



**LSE: ABG**

**Third Quarter Report for the three months ended 30 September 2011  
20 October 2011**

Based on International Financial Reporting standards ("IFRS") and expressed in US Dollars

**African Barrick Gold plc ("ABG") reports third quarter results  
→ Production up 11%YoY and net profit exceeds \$100 million**

**Financial Highlights**

- Net profit of \$102 million for the quarter, up 156% year-on-year, with an EPS of 24.9 cents
- Revenue increased by 61% to \$354 million for the quarter
- Average realised gold price at record levels of \$1,774 per ounce, up 44% year-on-year
- Cash margin per ounce sold up 76% at \$1,087 per ounce
- EBITDA of \$184 million for the quarter, up 106% on Q3 2010
- Operational cash flow of \$153 million, an increase of 145% on Q3 2010
- Net cash position of \$525 million as at 30 September 2011

**Operational Highlights**

- Attributable gold production of 182,401 ounces, 11% higher than Q3 2010
- Throughput improvements at Buzwagi and Bulyanhulu driving production growth
- Targeted production improvements achieved at Buzwagi following process plant investments
- Cash costs of \$687 per ounce, up 12% year-on-year
- Tulawaka mine life extended to the end of 2012
- Continued progress at our other organic growth projects and further positive drilling results at the Nyanzaga project
- Launch of Maendeleo Fund for community development in Tanzania with an annual commitment of \$10 million

**African Barrick Gold plc**

	Three months ended			Nine months ended		
	30 September 2011	30 September 2010	% change	30 September 2011	30 September 2010	% change
<b>(Unaudited)</b>						
Attributable Gold Production (ounces) <sup>1</sup>	182,401	164,996	11%	528,258	521,204	1%
Attributable Gold Sold (ounces) <sup>1</sup>	183,588	164,687	11%	540,670	522,786	3%
Attributable Cash cost (\$/ounce) <sup>2</sup>	687	615	12%	666	556	20%
Average realised gold price (\$/ounce) <sup>2</sup>	1,774	1,233	44%	1,567	1,180	33%
<i>(in \$'000 except per share figures)</i>						
Revenue <sup>3</sup>	354,330	219,610	61%	932,717	665,499	40%
EBITDA <sup>2</sup>	184,252	89,263	106%	429,179	285,516	50%
Cash generated from operating activities	152,568	62,171	145%	338,702	219,836	54%
Net profit attributable to owners	102,080	39,868	156%	222,213	139,098	60%
Basic earnings per share (EPS) (cents)	24.9	9.7	156%	54.2	33.9	60%

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

<sup>2</sup> Cash costs per ounce sold, average realised gold price and EBITDA are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to "Non-IFRS measures" on page 19 for the definitions of each measure.

<sup>3</sup> Based on restated revenue to include sales of co-products in 2010.

Commenting on the results, CEO Greg Hawkins said: "We are reporting a strong operational performance which combined with a high gold price has delivered excellent financial results in the quarter and cash margins in excess of \$1,000 per ounce. This has led to EBITDA of \$184 million and record net profit of \$102 million. We expect to be within our existing production guidance for the full year, although due to industry-wide cost pressures we have increased our cash cost guidance to \$675-700 per ounce sold."

For further information, please visit our website: [www.africanbarrickgold.com](http://www.africanbarrickgold.com) or contact:

### **African Barrick Gold plc**

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### **About ABG**

ABG is Tanzania's largest gold producer and one of the five largest gold producers in Africa. We have four producing mines, all located in North West Tanzania, and several exploration projects at various stages of development. With a high-quality asset base, solid growth opportunities and a clear strategy, we have the objective of increasing our existing production to one million ounces per year by 2014.

We aim to achieve this by:

- driving operating efficiencies to optimise production from our existing asset base;
- growing through near mine expansion and development of advanced-stage projects; and
- organic greenfield growth and acquisitions in Africa.

Maintaining our licence to operate through acting responsibly in relation to our people, the environment and the communities in which we operate is central to achieving our objectives.

ABG is a UK public company with its headquarters in London. We are listed on the Main Market of the London Stock Exchange under the symbol ABG. Historically and prior to our initial public offering (IPO), our operations comprised the Tanzanian gold mining business of Barrick Gold Corporation (Barrick), our majority shareholder. ABG reports in US dollars in accordance with IFRS as adopted by the European Union, unless otherwise stated in this report.

### **Conference call**

A conference call will be held for analysts and investors on 20 October 2011 at 13.00 London time. A dial in facility will be available as follows:

Participant dial in: +44 (0) 203 003 2666  
Password: ABG Q3

There will be a replay facility available until 27 October 2011. Access details are as follows:

Replay number: +44 (0) 208 196 1998  
Replay PIN: 2786470#

### **FORWARD LOOKING STATEMENT**

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,' 'expects,' '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, risk 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.

**Key statistics****African Barrick Gold plc****Operating results**

(Unaudited)	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
Tonnes mined (thousands of tonnes)	11,847	10,606	34,507	30,222
Ore tonnes mined (thousands of tonnes)	2,133	1,653	5,355	5,879
Ore tonnes processed (thousands of tonnes)	2,068	1,893	5,681	5,683
Process recovery rate (percent)	87.7%	86.2%	87.9%	85.9%
Head grade (grams per tonne)	3.1	3.1	3.3	3.3
Attributable gold production (ounces) <sup>1</sup>	182,401	164,996	528,258	521,204
Attributable gold sold (ounces) <sup>1</sup>	183,588	164,687	540,670	522,786
Copper production (thousands of pounds)	4,177	3,296	11,986	10,333
Copper sold (thousands of pounds)	3,964	3,033	11,846	8,766
Cash cost per tonne milled <sup>2</sup>	61	55	63	53
Per ounce data				
Average spot gold price <sup>3</sup>	1,702	1,227	1,534	1,178
Average realised gold price <sup>2</sup>	1,774	1,233	1,567	1,180
Cash cost per ounce sold <sup>2</sup>	687	615	666	556
Amortisation and other costs per ounce <sup>2</sup>	178	168	174	150
Total production costs per ounce sold <sup>2</sup>	865	783	840	706
Cash Margin <sup>2</sup>	1,087	618	901	624
Average realised copper price (\$/lb)	3.68	3.18	4.01	3.33

**Financial results**

(in \$'000)

Revenue <sup>4</sup>	354,330	219,610	932,717	665,499
Cost of sales <sup>4</sup>	(182,020)	(143,704)	(526,659)	(413,772)
Gross profit	172,310	75,906	406,058	251,727
Corporate administration	(13,905)	(9,596)	(34,430)	(26,353)
Exploration and evaluation costs	(6,871)	(6,020)	(22,950)	(8,610)
Social development expenditure <sup>6</sup>	(3,884)	(385)	(5,257)	(1,110)
Other charges <sup>6</sup>	2,947	1,322	(11,252)	(11,176)
Profit before net finance cost	150,597	61,227	332,169	204,478
Finance income	361	318	1,171	1,028
Finance expense	(2,195)	(606)	(6,317)	(1,329)
Profit before taxation	148,763	60,939	327,023	204,177
Taxation expense	(43,298)	(20,007)	(97,329)	(63,042)
Net profit	105,465	40,932	229,694	141,135
<b>Attributed to:</b>				
- Non-controlling interests	3,385	1,064	7,481	2,037
- Owners of the parent (net earnings)	102,080	39,868	222,213	139,098

**Other Financial information**

(in \$'000 except per share figures)

Cash and cash equivalents	525,287	344,444	525,287	344,444
Cash generated from operating activities	152,568	62,171	338,702	219,836
Capital Expenditure <sup>5</sup>	109,508	60,567	228,174	147,063
EBITDA <sup>2</sup>	184,252	89,263	429,179	285,516
Basic Earnings per share (cents)	24.9	9.7	54.2	33.9
Operational cash flow per share	37.1	15.1	82.5	53.5
Equity	2,743,005	2,462,942	2,743,005	2,462,942

<sup>1</sup> Production and sold ounces reflect equity ounces which exclude 30% of Tulawaka's production base.<sup>2</sup> Cash cost per tonne milled, average realised gold price, cash cost per ounce sold, amortisation and other costs per ounce, total production cost per ounce sold, EBITDA and cash margin are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to "Non IFRS measures" on page 19 for definitions.<sup>3</sup> Reflects the London PM fix price.<sup>4</sup> Restated to reflect the inclusion of co-product sales in revenue.<sup>5</sup> Excludes acquisition of Tusker Gold Limited in the prior year and includes non-cash reclamation asset adjustments.<sup>6</sup> Restated to reflect social development expenditure previously included in other charges separately.

## Operating update for the three months ended 30 September 2011

Attributable gold production for the quarter totalled 182,401 ounces, an 11% increase compared to 164,996 ounces in the corresponding quarter of 2010. This was primarily driven by Buzwagi, where improved head grade, throughput and mill recovery contributed to increased production when compared to the prior year period, when production was negatively impacted by various operational issues. Bulyanhulu and Tulawaka also outperformed the corresponding quarter of 2010, while the ongoing waste stripping programme at North Mara saw an expected decline in head grade and hence ounces produced. On a year to date basis, production of 528,258 ounces is higher than in 2010, with the increases at Bulyanhulu, Buzwagi and Tulawaka largely offset by the expected reduction at North Mara.

Tonnes mined for the quarter were 11.8 million compared with 10.6 million in the corresponding quarter of 2010. The increase was primarily derived from Buzwagi, with North Mara also contributing to the increased tonnes mined due to the continued waste stripping focus in the Gokona and Nyabirama pits. The year to date tonnes mined were 34.5 million, an increase of 14% compared to the prior year of 30.2 million.

The average head grade for the quarter of 3.1 grams per tonne was in line with the prior year period. Increased grades delivered from higher grade areas at Tulawaka underground and Buzwagi open pit were offset by lower grades from Bulyanhulu and North Mara due to mine sequencing which resulted in the mining of lower grade areas. Year to date the grade of 3.3 grams per tonne is also in line with the prior year period.

Process recovery for the quarter of 87.7% was 1.5% higher than the prior year period, mainly due to process improvements at Buzwagi and the increased head grade at Tulawaka resulting in higher recoveries. The process recovery for the year to date of 87.9% has increased by 2% over the corresponding period of 2010.

Copper production for the quarter of 4.2 million pounds was 27% higher than the 3.3 million pounds in the corresponding quarter of 2010. On a year to date basis copper production amounted to 12.0 million pounds compared to the 10.3 million pounds in the prior year with the increase primarily driven by increased production from Buzwagi.

Cash costs for the quarter were \$687 per ounce sold, 12% higher than the corresponding quarter of 2010. The year to date cash cost of \$666 per ounce sold is 20% higher than the prior year of \$556 per ounce sold. The positive impact of a higher production base and increased co-product revenue has only partially offset general industry cost pressures reflected in direct mining expenditure and higher sales related costs. This has been particularly evident in our labour costs, where we have also invested in further capacity, in our energy costs, where increased oil prices were coupled with increased diesel back-up usage as a result of unreliable grid power, and in contracted services, where there is significant competition for resources. Increased sales related costs, mainly due to increased selling prices but also as a result of volume increases, and lower capitalised costs have also impacted cash costs. We continue to focus on a range of initiatives to contain the pressures evident across our cost base.

## Financial review

Revenue for the quarter amounted to \$354.3 million, an increase of 61% compared to \$219.6 million for the corresponding quarter of 2010. This was driven by a record realised gold price of \$1,774 per ounce as well as increased sales ounces. Co-product revenues, which are included in total revenues, were \$17.5 million compared to the prior year period of \$10.8 million. The increase was driven by a combination of increased volumes sold and increased prices. Realised copper prices for the quarter amounted to \$3.68 per pound against \$3.18 in the prior year.

Revenue on a year to date basis totalled \$932.7 million compared to \$665.5 million in 2010, an increase of 40%. Co-product revenue included in this total amounted to \$56.4 million compared to \$32.9 million in the prior year. The increase in revenue has predominantly been price driven, which can be directly attributed to record gold prices in the market place during 2011. Our cash margin per ounce of gold sold increased to \$1,087 per ounce for the quarter, a 76% increase from \$618 per ounce for the corresponding quarter of 2010. The cash margin achieved year to date amounts to \$901 per ounce, 44% higher than 2010 which amounted to \$624 per ounce.

EBITDA for the quarter was \$184.3 million, an increase of 106% compared to \$89.3 million in the corresponding quarter of 2010, driven by the increase in revenue which was partially offset by higher cash costs, increased exploration, increased corporate administration costs and increased social development expenditure. EBITDA for the nine months of 2011 was \$429.2 million, 50% higher than the corresponding period in 2010.

Other charges in the quarter amounted to a gain of \$2.9 million and were predominantly driven by the mark-to-market revaluation of copper and silver hedges which resulted in a gain of \$7.9 million as a result of the decline in copper prices. This was in part offset by one-time adjustments relating to indirect tax and other receivables.

As a result, our attributable net profit for the quarter amounted to \$102.1 million compared to \$39.9 million in the corresponding quarter of 2010. This represented basic EPS of 24.9 cents for the quarter compared to 9.7 cents for the corresponding quarter of 2010. This was impacted by increased depreciation due to the higher fixed asset base and increased production, increased finance expenses associated with the revolving credit facility, which was put in place in Q4 2010 and an increased tax expense

as a result of the higher earnings base. Net profit on a year to date basis totalled \$222.2 million while EPS amounted to 54.2 cents.

Capital expenditure incurred for the quarter was \$109.5 million compared to \$60.6 million in the prior year period. The increase for the quarter can be attributed to a number of key investment projects, including \$7.6 million for 5 MW spinning power and \$12.8 million for 16 MW of further back-up power generation at Buzwagi under a finance lease purchase, \$8.6 million for underground development costs at Bulyanhulu, \$8.1 million on the gold plant expansion, \$8.1 million of capitalised waste stripping at North Mara and non-cash reclamation adjustments of \$22.3 million. Year to date capital expenditure for 2011 amounted to \$228.2 million including a non-cash reclamation adjustment of \$24.5 million predominantly due to the impact of lower yields for US treasury bonds during Q3 impacting the discount rate used and updates in security cost assumptions. This compared to capital expenditure of \$147.1 million in the prior year which included a \$12.4 million non-cash reclamation adjustment.

Cash flow generated from operations was \$152.6 million for the quarter compared to \$62.2 million in the corresponding quarter of 2010 and net cash was \$525.3 million at the end of the quarter. Operational cash flow per share amounted to 37.1 cents, 145% higher than the prior year period of 15.1 cents. The increase is attributable to increased EBITDA offset by working capital outflows of \$25.1 million. The working capital outflows related to an increase in supplies on hand, concentrate receivables and ore stockpiles which were partially offset by an increase in payables due to timing. Operational cash flow for the year to date amounted to \$338.7 million compared to \$219.8 million in 2010, an increase of 54%.

#### **Other developments:**

##### Indirect tax settlement

During the quarter we have signed a Memorandum of Settlement with the Tanzanian Revenue Authority (TRA), which has now been submitted to the Treasury for review, to address the treatment of certain outstanding indirect tax refunds in respect of fuel levies and value added taxation. The terms of the Memorandum of Settlement allow ABG to offset income tax payable against outstanding refunds for VAT and fuel levies. As a result of these changes, Tulawaka and Buzwagi will effectively be treated as two separate entities for tax purposes, with effect from 2007. This has resulted in Tulawaka having a \$37 million corporate tax liability, as at 31 December 2010, which is offset against amounts owed to ABG, leaving a net receivable of \$81.8 million. Going forward, the TRA has agreed that an escrow account will be used with regular reconciliations in order to prevent future fuel tax receivables accruing.

We believe that agreeing to offset the amounts owed demonstrates our flexibility with respect to our tax status, for the benefit of all of our stakeholders.

##### North Mara licence update

As previously communicated, the mining licence at North Mara was due for renewal in September. All necessary documentation for the renewed application has been submitted, however, we are still awaiting the formation of a Mining Advisory Board by the Ministry of Energy & Minerals for the purpose of granting a final approval of the application. Under the terms of the applicable mining legislation North Mara's existing licence continues to operate until the application is determined, and therefore mining activity is currently able to continue without disruption. We continue to liaise with the relevant government departments in order to advance the process.

##### Maendeleo Community Investment Fund

In September 2011, we launched the Maendeleo Fund, a community development fund with a \$10 million annual commitment, and a mandate to centrally coordinate and govern our community investment programmes across Tanzania. The Fund significantly expands our existing commitment to community development in Tanzania and will serve as a focal point for future initiatives. Maendeleo Fund investments will focus on community development, health, education, environment, water projects, skills and training programmes, and will include support to non-governmental organisations with demonstrated capacity to deliver on community development initiatives. The Fund will also finance various philanthropic initiatives, sponsorships and partnerships.

##### Power supply

The Tanzanian power network remains under considerable strain due to its significant reliance on hydro power generation and increasing industrial demand. To ensure reliable power to the mine sites we are continuing to upgrade our back-up power capability and have agreed to purchase a further 16 MW of diesel powered generators under a finance lease programme for a cost of \$12.8 million, to fully back-up the Buzwagi process plant. This capacity will be installed in the coming months. We continue to work with TANESCO, the national power utility, to seek to improve quality and reliability of electricity supply to our operations.

## Madaba Royalty

We have agreed to purchase the royalty at Buzwagi from Madaba Minerals, a local Tanzanian company, for a consideration of \$3.5 million in order to simplify the structure of the cash flows from the mine.

## Outlook

Production performance across our operations during 2011 continues to be in line with our expectations, as a result of which we maintain our production guidance for the year of 700,000-760,000 ounces of gold. As highlighted above, the strong fundamentals for the gold industry, evident in the margin expansion we have seen, have led to a range of cost pressures across our operations which have exceeded our expectations at the start of the year. As a result, we now expect our 2011 total cash costs to be in the range of \$675-700 per ounce of gold.

## Mine site summary

<b>Bulyanhulu</b>		Three months ended		Nine months ended	
		30 September		30 September	
(Unaudited)		2011	2010	2011	2010
Underground ore tonnes hoisted	Kt	257	213	795	683
Ore milled	Kt	276	205	815	682
Head grade	g/t	7.7	9.7	8.3	9.4
Mill recovery	%	91.1%	93.2%	91.1%	92.4%
Ounces produced	oz	62,064	59,398	197,601	191,254
Ounces sold	oz	63,044	55,673	204,849	177,657
Cash cost/ounces sold	\$/oz	617	551	590	544
Cash cost per tonne milled	\$/t	141	150	148	142
Copper production	Klbs	1,833	1,920	6,058	5,858
Copper sold	Klbs	1,789	1,758	5,930	5,097
Capital expenditure	\$(000)	30,898	24,338	65,667	57,127

Gold production at **Bulyanhulu** for the quarter was 62,064 ounces, a 4% increase over the prior year period. This increase was primarily driven by increased ore tonnes hoisted and improved mill throughput, offset by a decrease in head grade. The reduced grade was as a result of mine sequencing which resulted in the mining of lower grade areas combined with a lower contribution from some higher grade zones exacerbated by blockages in the paste fill lines. Mill recovery was also lower at 91.1% as a result of the lower head grade. Year to date production for 2011 is 3% higher at 197,601 ounces compared to 191,254 ounces for the comparable period in 2010. This has been driven by a focus on increasing the tonnes hoisted as well as increased plant efficiencies resulting in higher mill throughput.

Cash costs for the quarter were \$617 per ounce sold, 12% higher than the prior period of \$551. The main drivers of this increase were labour costs where there was an increase in staffing levels together with salary increases, energy costs, maintenance costs and general administrative costs, particularly warehousing and logistics. These were partially offset by higher copper revenue from higher average realised prices. The increased milling activity for the quarter saw the cost per tonne milled decrease to \$141 when compared to \$150 in the prior year period. Year to date cash costs were \$590 per ounce compared to \$544 per ounce in the prior period, whilst year to date cash cost per tonne milled was \$148 compared to the prior year of \$142.

Capital expenditure for the quarter was \$30.9 million, 27% greater than the prior year period (\$24.3 million). Underground development costs amounted to \$8.6 million while a further \$5.2 million was spent on mine equipment purchases. Non-cash reclamation adjustments amounted to \$6.5 million. Year to date capital expenditure amounted to \$65.7 million compared to \$57.1 million in the prior year.

## Mine site summary

North Mara		Three months ended		Nine months ended	
		30 September		30 September	
(Unaudited)		2011	2010	2011	2010
Tonnes mined	Kt	5,826	5,493	18,216	15,137
Ore tonnes mined	Kt	757	567	1,705	2,014
Ore milled	Kt	797	757	2,297	2,095
Head grade	g/t	2.2	2.6	2.2	2.9
Mill recovery	%	80.6%	81.4%	81.1%	82.3%
Ounces produced	oz	45,526	52,443	129,128	157,974
Ounces sold	oz	44,975	53,328	130,625	161,384
Cash cost/ounces sold	\$/oz	753	472	793	476
Cash cost per tonne milled	\$/t	43	33	45	37
Capital expenditure	\$(000)	33,171	23,254	85,314	59,936

**North Mara** continues to focus on the waste stripping programme in the Gokona and Nyabirama pits in order to be able to access higher grade material in the coming years. This has resulted in a lower production profile for 2011 with increased reliance on lower grade stockpiles, and additional capital investment compared to the prior year.

Gold production at North Mara for the quarter was 45,526 ounces, 13% lower than the prior year period production of 52,443 ounces, while on a year to date basis it was 18% lower at 129,128 ounces. Total tonnes mined for the quarter increased by 6%, and 20% on a year to date basis, against the prior year periods due to the waste stripping focus. Ore tonnes milled increased by 5% for the quarter driven by plant efficiencies driving higher mill rates. Both the head grade and recoveries were lower as a result of the lower mined grades together with a higher proportion of low grade stockpiles processed.

Cash costs for the quarter were \$753 per ounce sold which was 60% higher than that of the prior year period (\$472 per ounce), while cash costs per tonne milled rose 30% to \$43 per tonne. The primary factors behind the increase relate to the lower production base over a higher fixed cost base driven primarily by cost pressures in respect of maintenance and repair contractors ("MARC"), energy, labour, and general administration costs. Labour costs have been driven by increased headcount and salary increases year-on-year, while energy costs were predominantly driven by higher global oil prices in combination with higher usage as a result of greater diesel back-up power. In addition, capitalised waste stripping over the quarter of \$8.1 million was \$2.3 million lower than the prior year period. Year to date it is \$11.6 million lower than 2010, primarily due to delays in permits for new waste dumps. We are currently able to mitigate some of the constraints from the delayed permitting approvals through mine sequencing and are continuing to liaise with the relevant government departments in order to expedite their approval. Year to date cash costs were \$793 per ounce compared to \$476 per ounce for the prior year period, while year to date cash costs per tonne milled were \$45 compared to \$37 in the prior year period.

Capital expenditure for the quarter was \$33.2 million, 43% higher than the prior year period (\$23.3 million). Key areas of expenditure were \$8.1 million for the gold plant expansion, \$8.1 million capitalised waste stripping; \$3.9 million on capitalised drilling of the Gokona/Nyabirama underground project and \$1.2 million on the water treatment plant. Non-cash reclamation adjustments amounted to \$4.9 million. Year to date capital expenditure amounted to \$85.3 million compared to \$59.9 million in the prior year.

## Mine site summary

<b>Buzwagi</b>		Three months ended		Nine months ended	
		30 September		30 September	
(Unaudited)		2011	2010	2011	2010
Tonnes mined	Kt	5,657	4,872	15,329	14,338
Ore tonnes mined	Kt	1,071	845	2,748	3,118
Ore milled	Kt	927	842	2,350	2,649
Head grade	g/t	2.3	1.9	2.4	2.1
Mill recovery	%	88.3%	82.0%	88.1%	80.8%
Ounces produced	oz	60,699	42,204	158,625	141,762
Ounces sold	oz	60,939	44,792	161,972	152,515
Cash cost/ounces sold	\$/oz	696	834	649	630
Cash cost per tonne milled	\$/t	46	44	45	36
Copper production	Klbs	2,343	1,376	5,928	4,475
Copper sold	Klbs	2,175	1,276	5,916	3,669
Capital expenditure	\$(000)	34,529	9,126	55,429	17,140

Gold production at **Buzwagi** for the quarter was 60,699 ounces, a 44% increase over the prior year period, primarily due to the impact of operational improvements at the mine. On a year to date basis production is up 12% at 158,625 ounces compared to 141,762 ounces for the equivalent period in 2010.

The installation of spinning diesel back-up power has reduced the time lost to power outages. Together with the impact from the upgraded pebble ports, which were installed during the quarter, this has increased mill throughput for the quarter by 10% when compared to 2010. A further 16 MW of diesel powered back-up generators is in the process of being installed in the coming months to provide full process plant back-up which should further improve throughput. Year to date throughput was 11% lower than the prior year period, largely due to the SAG mill motor failure in Q2 of this year. Copper production for the quarter of 2.3 million pounds was 70% higher than the prior year period of 1.4 million pounds. This was mainly due to the flotation tank improvements which increased recoveries for concentrate.

Cash costs for the quarter were \$696 per ounce sold, a decrease of 17% compared to the prior year period (\$834 per ounce) which has been largely driven by an increased production base. Cash costs on a year to date basis of \$649 per ounce are 3% higher than the prior year (\$630 per ounce). The main elements impacting cash costs on a year to date basis have been increased labour costs as a result of inflationary increases and increased headcount, specifically in the security and mine production areas; increased consumable costs specifically relating to blasting, drilling and tyres driven by increased mining activities; increased maintenance on the fleet and process plant and increased energy costs where diesel costs have been driven by price and usage due to the introduction of spinning power. The increase in cash costs has been partially offset by increased co-product revenue resulting from both positive price and volume variances and the increased production base.

Cash costs per tonne milled for Q3 2011 increased to \$46 per tonne milled compared to \$44 per tonne milled for the prior year period due to the cost pressures already explained above. Again this increase has been partially offset by an increase in tonnes milled due to the higher plant availability in 2011.

Capital expenditure for the quarter was \$34.5 million, 278% higher than the prior year period (\$9.1 million). The key areas of capital investment were \$7.6 million for 5 MW spinning power installed and \$12.8 million for a further 16 MW of back-up power in the process of being installed; \$2.6 million on haul truck and vehicle fleet support; and \$2.4 million for fixed equipment and infrastructure. Non-cash reclamation adjustments amounted to \$6.6 million. Year to date capital expenditure amounted to \$55.4 million and also included \$5.5 million for deferred stripping.

## Mine site summary

### Tulawaka (reflected as 70%)

(Unaudited)		Three months ended 30 September		Nine months ended 30 September	
		2011	2010	2011	2010
Underground ore tonnes hoisted	Kt	46	28	106	64
Open pit ore tonnes mined	Kt	2	-	2	-
Open pit waste tonnes mined	Kt	59	-	59	-
Ore milled	Kt	68	89	218	258
Head grade	g/t	6.8	4.1	6.4	3.9
Mill recovery	%	96.0%	93.1%	94.9%	93.2%
Ounces produced	oz	14,112	10,952	42,904	30,213
Ounces sold	oz	14,630	10,895	43,225	31,229
Cash cost/ounces sold	\$/oz	749	749	707	678
Cash cost per tonne milled	\$/t	162	92	140	82
Capital expenditure	\$(000)	8,111	5,336	17,390	10,725

Attributable gold production at **Tulawaka** for the quarter was 14,112 ounces, a 29% increase over the prior year period which totalled 10,952 ounces. Year to date production for 2011 totalled 42,904 ounces, 42% higher than the prior year. The increase in production was as a direct result of mining higher grade underground stopes supported by improved mine equipment availability. This translated into a head grade of 6.8 g/t, compared to 4.1 g/t in the prior year period, and improved recoveries. Lower throughput was the result of the increased proportion of feed coming from the higher grade ore which has a higher grind index than the surface stockpiles.

Operations have commenced to prepare the West Pit extension for future production in order to provide incremental mill feed in place of the existing low grade stockpiles. The mill feed will supplement production from the underground operation with the aim of keeping mill throughput at a consistent level.

Cash costs for the quarter were \$749 per ounce sold, the same as the prior year period. Year to date cash costs were \$707 per ounce, 4% higher than the prior year. The increase in underlying costs has been offset by an increase in ounces produced for the quarter resulting in flat costs on a per ounce basis. The main drivers for the increase in costs were the increase in labour costs as a result of the increase in headcount due to the LOM extension coupled with salary increases; increased maintenance and contracted services as a result of the increased activity and ageing of equipment; and increased sales related costs due to higher revenue. This was partially offset by an increase in the capitalised mining costs relating to underground development.

Cash costs per tonne milled for Q3 2011 increased to \$162 per tonne milled compared to \$92 per tonne milled in prior year period due to the 24% decrease in tonnes milled together with higher operating costs. Year to date cash costs per tonne milled increased from \$82 in 2010 to \$140 in 2011.

Capital expenditure for the quarter was \$8.1 million, 52% higher than prior year period (\$5.3 million). The main areas of capital expenditure were \$1.7 million for security and \$1.4 million for underground development. Non-cash reclamation adjustments amounted to \$4.3 million. Year to date capital expenditure totalled \$17.4 million, including underground drilling work for \$2.1 million, representing a year-on-year increase of 62%.

## EXPLORATION AND DEVELOPMENT UPDATE

Exploration and development during the quarter continued to focus on ABG's strategy of organic growth through near-mine exploration, resource expansion, optimisation of existing assets through identification and delineation of higher grade satellite deposits, regional exploration for new discoveries and evaluation of acquisition opportunities throughout Africa. The exploration teams were principally focused on advancing the regional exploration programmes as well as organic growth projects around each of the current Tanzanian operations. Significant progress has been made on all projects.

- At North Mara, further positive results were returned from infill drill holes targeting up to 500m below the planned final Stage 3 Gokona open pit. ABG is currently undertaking an extensive infill drill programme at Gokona targeting underground resources of more than 1Moz. A feasibility study on the current underground deposits (Gokona and Nyabigena) has been successfully completed and the results are expected to be announced in the fourth quarter following internal review.
- Additionally at North Mara, the 30,000 metre programme of drilling continued at Nyabirama testing below the final planned open pit for potential mineable underground resources. To date, 15,298 metres have been drilled of the intended programme, and results continue to be encouraging, with multiple high grade zones intercepted.
- At the Bulyanhulu Upper East Project, the feasibility study has been completed with the exception of certain geotechnical data and metallurgical testwork which will be completed in Q1 2012 once the necessary drilling programme is complete. The test stope to test the mining method has been resequenced and is now scheduled to be completed in Q3 2012. Development work in the zone is continuing and overall project timelines remain on track.
- Also at Bulyanhulu, a further feasibility study is underway to assess the viability of expanding the process plant in order to recover gold from the tailings facility following positive initial assaying indicating potentially economic grades within the tailings. This is expected to be concluded in Q1 2012.
- At Tulawaka East Zone Underground, exploration drilling continued to extend the known high-grade mineralised shoots below current reserves. We have now identified sufficient mineralisation in order to extend the mine life to the end of 2012 and are assessing the potential to further extend the mine life beyond this.
- At the Golden Ridge Project, the feasibility study assessing the potential for ore to be trucked to Buzwagi continued during the quarter. Three programmes of infill drilling were completed during the quarter, all aimed at upgrading inferred resources to Measured and Indicated, and testing extensions to several high-grade shoots. The feasibility study is currently undergoing value optimisation in order to ascertain whether required returns can be generated. Further details on this are expected to be available by the end of the year.
- At the Nyanzaga Project, reverse circulation and diamond drilling continued until the end of July with 52,258 metres completed year to date. Results received during the quarter, from infill and step out drilling on the Tusker and Kilimani resource areas, continued to confirm grade and continuity of the overall resource, whilst at the same time returning further zones of high grade from the deeper parts of Tusker. The revised resource for this project is scheduled for completion during Q4 2011.
- Regional drill programmes were also completed late in the quarter on the Dett, Surubu and Masabi projects, and a reconnaissance drill programme commenced on the Kahama property, south of Buzwagi.

## ORGANIC GROWTH PROJECTS

### NORTH MARA

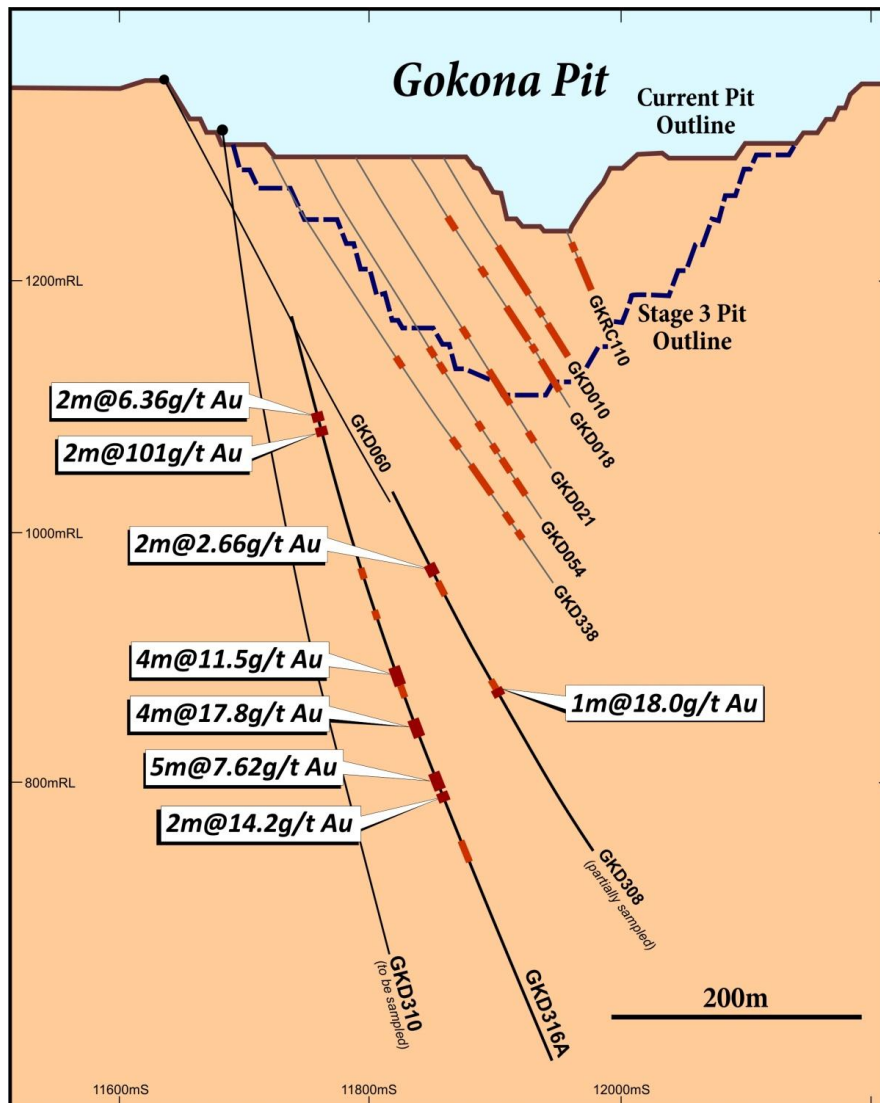
At North Mara the focus for the quarter remained on resource expansion and delineation drilling below the Gokona and Nyabirama planned final open pits, and the feasibility study on the underground potential at Gokona and Nyabigena. Significant progress has been made on the Nyabirama Deeps drill programme, and the Gokona-Nyabigena underground feasibility study has been completed and is currently going through an internal review process. Pit access issues and rig availability have delayed the Gokona Deeps drill programme which should now be completed by early 2012. The aim of all these programmes is to delineate, and ultimately produce, higher-grade resources that could add high margin, incremental ounces to the North Mara production profile from 2013 and at the same time extend the life of mine.

### *Gokona-Nyabigena Underground Extensions*

The significant resource drill-out programme beneath the planned final Gokona open pit continued during the quarter with 21 holes completed and 4 holes in progress for a total of 7,160 metres, bringing the programme total for 2011 to 33 holes completed for 13,228 metres. This programme is aimed at increasing the initial Indicated resource of 370Koz declared in late 2010 into an Indicated resource in excess of 1Moz, thereby improving the potential to significantly extend the mine life and production profile at North Mara. The infill drill programme is slightly behind schedule due to rig availability issues early in 2011, and the move to solely diamond core drilling. Two additional rigs have been added to the Gokona Deeps programme, and it is anticipated that the programme will now be completed in Q1 2012, with around 30,000 metres completed during 2011.

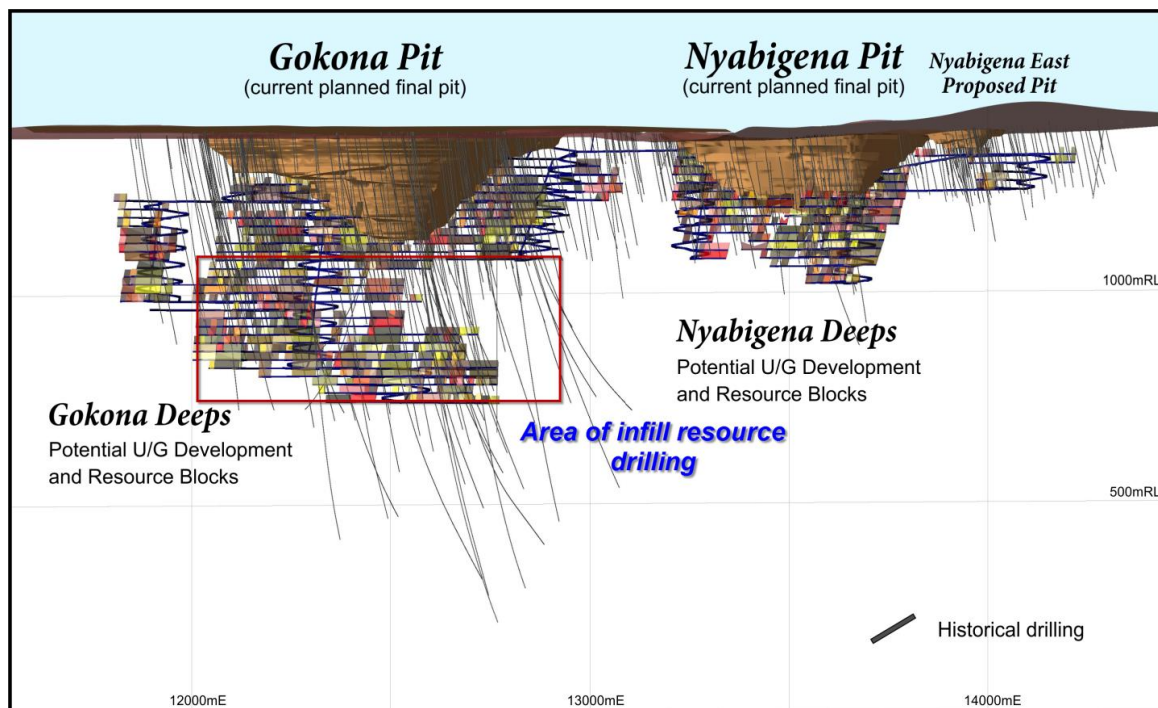
Although assay results received to date are limited, they show the mineralised intercepts are consistent in width and grade with the broader spaced drilling, and therefore generally in line with expectations. A selection of better results is shown below and illustrated on the attached cross section:

- GKD308 2m @ 2.66g/t Au from 399m  
1m @ 18.0g/t Au from 492m
- GKRD316A 2m @ 6.36g/t Au from 224m  
2m @ 101.0g/t Au from 233m  
4m @ 11.5g/t Au from 438m  
4m @ 17.8g/t Au from 485m  
5m @ 7.62g/t Au from 532m  
2m @ 14.2g/t Au from 542m
- GKD328 2m @ 20.5g/t Au from 71m



Gokona Deeps schematic section 12825mE showing the recent higher grade zones intersected in the current drill programme

The feasibility study to assess the Gokona-Nyabigena underground has been completed and the study is currently going through a thorough internal review process. Following this, the objective is to seek Board approval in Q4 2011 to move ahead with project execution and we intend to communicate full details at that point.

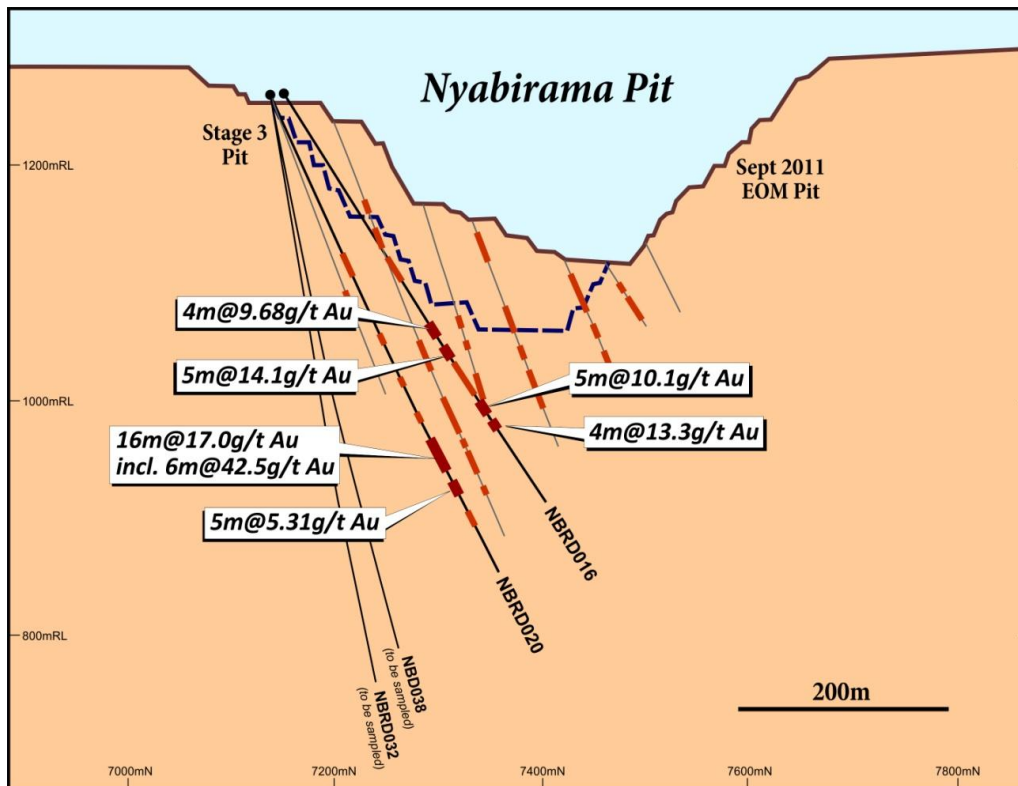


Schematic long section of Gokona-Nyabigena showing resource outlines, potential underground and current area of infill drilling

#### ***Nyabirama Deeps Resource Definition and Extension Drilling***

The Nyabirama Deeps programme is aimed at defining underground or push-back ounce potential from areas previously not able to be drilled from the open pit or during early exploration drilling. Drilling is targeting the addition of 700koz of underground material into the resource base. The current drill programme consists of approximately 37,000 metres of reverse circulation and diamond core drilling. During the quarter 24 holes were completed with two in progress for a total of 7,403 metres bringing the 2011 project total to 63 holes for 22,788 metres. Results from the drilling to date continue to return intercepts showing multiple zones of higher grade mineralisation, potentially amenable to underground mining, including some wider zones (>10 metres) with grades > 5g/t gold. Below are a selection of better results and a schematic section illustrating some of the recent intersections:

- NBRD010W1                      8m @ 4.63g/t Au from 282m  
    8m @ 5.72g/t Au from 345m  
    4m @ 7.10g/t Au from 404m
  
- NBRD016                         4m @ 9.68g/t Au from 244m  
    5m @ 14.1g/t Au from 264m  
    5m @ 10.1g/t Au from 328m  
    4m @ 13.3g/t Au from 342m
  
- NBRD020                         16m @ 17.0g/t Au from 328m, including 6m @ 42.5g/t Au from 333m  
    5m @ 5.31g/t Au from 376m



Schematic cross section 8475mN for Nyabirama showing the recent higher grade zones intersected in the current drill programme

It is anticipated that the bulk of the planned 2011 programme will be completed by year-end with the remainder of the programme due for completion in Q1 2012. A scoping study has recently been commissioned to assess the potential for underground mining.

## BULYANHULU

### *Bulyanhulu Upper East Zone*

The mining and infrastructure elements of the feasibility study have now been completed, with work continuing on the geotechnical and metallurgical drill testwork as well as the test stope to validate the mining method. Once the results from the geotechnical and metallurgical analysis are available during Q1 2012 we should have sufficient data to provide a detailed update on this project. Project approval will be subject to the final confirmatory test stope work, which is now expected during Q3 2012 as a result of modifications to mine sequencing, following which we would aim to seek Board approval. In the meantime, development work in the Upper East Zone continues such that the additional period to complete the test stope should not impact overall project timings.

### *Tailings recovery feasibility study*

The feasibility study to assess the viability of expanding the process plant in order to recover gold from the tailings facility was initiated during the quarter. It is anticipated that this will be completed during Q1 2012.

### *Reef 1 and Reef 2 East - Surface Exploration*

A total of 23 reverse circulation holes for 2,782 metres were completed during the quarter on Bulyanhulu Reef 1 and 2 near surface eastern extensions, to infill and step-out around previous drilling. Eleven holes were drilled on Reef 1 and ten holes were drilled on Reef 2, and the programme is targeting approximately 2km of strike along both reefs, from surface to a vertical depth of 100 metres. The programme successfully intersected both reefs, with better results being returned from Reef 1 to date, over a 500m strike extent, with results for several holes pending, and a further 11 holes still to be drilled before an assessment is made of areas for infill drilling. A selection of significant intersections on Reef 1 received to date include:

- BGMRC-079      6m @ 4.50g/t Au from 77m
- BGMRC-084      5m @ 36.3g/t Au from 32m
- BGMRC-085      2m @ 3.10g/t Au from 53m
- BGMRC-087      24m @ 1.44g/t Au from 110m, including 1m @ 7.1g/t Au from 110m and 3m @ 6.45g/t Au from 127m

Results to date have confirmed open pit mineable mineralisation at the top of the Upper East Zone project.

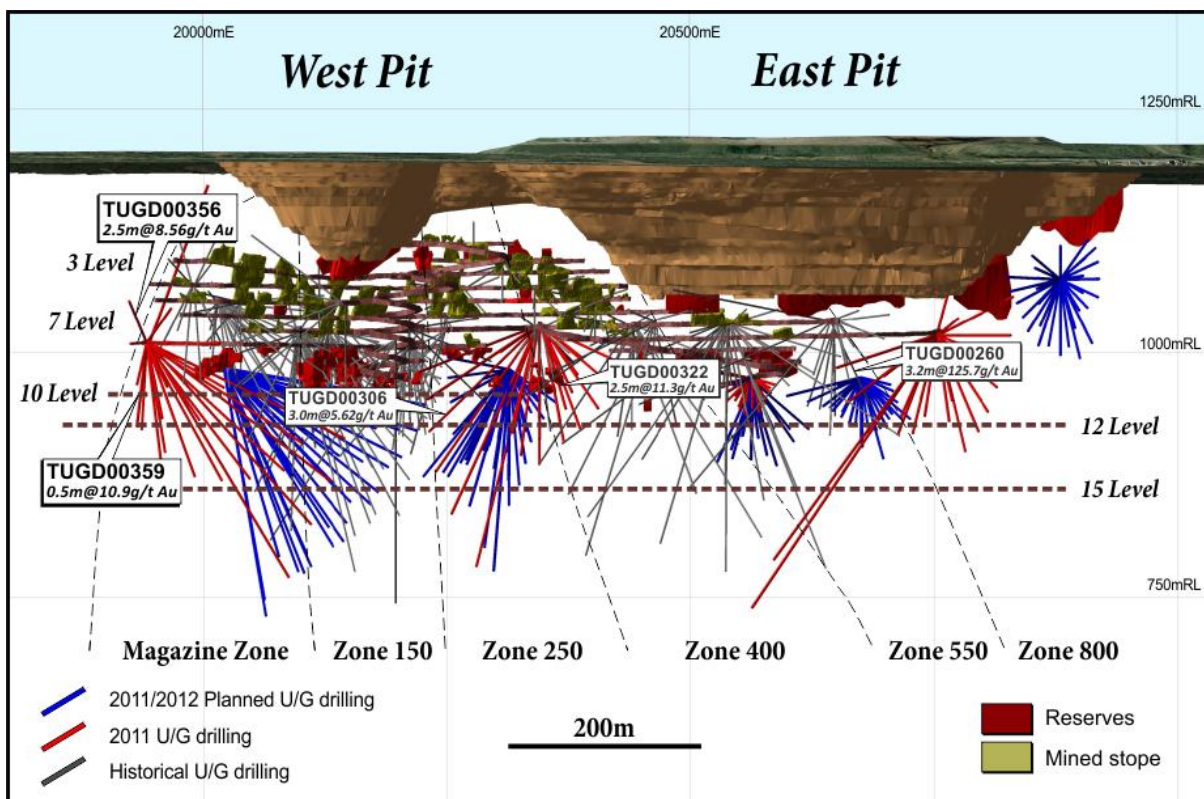
## TULAWAKA

### Underground Extensions

Diamond drilling continues to test depth, plunge and strike extensions to the mineralised lodes below current reserves throughout the Tulawaka. A total of 46 diamond core holes for 4,070 metres were drilled between Level 8 and Level 15 throughout the underground area, but primarily focused on the western areas of the underground during the quarter. Underground drilling for the remainder of the year and into 2012 will begin to target high grade extensions below the East Pit in Zones 550 and 800. Drilling to date shows the mineralised quartz veins extend at least down to Level 12, and has intersected visible gold within quartz veining in several drill holes. A selection of the intersections returned during the period from the 46-hole underground exploration drill programme include:

- TUGD00359 - 0.5m @ 10.90g/t Au from 41.5m
- TUGD00356 - 2.5m @ 8.56g/t Au from 105.5m

We have now identified sufficient mineralisation to extend the mine life to the end of 2012 and are assessing the potential to further extend the mine life.



Longitudinal Section of 2011 UG drilling (red) and planned 2011/2012 UG drilling (blue), and selected intersections for the quarter in bold

### Mojamoja – West Zone “Gap” – Surface drilling

A total of 22 RC holes for 2,389 metres were drilled as part of an infill programme, between the West Zone and Mojamoja prospects, in the “Gap” area. The Mojamoja and West Zone prospects lie approximately 4km northwest of the Tulawaka plant, and ABG is looking at the potential to delineate further open pit resources to be trucked to this plant. The current infill programme is aimed at delineating additional resources between the two previously drilled areas, and could potentially increase the overall open pit resources. All assays were pending at the end of the quarter.

## GOLDEN RIDGE

Exploration drilling programmes have continued during the quarter aimed at upgrading inferred resources with tighter drill spacing, and at identifying extensions of the higher grade shoots on the margins of the current pit design in order to delineate additional higher grade resource ounces, particularly between the northern and southern zones of the main pit. The drill programmes were

completed during the quarter with 64 reverse circulation and diamond core holes drilled for a total advance of 6,667 metres. To date a limited number of assay results have been returned, predominantly from near surface infill drilling, with significant intercepts including:

- GRRC0441 – 32m @ 3.68g/t Au from 92m, including 14m @ 5.21g/t Au from 92m
- GRRC0443 – 8m @ 3.81g/t Au from 43m
- GRRC0444 – 8m @ 6.03g/t Au from 38m
- GRRC0445 – 52m @ 2.33g/t Au from 34m
- GRRC0452 – 25m @ 3.31g/t Au from 111m

The original scope of the feasibility study on Golden Ridge, aimed at assessing the viability of processing the ore at the Buzwagi plant, is close to completion. With the aim of improving the return profile of this project, additional analysis is being undertaken which should be complete by the end of the year, after which we will communicate the outcome. The key focus of this work is to assess the potential for improving metal content, increasing gold recoveries and reducing operating and capital costs.

## GREENFIELD PROJECTS

### Nyanzaga Project

At the Nyanzaga Project reverse circulation and diamond drilling continued until the end of July with 52,258 metres of drilling completed year to date, at which point the programme was then put on hold to allow an updated resource to be completed and for the labs to clear some of the backlog of pending assay results.

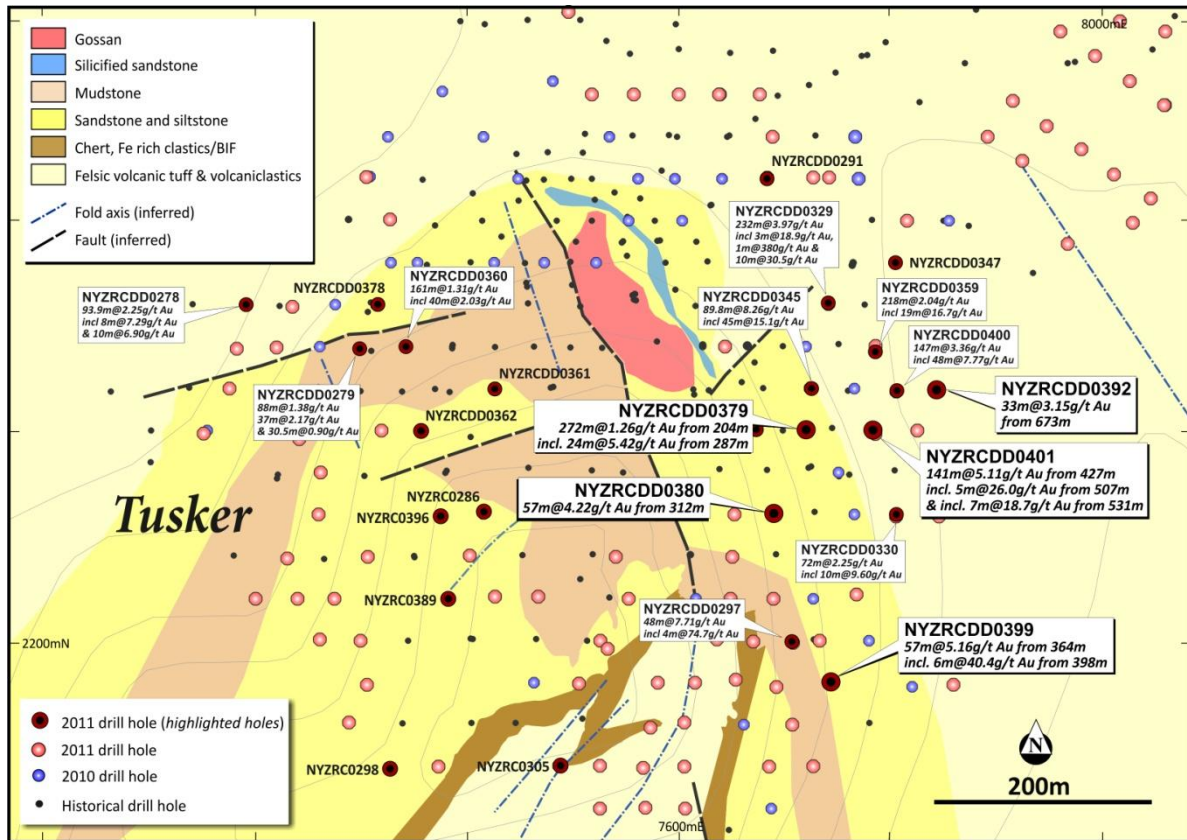
The focus at Nyanzaga was on resource drilling at the Tusker and Kilimani projects. Results received during the quarter, from infill and step out drilling on the Tusker and Kilimani resource areas continued to confirm grade and continuity of the overall resource, whilst at the same time returning further zones of high-grade from the deeper parts of Tusker. Notable recent intersections for Tusker are highlighted below and shown in the attached figures:

- NYZRCDD0379: 272m @ 1.26g/t Au from 204m, including 24m @ 5.42g/t Au from 287m
- NYZRCDD0380: 57m @ 4.22g/t Au from 312m
- NYZRCDD0392: 33m @ 3.15g/t Au from 673m
- NYZRCDD0399: 57m @ 5.16g/t Au from 364m including 6m @ 40.4g/t Au from 398m
- NYZRCDD0401: 141m @ 5.11g/t Au from 427m, including 5m @ 26.0g/t Au from 507m, and including 7m @ 18.7g/t Au from 531m

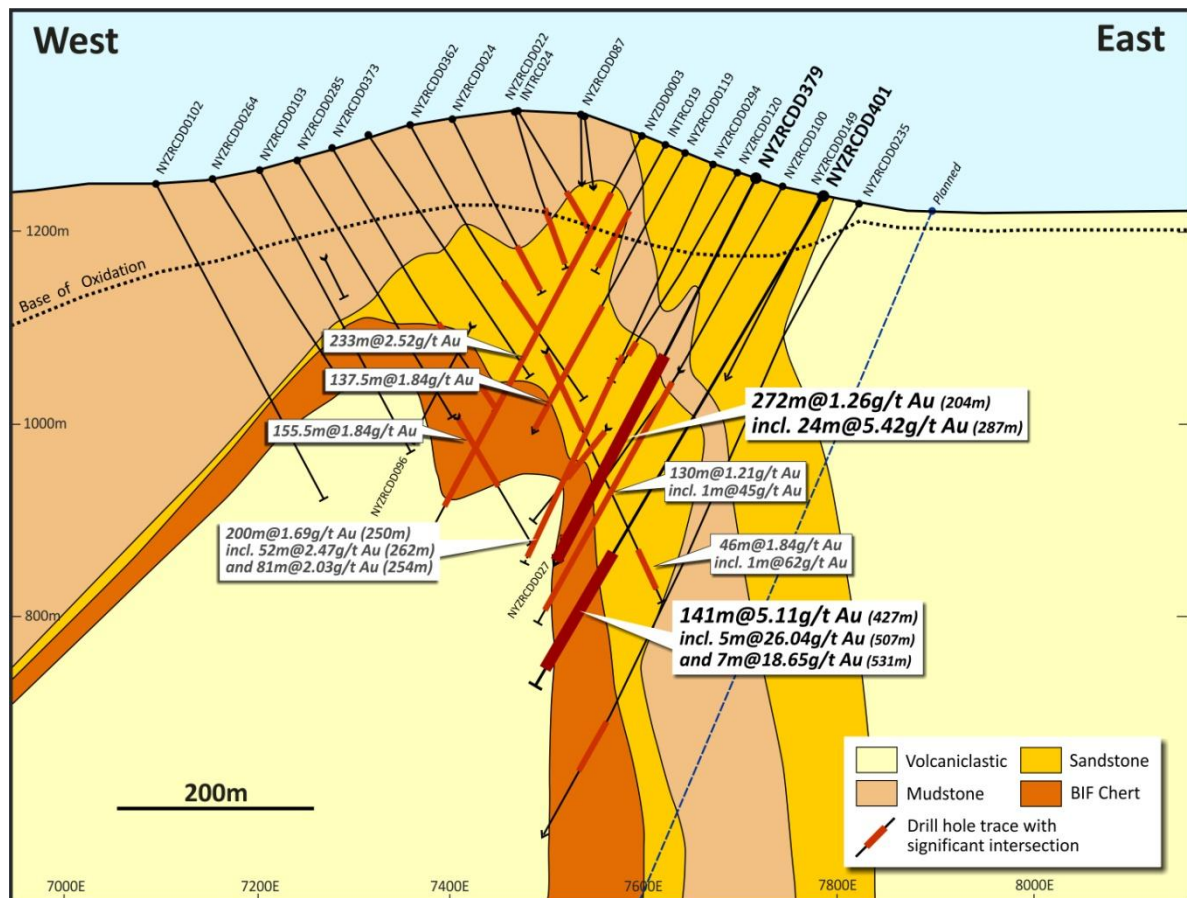
At the Kilimani prospect, infill drilling continues to confirm the width, grade and tenor of gold mineralisation within the oxide zone from the historical broader-spaced drilling. Several zones of higher grade mineralisation have been delineated by the recent drill programmes and additional step-out drilling is planned for Q4 2011 to explore for extensions to the Kilimani "oxide" zone. Notable intersections from the oxide zone of Kilimani include:

- NYZRC0414: 14m @ 1.38g/t Au from 66m
- NYZRC0416: 10m @ 5.57g/t Au from 8m
- NYZRC0425: 29m @ 2.86g/t Au from 34m including 3m @ 21.0g/t Au from 53m
- NYZRC0427: 29m @ 1.89g/t Au from 0m
- NYZRC0449: 27m @ 1.65g/t Au from 3m
- NYZRC0450: 47m @ 1.39g/t Au from 19m

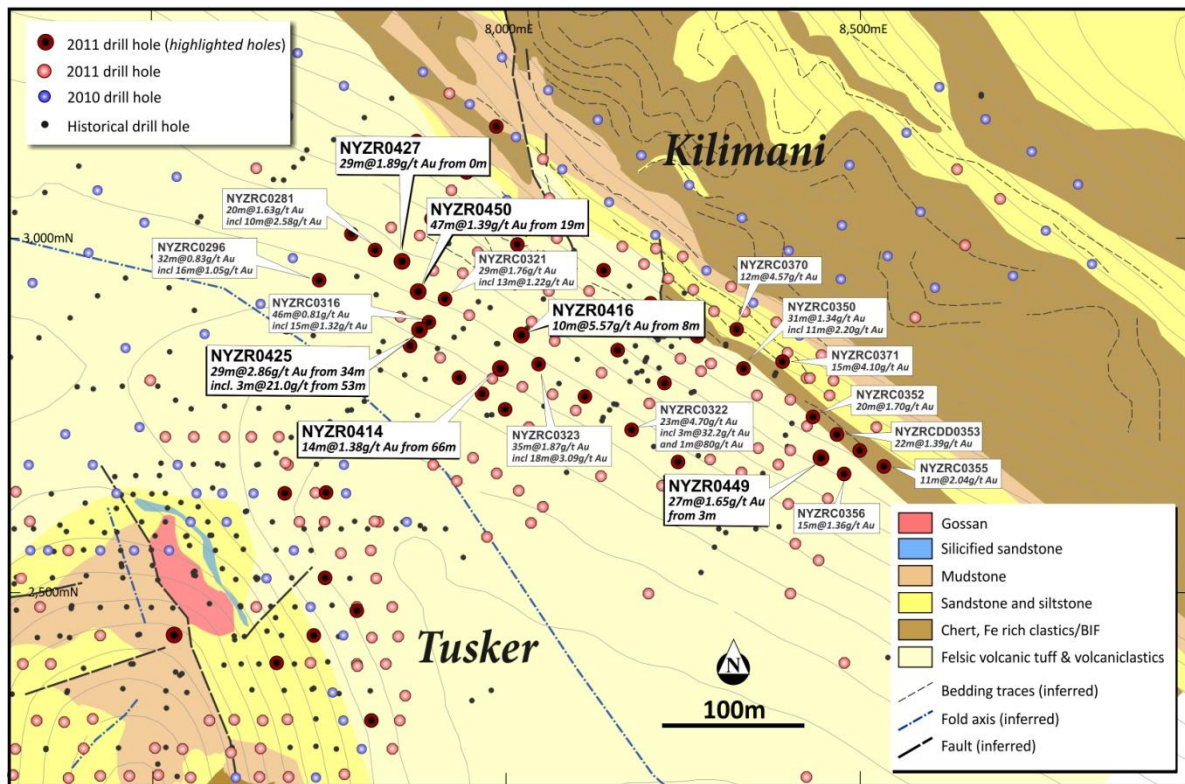
The principal objectives of the ongoing drill programmes are to confirm the economically mineable resource and to expand the global resource through delineating strike and down-dip extensions to the Tusker and Kilimani mineralised systems, as well as investigating the potential to increase the overall grade of the resource. Drilling to date has identified strike and down-dip extensions to the known mineralised system and continues to identify higher grade zones that may be amenable to underground mining scenarios. The revised resource for Tusker-Kilimani is scheduled for completion during Q4 2011.



Tusker - Drill hole plan and geological interpretation with recent significant Intersections highlighted



Tusker - Schematic Cross Section 2400mN -- assay results for holes NYZRCDD0379 and NYZRCDD0401 have a 100g/t Au top-cut applied



Kilimani – Drill hole plan and geological interpretation with recent significant intersections highlighted

#### Dett Project – North Mara Regional

Three diamond drill holes were completed at Dett for 1,036 metres during the quarter, targeting an interpreted higher grade structural trend within the overall large, low-grade gold mineralisation envelope. All three drill holes intersected the targeted zone and were moderately to strongly silica-carbonate-pyrite altered and contained quartz veining down their entire length. Results to date have only been received for part of one hole, DT007, and significant higher grade assays (>1g/t gold) include:

- 78m @ 1.18g/t Au from 27m
- 20m @ 1.53g/t Au from 118m, including 14m @ 2.02g/t Au from 119m

A full assessment of the results and the impact on the project will be undertaken on receipt of all assays from the current programme, which will include a desktop study of all previous exploration drilling.

## 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. 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.

**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.

**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, 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. 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.

**Cash margin** is a non-IFRS measure. It measures the excess of the average realised gold price per ounce over the cash cost per ounce sold incurred.

**Average realised copper price** is a non-IFRS measure. It measures the average price obtained for the sale of one pound of copper on the market.

### **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 and 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.