



# African Barrick Gold

## Company Presentation



January 2012



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## A major African gold producer with significant growth optionality

- ➔ Four operating mines in Tanzania
- ➔ ~ 700Koz of **current** gold production
- ➔ High grade resource base of 26.9Moz<sup>1</sup>
- ➔ Portfolio of growth projects
- ➔ \$55m exploration budget in 2011– doubled from 2010
- ➔ \$584m net cash position at end of 2011
- ➔ Strategy to optimise, expand and grow the asset base



<sup>1</sup> Comprising 16.8Moz Proven and Probable Reserves and 10.1Moz M, I & I Resources as at 31<sup>st</sup> December 2010

- **Four operating mines**
  - Underground: Bulyanhulu & Tulawaka
  - Open pit: North Mara & Buzwagi
- **Four feasibility studies ongoing**
  - Near mine expansions: Bulyanhulu Tailings, Gokona Underground (NM), Bulyanhulu Upper East
  - Satellite operation – Golden Ridge
- **Two scoping studies**
  - New mine – Nyanzaga
  - Near mine expansion – Nyabirama Underground (NM)
- **Mine life extension project ongoing at Tulawaka**



## Bulyanhulu



- Underground mine, commenced production in 2001
- 2010 production: 260 koz at a cash cost of \$539/oz
- 2011 production: 262 koz
- 2010 reserves of 11.0 Moz
- Reserve grade – 11.7 g/t

## North Mara



- Open pit mine, consisting of 3 open pits, commenced production in 2002
- 2010 production: 213 koz at a cash cost of \$472/oz
- 2011 production: 171 koz
- 2010 reserves of 2.8 Moz
- Reserve grade – 3.2 g/t

## Buzwagi



- Open pit mine, commenced production in 2009
- 2010 production: 186 koz at a cash cost of \$685/oz
- 2011 production: 197 koz
- 2010 reserves of 2.9 Moz
- Reserve grade – 1.6 g/t

## Tulawaka (70%)



- Completed open pit with underground mine, commenced production in 2005
- 2010 production: 42 koz at a cash cost of \$709/oz
- 2011 production: 59 koz
- 2010 reserves of 67 koz
- Reserve grade – 6.5 g/t

- Over 90% of our workforce is Tanzanian – we have an ongoing commitment to localisation and to sustainable development in the country
- Recently launched the Maendeleo Fund with an annual commitment of \$10m to centrally coordinate and govern our CSR activities in Tanzania
- Fund designed to primarily support social development activities in host communities around our mines in Tanzania
- Will look at wider development initiatives in line with Tanzania's national development strategy
- Becomes the largest corporate community development fund of its kind in the country

## **Current CSR Initiatives in Tanzania:**

- 87 students to undertake our Graduate Training Program by year-end (at a cost of over \$1 million per year)
- Over 5,000 community students have received educational scholarships
- 149 local community students receiving vocational scholarships on our Integrated Mining & Technical Training Program



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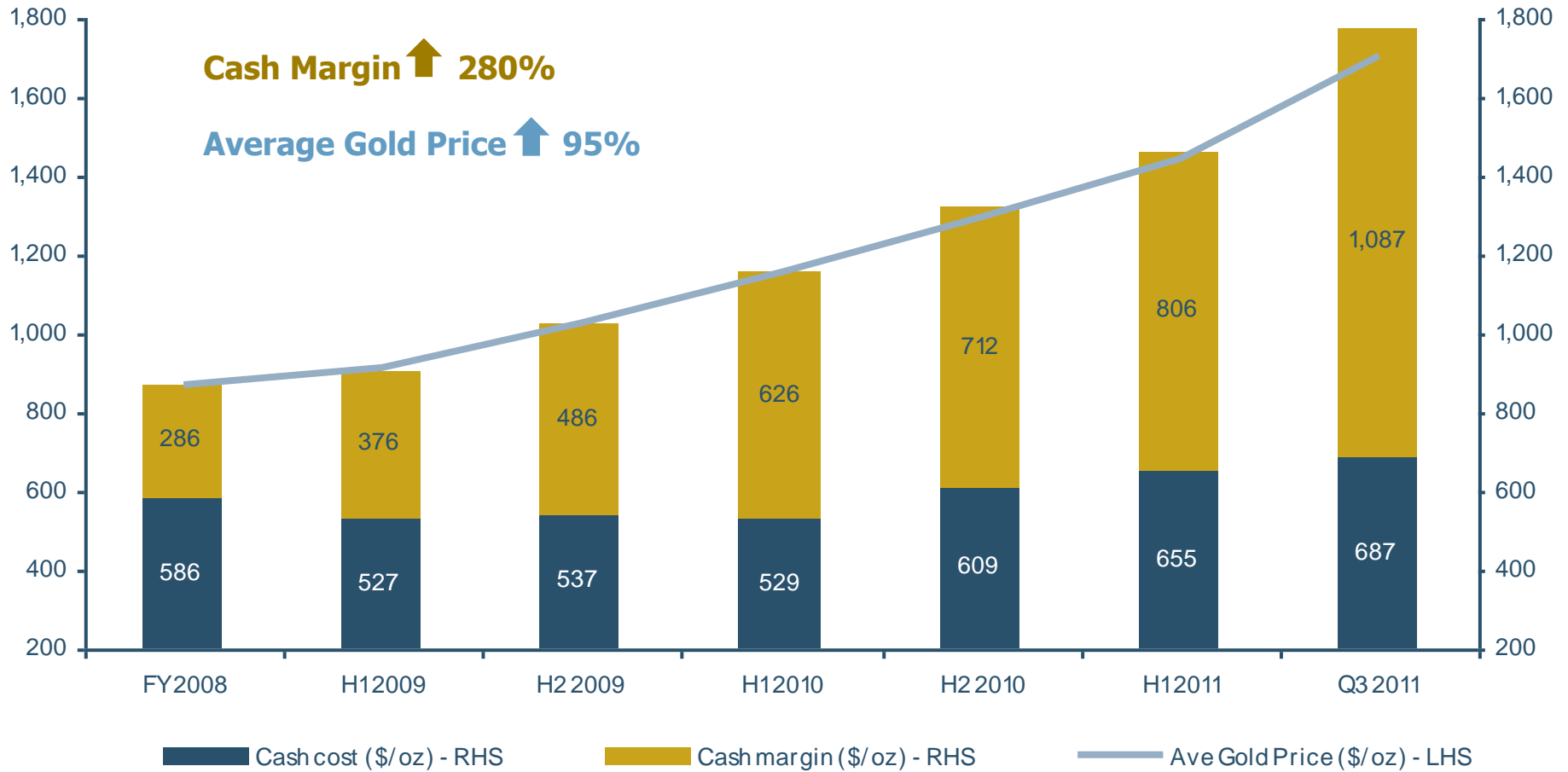
- Gold production for the full year was 688,268 ounces, 2% lower than 2010
- Increase in full year production at Bulyanhulu, Buzwagi and Tulawaka
  - reduction at North Mara due to the expected focus on waste stripping
- FY cash costs are expected to remain in line with guidance of \$675 - \$700 per ounce
  - Generating record cash margins
- Investment in exploration generating positive returns
  - positive drilling results from Nyanzaga
  - Tulawaka mine life extended through to the end of 2012
  - initial resource declared at Golden Ridge
- Strong free cash flow led to net cash position of \$584 million at year-end

	Twelve months ended 31 December		% change Y-o-Y
	2011	2010	
<b>Operating results</b>			
Tonnes mined (kt)	45,053	40,016	13%
Ore tonnes processed (kt)	7,409	7,706	-4%
Recovery rate (percent)	87.7%	86.1%	2%
Average grade (grams per tonne)	3.3	3.3	0%
Attrib. Gold production (koz)	688,278	700,934	-2%
Attrib. Gold sales (koz)	699,539	724,083	-3%
<b>Per ounce data (\$)</b>			
Average spot gold price	1,572	1,225	28%
Average realised gold price	1,587	1,240	28%

**Solid operational delivery in 2011**

- Global industry facing significant inflationary cost pressures, keenly felt in Africa where operations tend to be labour intensive, have a smaller pool of skilled labour and with longer supply lines
- ABG has invested in a number of initiatives to help mitigate the pressures, including:
  - Improving mill efficiencies at Buzwagi
    - full diesel back-up installed on site with immediate positive impact
    - pebble ports installed in August
    - enhancements in flotation tanks to improve copper recoveries
  - Productivity improvements at Bulyanhulu
    - underground training centre to improve maintenance schedule
    - continued focus on reducing dilution
    - investment to improve both surface infrastructure and mining conditions at depth
  - Mill upgrade at North Mara
    - de-bottlenecking to increase mill throughput
    - plant investment to enhance recoveries

# Consistent Margin Expansion

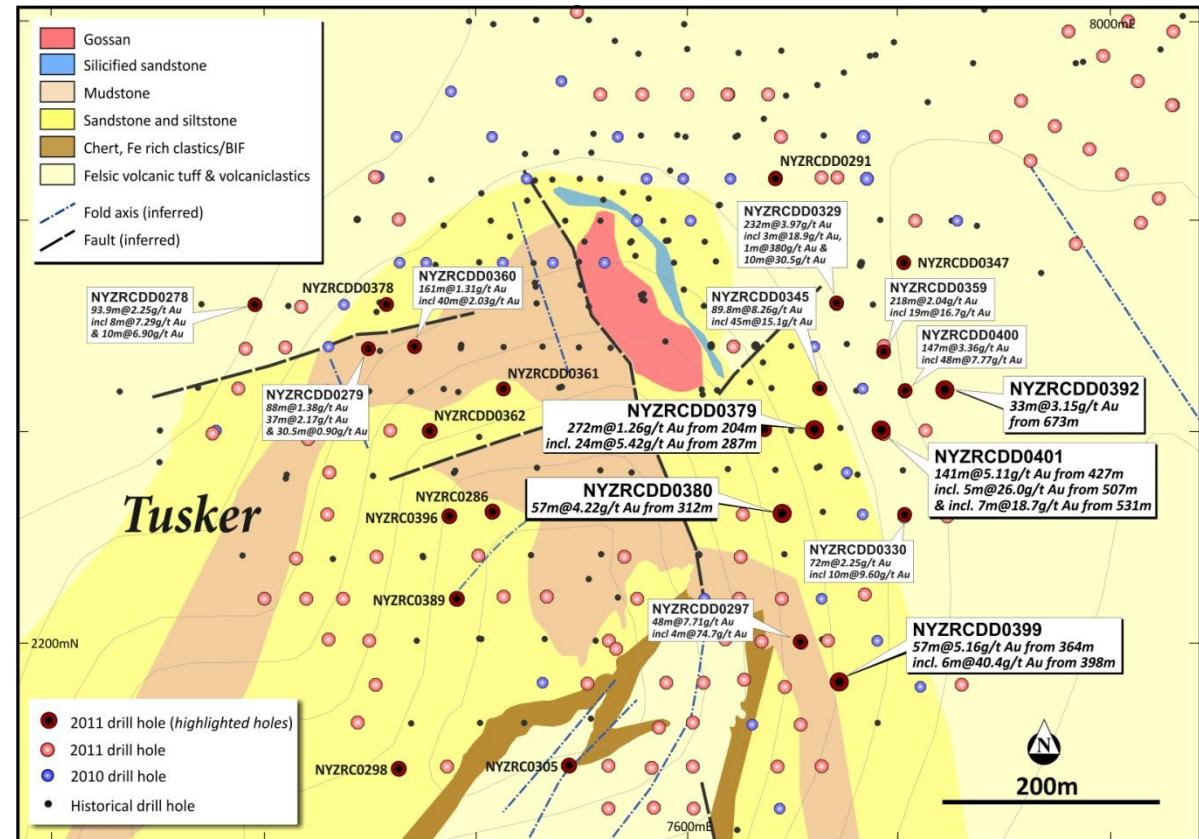


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## Near Term Growth Projects

Tulawaka	<ul style="list-style-type: none"><li>▪ Mine life extended through to end of 2012</li><li>▪ Assessing the potential to further extend this</li></ul>
Gokona / Nyabigena Underground	<ul style="list-style-type: none"><li>▪ Feasibility study completed</li><li>▪ Results to be announced following internal review and Board decision</li></ul>
Golden Ridge	<ul style="list-style-type: none"><li>▪ Looking to optimise returns profile of feasibility study</li><li>▪ Reworked study due for completion in Q1 2012</li></ul>
Bulyanhulu Upper East Zone	<ul style="list-style-type: none"><li>▪ Mining and infrastructure elements of feasibility study are complete, work continuing on the geotechnical and metallurgical drill testwork</li><li>▪ Initiating a test stope to validate assumptions, completion due Q3 2012</li><li>▪ Overall project timing on track, further update anticipated during Q1 2012</li></ul>
Bulyanhulu Tailings	<ul style="list-style-type: none"><li>▪ Feasibility study to assess recovery of gold from tailings at Bulyanhulu through addition of CIL plant to add meaningful additional production</li><li>▪ Study due for completion by the end of Q1</li></ul>

- Acquired Tusker Gold in May 2010, bringing ownership to 100%
- 65,247 metres of RC and diamond drilling in 2011
- Infill drilling on the Tusker resource is now complete, anticipated that the new “in-pit” resource will be reported during Q1 2012
- Kilimani expected to provide additional near surface ounces to the project resource
- 2012 exploration drill programmes aimed at expanding the global resource through delineating strike and down-dip extensions to the Tusker and Kilimani mineralised systems
- Will also test down-dip extensions of the high-grade zones that may be amenable to underground mining scenarios



- Selected drill results:
  - NYZRCDD0380: 57m @ 4.22g/t Au from 312m
  - NYZRCDD0392: 33m @ 3.15g/t Au from 673m
  - NYZRCDD0399: 57m @ 5.16g/t Au from 364m incl. 6m @ 40.4g/t Au from 398m
  - NYZRCDD0401: 141m @ 5.11 g/t Au from 427m, including 5m @ 26.0g/t Au from 507m, and including 7m @ 18.7g/t Au from 531m

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- Established production base, generating significant cashflow to fund growth
- Focus on cost control has led to growth in cash margins outpacing gold price strength
- Range of near mine and greenfield projects on track to deliver meaningful growth
- High quality long life resource base of 26.9Moz
- Continued commitment to sustainable development in Tanzania
- Strong balance sheet provides significant strategic flexibility - \$584m net cash at end of 2011
- Strategy to optimise, expand and grow the asset base

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## Key Operating Statistics

### Bulyanhulu



### North Mara



### Buzwagi



### Tulawaka<sup>(1)</sup>

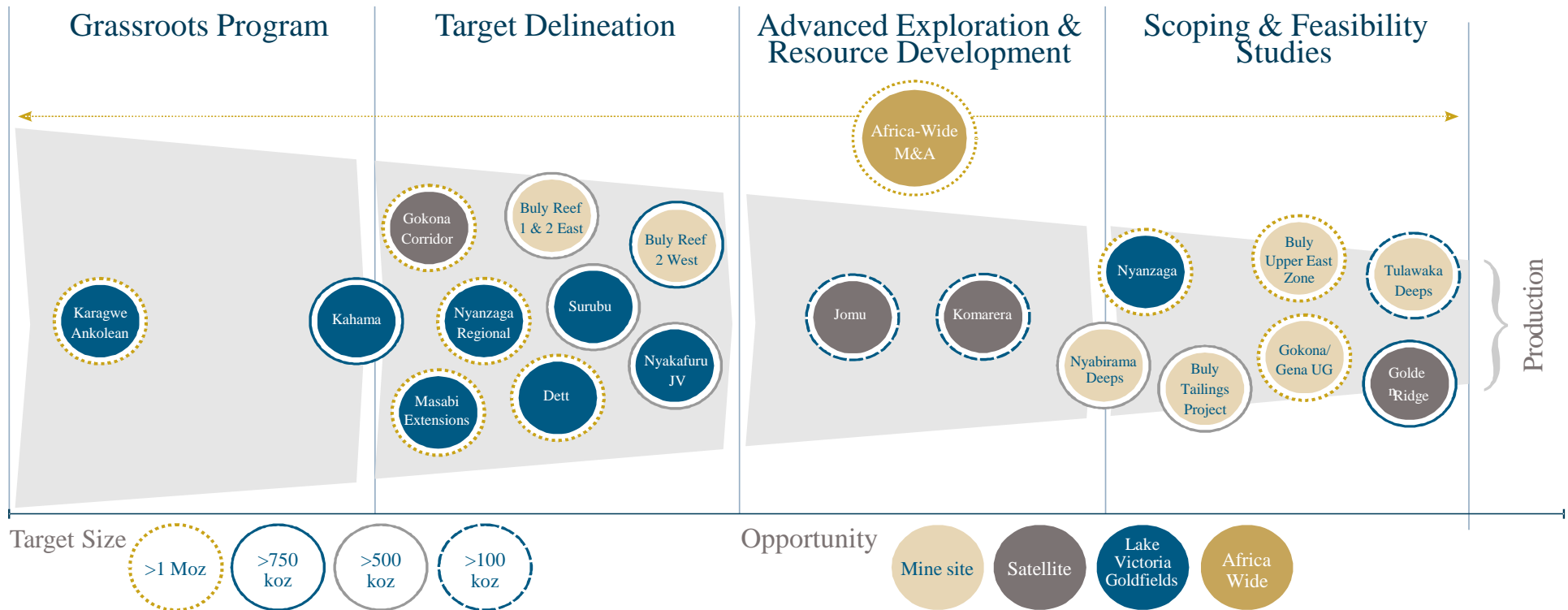


12 Months ended 31 December	Bulyanhulu		North Mara		Buzwagi		Tulawaka <sup>(1)</sup>	
	2011	2010	2011	2010	2011	2010	2011	2010
Open pit tonnes mined (kt)	n/a	n/a	21,808	20,106	21,534	18,848	497	-
Ore tonnes mined / hoisted (kt)	1,048	958	2,254	2,624	3,545	4,285	166 <sup>(2)</sup>	103
Ore milled (kt)	1,056	954	3,070	2,860	2,993	3,553	291	340
Head grade (g/t)	8.5	9.2	2.1	2.8	2.3	2.0	6.6	4.1
Mill recovery (%)	91.2%	92.2%	80.6%	82.9%	88.0%	81.0%	95.1%	93.2%
Ounces produced (oz)	262,034	259,873	170,832	212,947	196,541	186,019	58,871	42,094
Ounces sold (oz)	269,981	262,442	170,625	218,684	200,518	198,221	58,415	44,736
Copper Production (Klbs)	7,675	7,958	n/a	n/a	7,201	6,135	n/a	n/a
Copper sold (Klbs)	7,716	7,896	n/a	n/a	7,353	5,473	n/a	n/a

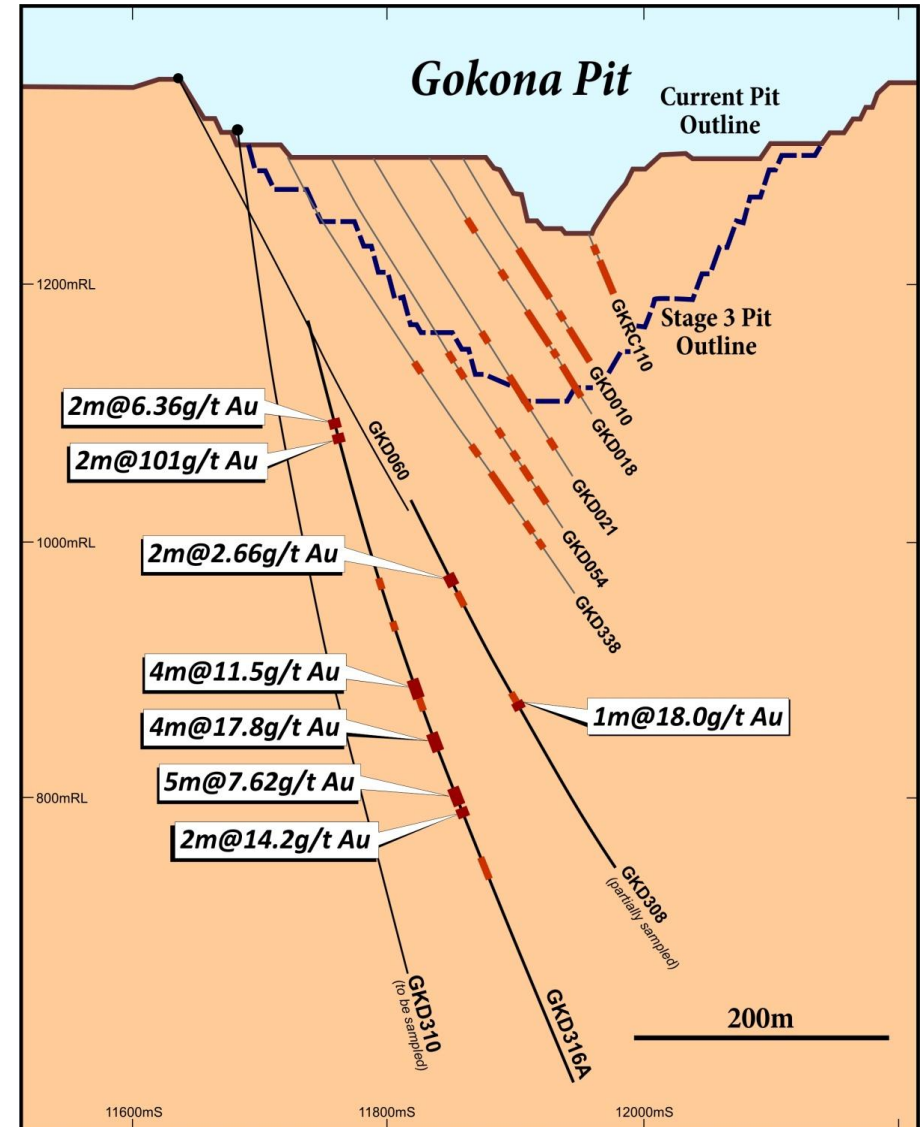
(1) Reflects ABG's 70% ownership (2) 144kt hoisted from the underground operation and 22kt mined from the open pit

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- Substantial pipeline of near term growth projects
- Potential to meaningfully add to our current production base

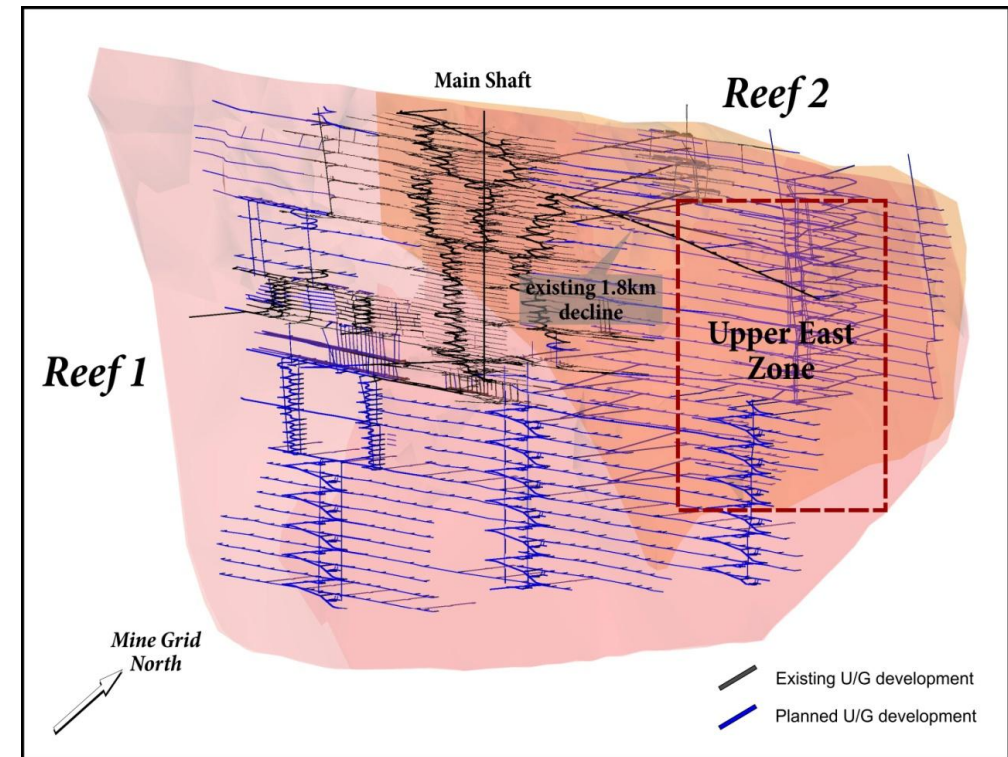


- Feasibility study completed, in peer review process ahead of submission to Board for approval
- Aim to increase North Mara ounce profile from 2013 and extend mine life
- Deep exploration drilling confirmed continuity of high grade lodes >500m below the current planned final pit at Gokona
- Extensive infill drilling programme ongoing beneath Gokona final pit
  - aim to increase indicated resources from 370Koz to > 1Moz
- Selected recent drill results:
  - GKD308                    2m @ 2.66g/t Au from 399m  
                                  1m @ 18g/t Au from 492m
  - GKR316A                2m @ 6.36g/t Au from 224m  
                                  2m @ 101g/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

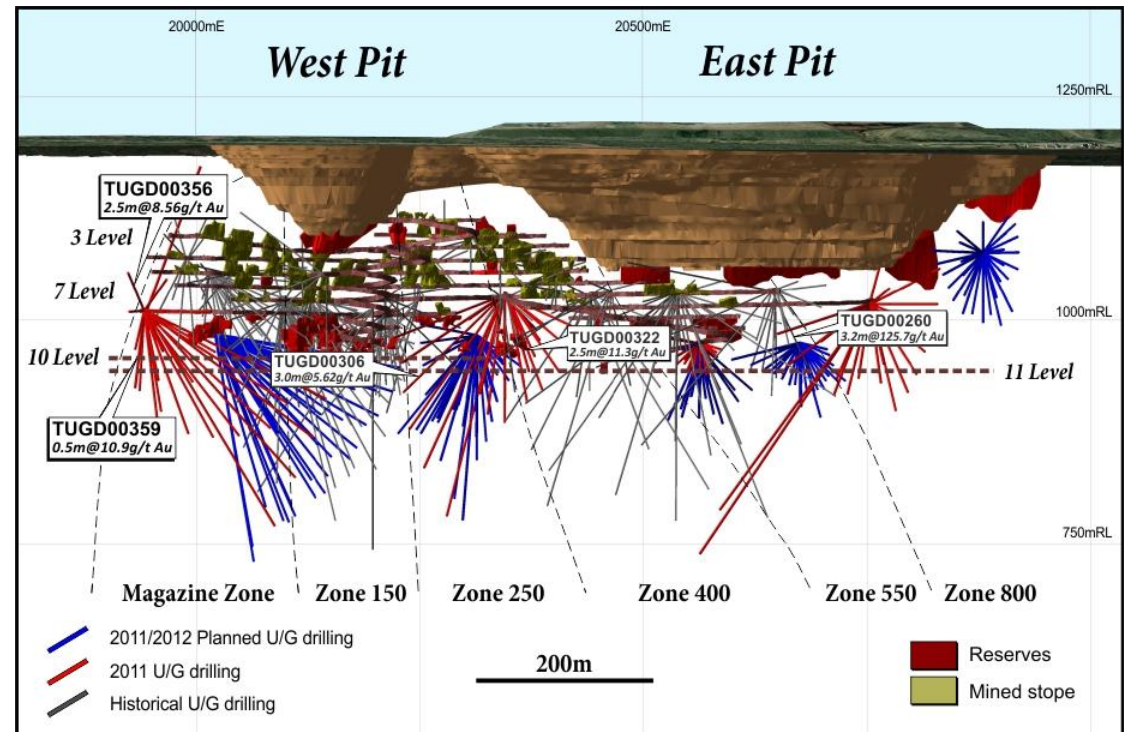


Gokona Deeps schematic section 12825mE showing the recent higher grade zones intersected in the current drill programme

- The mining and infrastructure elements of the Upper East Zone feasibility study have now been completed
- Work is continuing on the geotechnical and metallurgical drill testwork
- Test stope to validate the mining method now due for Q3, does not impact the overall project timing
- Aim to provide a detailed update on the project in Q1
- Feasibility study to assess the viability of expanding the process plant in order to recover gold from the tailings facility commenced in Q3 2011
- Expected to be completed by the end of Q1



- Mine life extended to the end of 2012, assessing potential to further extend this
- Activity now predominantly focused on testing Zone 550 in the central eastern areas of the underground
- Drilling to date has been positive and shows good potential for the high grade shoot in this zone to extend significantly below Level 11
- Underground drilling in 2012 will continue to target high grade extensions below the East Pit in Zones 550 and 800



- Initial resource announced in March 2011
  - 527Koz @ 2.94g/t Au Indicated
  - 152Koz @ 2.52g/t Au Inferred
- Further infill drilling programme commenced in June to upgrade the Inferred resource and extend high grade shoots
- Feasibility study to toll mill ore at Buzwagi completed positively, but did not pass internal hurdle rate
- Undertaking value engineering study which is due for completion in Q1

