi	Other	Total
Gold revenue	204,760	90,446	244,513	153,693	-	693,412
Co-product revenue	753	160	16,669	188	-	17,770
Total Segment revenue¹	205,513	90,606	261,182	153,881	-	711,182
Segment cash costs on a by-product basis ²	107,174	38,757	182,665	65,081	46,630	440,308
Other charges ³	9,511	1,988	19,976	2,581	(12,637)	21,419
EBITDA^{4,5}	88,828	49,861	58,541	86,219	(33,993)	249,456
Depreciation and amortization	25,890	20,935	26,894	16,991	2,640	93,350
EBIT⁴	62,938	28,926	31,647	69,228	(36,633)	156,106
Total segment finance income						361
Total segment finance expense						(6,062)
Profit before tax						150,405
Income tax expense						(84,388)
Profit for the year						66,017
Capital expenditure:						
Sustaining	28,012	2,546	56,694	8,059	389	95,700
Expansionary	17,876	3,655	2,286	87,851	-	111,668
Reclamation asset adjustment	226	1,683	603	13,388	-	15,900
Total Capital expenditure	46,114	7,884	59,583	109,298	389	223,268
Cash costs:						
Segment cash cost on a by-product basis ²	107,174	38,757	182,665	65,081		393,677
Deduct: Co-product revenue	(753)	(160)	(16,669)	(188)		(17,770)
Total Cash costs on co-product basis	106,421	38,597	165,996	64,893		375,907
Sold ounces ⁶	209,495	93,413	255,121	153,682		711,711
Cash cost per ounce sold	508	413	651	422		528
Equity ounce adjustment						5
Attributable cash cost per ounce sold⁴						533

¹Revenue includes the incidental revenue derived from the sale of co-products. Previously co-product revenue was regarded as by-products and included in cost of sales.

²The Chief Decision Maker reviews direct mining costs for the four operating mine sites separately from corporate administration costs and exploration costs. Consequently, the Group has reported these costs in this manner.

³Foreign exchange gains and losses were included in cash operating costs as per the Prospectus. In the analysis above they have been reclassified to other charges.

⁴These are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to 'Non IFRS measures' on page 27 for definitions.

⁵Indirect corporate administration costs on-charged to the sites have been excluded from the individual site's EBITDA and included in Other.

⁶Reflects 100% of ounces sold.

(in thousands of US\$)	For the year ended	
	31 December 2010	2009
Segment assets		
North Mara	603,739	528,667
Tulawaka	104,003	93,612
Bulyanhulu	1,109,740	1,026,668
Buzwagi	724,467	664,383
Other ⁷	385,159	51,898
Total segment assets	2,927,108	2,365,228

⁷During the current year additions of US\$102 million were incurred for the purchase of Tusker Intangible assets and goodwill, net of cash acquired.

5. TAX EXPENSE

(in thousands of US\$)	For the year ended	
	31 December 2010	2009
Current tax:		
Current tax on profits for the year	291	-
Adjustments in respect of prior years	-	-
Total current tax	291	-
Deferred tax		
Origination and reversal of temporary differences	86,180	84,388
Total deferred tax	86,180	84,388
Income tax expense	86,471	84,388

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits of the consolidated entities as follow:

Profit before tax	309,077	150,405
Tax calculated at domestic tax rates applicable to profits in the respective countries	88,186	45,130
Tax effects of:		
Expenses not deductible for tax purposes / (non- taxable income)	(2,908)	3,995
Tax losses for which no deferred income tax asset was recognized	4,347	(2,883)
Prior year adjustments	(2,201)	1,681
Adjustment to unrecognised tax benefits carried forward	-	36,892 ¹
Effect of tax rates in foreign jurisdictions	(63)	(2)
Other	(890)	(425)
Tax charge	86,471	84,388

¹The 2009 reconciliation includes an amount of US\$36.9 million relating to an adjustment made against the amount of unrecognised tax benefits carried forward. The adjustment reflects uncertainty regarding the recoverability of certain tax losses, and gives rise to an increased deferred tax charge.

The tax rate in Tanzania is 30% and in South Africa 28% for both years presented.

6. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of Ordinary Shares in issue during the period.

For the purpose of calculating EPS, the share capital for the Company in the period prior to the Pre-IPO Reorganisation on 22 February 2010 is calculated as if this reorganisation was completed as at 1 January 2009.

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all dilutive potential Ordinary Shares. The Company has dilutive potential Ordinary Shares in the form of stock options. The weighted average number of shares are adjusted for the number of shares granted assuming the exercise of stock options.

At 31 December 2010 and 31 December 2009, earnings per share have been calculated as follows:

(in thousands of US\$)	For the year ended 31 December	
	2010	2009
Earnings		
Profit from continuing operations attributable to equity holders of the Company	218,103	58,577
Weighted average number of Ordinary Shares in issue¹	410,085,499	410,085,499
Adjusted for dilutive effect of:		
- Stock options	18,482	-
Weighted average number of ordinary shares for diluted earnings per share	410,103,981	410,085,499
Earnings per share		
Basic earnings per share from continuing operations (cents)	53.2	14.3
Dilutive Earnings per share from continuing operations (cents)	53.2	14.3

¹The prior year basic earnings per share comparative were calculated using the 2010 number of average weighted shares as the Company was not incorporated in the prior year, and thus had no share capital.

7. TRADE AND OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	For the year ended 31 December	
	2010	2009
Trade and other receivables:		
Amounts due from concentrate sales	46,491	16,219
Other receivables ¹	11,621	9,662
Due from related parties	2,131	37,518
Less: Provision for doubtful debt on other receivables	(1,029)	(1,801)
Total trade and other receivables	59,214	61,598
 (in thousands of US\$)		
Other current assets:		
Current portion of indirect tax receivables ²	58,048	51,339
Other debtors and advance payments	12,055	6,142
Insurance receivable	325	830
Total other current assets	70,428	58,311

¹Other receivables relate to employee and supplier back charge related receivables.

²The total indirect tax receivable is US\$121.2million of which US\$63.2million is included in non-current assets. This receivable is due from the Tanzanian Revenue Authority and it is anticipated to be offset against future corporation tax payments. To reflect the time value of money the long term portion of this receivable has been discounted at a rate of 5.7%.

8. BUSINESS COMBINATIONS

On 27 April 2010, the Company, through BUK Holdco Limited, one of its immediate subsidiaries, purchased 100% of the issued share capital of Tusker Gold Limited ("Tusker") by way of a takeover offer for an aggregate net consideration of approximately US\$74 million. Tusker is an Australian based exploration company with a focus on gold. Tusker was listed on the Australian Stock Exchange but was delisted from the Exchange as part of the acquisition. All of Tusker's assets are located in Tanzania and consist of a significant gold resource base and additional exploration ground.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(in thousands of US\$)	2010
- Purchase consideration	74,232
- Foreign exchange gain on cash settlement recognised in other charges	(3,109)
Total purchase consideration	71,123

The assets and liabilities as of 27 April 2010 recognised as a result of the acquisition are as follows:

(in thousands of US\$)	Fair value	Acquiree's carrying amount
Cash and cash equivalents	8,014	8,014
Property, plant and equipment	115	115
Exploration and evaluation asset	79,533	5,740
Receivables	314	314
Deferred taxation liability	(22,023)	-
Payables	(4,048)	(884)
Stock options	(9,696)	(9,696)
Fair value of net assets	52,209	3,603
Goodwill	22,023	
Total purchase consideration	74,232	
Purchase consideration		74,232
Foreign gain on cash settlement recognised in other charges		(3,109)
Cash and cash equivalent in subsidiary acquired		(8,014)
Net cash outflow on acquisition		63,109

The goodwill is attributable to deferred taxation liability generated due to the difference between the fair value of the exploration and evaluation asset and the book value thereof for taxation purposes. None of the goodwill is expected to be deductible for tax purposes. The fair value of the acquired identifiable intangible assets, goodwill and deferred tax liability are provisional pending receipt of the final valuations for those assets.

Acquisition costs incurred relating to the Tusker acquisition amounted to US\$0.4 million which was all expensed as incurred.

Cancellation of Options

A total of 12,450,000 stock options were held by Tusker directors and employees at the time of the acquisition. The holders of all options irrevocably agreed to cancel their options in exchange for a consideration of US\$8.1 million, which formed part of the consideration.

On 31 December 2009 Tusker announced that it had appointed Argonaut Securities Ltd to provide assistance with any future capital raisings. Based on the terms of the arrangement, Argonaut will be remunerated for its services by Tusker agreeing to issue Argonaut with 2 million options with an exercise price of 30c, 2 million options with an exercise price of 50c and a further 4 million options with an exercise price of 80c. The Argonaut agreement was cancelled in exchange for payment of an amount of US\$1.6 million.

Expenses

The acquired business contributed expenses of US\$765,822 to the Group for the period from 30 April 2010 to 31 December 2010. If the acquisition had occurred on 1 January 2010, consolidated profit for the year ended 31 December 2010 would have been US\$2.7 million. These amounts have been calculated using the Group's accounting policies.

9. PROPERTY PLANT AND EQUIPMENT

For the year ended 31 December 2010 (in thousands of US\$)	Plant and equipment	Mineral properties and mine development costs	Assets under construction¹	Total
At January 1, 2010, net of accumulated depreciation	784,122	625,030	88,920	1,498,072
Additions	-	-	224,391	224,391
Disposals/write-downs	(273)	-	-	(273)
Depreciation	(45,839)	(61,233)	-	(107,072)
Transfers between categories	58,989	130,037	(189,026)	-
At December 31, 2010	796,999	693,834	124,285	1,615,118
At January 1, 2010				
Cost	1,067,766	875,242	88,920	2,031,928
Accumulated depreciation	(283,644)	(250,212)	-	(533,856)
Net carrying amount	784,122	625,030	88,920	1,498,072
At December 31, 2010				
Cost	1,125,072	1,005,279	124,285	2,254,636
Accumulated depreciation	(328,073)	(311,445)	-	(639,518)
Net carrying amount	796,999	693,834	124,285	1,615,118

9. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

For the year ended 31 December 2009 (in thousands of US\$)	Plant and equipment	Mineral properties and mine development costs	Assets under construction¹	Total
At January 1, 2009, net of accumulated depreciation	365,067	587,642	430,406	1,383,115
Additions	-	-	223,268	223,268
Disposals/write-downs	(1,342)	-	-	(1,342)
Depreciation	(72,297)	(34,672)	-	(106,969)
Transfers between categories	492,694	72,060	(564,754)	-
At December 31, 2009	784,122	625,030	88,920	1,498,072
At January 1, 2009				
Cost	578,457	803,182	430,406	1,812,045
Accumulated depreciation	(213,390)	(215,540)	-	(428,930)
Net carrying amount	365,067	587,642	430,406	1,383,115
At December 31, 2009				
Cost	1,067,766	875,242	88,920	2,031,928
Accumulated depreciation	(283,644)	(250,212)	-	(533,856)
Net carrying amount	784,122	625,030	88,920	1,498,072

¹ Assets under construction represents (a) sustaining capital expenditures incurred constructing tangible fixed assets related to operating mines and advance deposits made towards the purchase of tangible fixed assets; and (b) expansionary expenditure allocated to a project on a business combination or asset acquisition, and the subsequent costs incurred to develop the mine. Once these assets are ready for their intended use, the balance is transferred to plant and equipment, and/ or mineral properties and mine development costs.

10. SHARE CAPITAL

	Number	£ '000	Share capital	Share premium
			US\$'000	US\$'000
At 12 January 2010	1	-	-	-
Issuance of Ordinary Shares to BGC	303,246,949	30,325	45,796	-
Issuance of shares on IPO	101,082,317	10,108	15,415	870,950
Issuance of over-allotment shares	5,756,232	576	886	50,085
Transaction costs	-	-	-	(53,933)
At 31 December 2010	410,085,499	41,009	62,097	867,102

Creation of Company and Pre-IPO Reorganisation

The Company was incorporated and registered in England and Wales on 12 January 2010 as a private limited company with a share capital of one Ordinary Share of £1.

On 19 February 2010 the Company entered into a share exchange agreement pursuant to which it acquired the entire issued share capital of BUK Holdco Ltd, an intermediate holding company of members of the Group, from members of BGCs Group in return for issuing 943,464 Ordinary Shares of £1 each at a premium of £999 per share.

On 22 February 2010 the Company entered into a share exchange agreement pursuant to which it acquired the entire issued share capital of 1816962 Ontario Inc from BGC, an intermediate holding company of members of the Group, in return for issuing 375,000 Ordinary Shares of £1 each at a premium of £999 per share.

The Company subsequently entered into a reduction of capital, eliminating share premium of US\$1,989,138 to create distributable reserves, and restructured its share capital so as to reduce the nominal value of each of its Ordinary Shares to 10 pence each. Following the share capital restructuring the Company made a bonus issue of shares to its then existing shareholders in preparation for the IPO, resulting in a total of 303,246,950 Ordinary Shares being in issue prior to the IPO.

Re-registration of the company as a public company

On 12 March 2010, the Company re-registered as a public limited company.

Issuance of shares on IPO

On 24 March 2010 the Company successfully completed its IPO. A total number of 101,082,317 shares with a par value of 10 pence each were issued at a price of 575 pence per share for a total of £581,223,322 (US\$886,365,567) net of underwriter fees. On 15 April 2010 the Company issued a further 5,756,232 Ordinary Shares at a price of 575 pence per share for a total of £33,098,334 (US\$52,275,508) pursuant to the exercise of the over-allotment option granted in connection with the IPO. Total costs related to the issuance of new shares taken against share premium amounted to US\$53.9 million.

11. COMMITMENTS AND CONTINGENCIES

The Group is subject to various laws and regulations which, if not observed, could give rise to penalties. As at 31 December 2010, the Group has the following commitments and/ or contingencies

a) Legal contingencies

As at 31 December 2010, the Group was a defendant in approximately 240 lawsuits. The plaintiffs are claiming damages and interest thereon for the loss caused by the Group due to one or more of the following: unlawful eviction, termination of services, wrongful termination of contracts of service, non payment for services, defamation, negligence act or omission in failing to provide safe working environment, unpaid overtime and public holidays compensation.

The total amounts claimed from lawsuits in which specific monetary damages are sought amounted to US\$44 million. The Group's Legal Counsel is defending the Groups' current position, and the outcome which is not certain. However, in the opinion of the Directors and Group's Legal Counsel, no material liabilities are expected to materialise from these lawsuits. Consequently no provision has been set aside against the claims in the books of account.

b) Tax related contingencies

- i. On 26 October 2009, the TRA issued a demand notice against the Group for an amount relating to withholding tax on technical services provided to Bulyanhulu Gold Mine Ltd. The claim amounts to US\$ 5.355 million. Management is of the opinion that the Group complied with all of the withholding tax requirements, and that there will be no amount payable. Therefore no provision has been raised.
- ii. The TRA has issued a number of tax assessments to the Group relating to past taxation years from 2002 onwards. The Group believes that these assessments are incorrect and has filed objections to each of

them. The Group is attempting to resolve these matters by means of discussions with the TRA. Management is of the opinion that this will not result in any material liabilities to the Group.

c) Exploration and Development Agreement

Pursuant to an agreement with the Government of the United Republic of Tanzania, entered into in 1996 the Group was issued a mining licence for the Nyabigena, Nyabirama and Gokona concessions in the Nyamongo region, North Mara in Tanzania. The agreement requires the Group to pay to the Government of Tanzania annual rents of US\$1,500 per annum per square kilometer, for as long as the Group holds the mining licence. The total commitment for 2010 based on mineral licences held as at 31 December 2009 is US\$0.17 million.

d) Purchase Commitments

At December 31, 2010, the Group had purchase obligations for supplies and consumables of approximately US\$ 64 million (2009: US\$56 million).

e) Capital Commitments

In addition to entering into various operational commitments in the normal course of business, the Group entered into the following commitments for construction activities for capital projects.

(in thousands of US\$)	For the year ended 31 December	
	2010	2009
Contracted capital expenditure	29,323	29,460
Total	29,323	29,460

12. SUBSEQUENT EVENTS

A dividend in respect of the year ended 31 December 2010 of US\$ 3.7 cents per share, amounting to a total dividend of US\$5.3 cents per share for 2010, is to be proposed at the Annual General Meeting on 21 April 2011. These financial statements do not reflect this dividend payable.

Reserves and Resources

Mineral reserves and mineral resources estimates contained in this report have been calculated as at 31 December 2010 in accordance with National Instrument 43-101 as required by Canadian securities regulatory authorities, unless otherwise stated. Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions were followed for mineral reserves and resources. Calculations have been reviewed, verified (including estimation methodology, sampling, analytical and test data) and compiled by ABG's Personnel under the supervision of ABG's Qualified Persons: Nic Schoeman, Director of Technical Services, Richard Adofo, Corporate Manager, Geology and Robert Van der Westhuizen, Corporate Mine Planning Manager.

Mineral reserves have been calculated using an assumed long-term average gold price of \$US 1000 per ounce, a silver price of US\$ 16.00 per ounce, a copper price of US\$ 2.00 per pound. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property. Mineral Resources have been calculated using an assumed long-term average gold price of US\$ 1200 per ounce, a silver price of US\$ 19.00 per ounce and a copper price of US\$ 2.50 per pound. Resources have been estimated using varying cut-off grades, depending on both the type of mine or project, its maturity and ore types at each property. Reserve estimates are dynamic and are influenced by changing economic conditions, technical issues, environmental regulations and any other relevant new information and therefore these can vary from year to year. Resource estimates can also change and tend to be influenced mostly by new information pertaining to the understanding of the deposit and secondly the conversion to ore reserves. In addition, estimates of inferred mineral resources may not form the basis of an economic analysis and it cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, investors are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded into mineral reserves.

Tulawaka mineral reserves and resources are stated as ABG's 70% attributable portion.

The Nyanzaga mineral reserves and mineral resources estimates contained in this report are based on the inferred resource declaration made by Tusker Gold Limited in June 2009, which was calculated in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 edition.

Mine Gold Reserves & Resources

		2010			2009		
		Tonnes	Grade Au	Ounce	Tonnes	Grade Au	Ounce
		(000's)	(g/t)	(000's)	(000's)	(g/t)	(000's)
Bulyanhulu	Proven and probable	29,342	11.687	11,026	25,066	12.806	10,320
	Mineral Resource	11,062	8.096	2,879	10,297	10.829	3,585
	Inferred	8,814	11.804	3,345	6,679	14.712	3,159
Buzwagi	Proven and probable	55,582	1.619	2,892	65,873	1.606	3,401
	Mineral Resource	18,079	0.971	564	18,664	1.154	692
	Inferred	6,284	1.215	246	6,692	1.245	268
North Mara	Proven and probable	27,623	3.194	2,836	28,944	3.169	2,949
	Mineral Resource	18,638	3.059	1,833	7,992	3.351	861
	Inferred	1,859	1.893	113	1,312	2.822	119
Tulawaka (70%)	Proven and probable	320	6.527	67	368	7.913	94
	Mineral Resource	518	5.405	90	174	5.785	32
	Inferred	94	4.976	15	0.6	17.837	0.3
Total	Proven and probable	112,867	4.636	16,821	120,251	4.336	16,764
	Mineral Resource	48,297	3.456	5,367	37,127	4.332	5,170
	Inferred	17,052	6.783	3,719	14,684	7.512	3,547

Exploration Property Gold Reserves & Resources

		Tonnes	Grade Au	Ounce	Tonnes	Grade Au	Ounce
		(000's)	(g/t)	(000's)	(000's)	(g/t)	(000's)
Nyanzaga	Proven and probable	-	-	-	-	-	-
	Mineral Resource	2,781	3.500	313	1,377	3.614	160
	Inferred	7,690	2.630	650	3,978	2.596	332

Contained Copper Reported within Gold Reserves & Resources

		Tonnes	Grade Cu	Pounds	Tonnes	Grade Cu	Pounds
		(000's)	(%)	(000's)	(000's)	(%)	(000's)
Bulyanhulu	Proven and probable	29,342	0.662	428,346	25,066	0.696	384,597
	Mineral Resource	11,062	0.541	131,887	10,297	0.664	150,620
	Inferred	8,738	0.745	143,550	6,619	0.879	128,288
Buzwagi	Proven and probable	51,569	0.125	141,687	65,873	0.116	169,071
	Mineral Resource	18,079	0.082	32,828	18,664	0.097	39,783
	Inferred	6,284	0.080	11,019	6,692	0.086	12,757
Total	Proven and probable	80,911	0.320	570,033	90,939	0.276	553,668
	Mineral Resource	29,140	0.256	164,715	28,961	0.298	190,403
	Inferred	15,023	0.467	154,569	13,311	0.481	141,045

Contained Silver Reported within Gold Reserves & Resources

		Tonnes	Grade Ag	Ounce	Tonnes	Grade Ag	Ounce
		(000's)	(g/t)	(000's)	(000's)	(g/t)	(000's)
Bulyanhulu	Proven and probable	29,342	9.340	8,812	25,066	9.863	7,949
	Mineral Resource	11,062	7.251	2,579	10,297	9.238	3,058
	Inferred	8,738	10.273	2,886	6,619	12.014	2,557