



# African Barrick Gold

## 2011 Preliminary Results



16 February 2012



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# ABG – a strong platform for growth

## A major African gold producer with significant growth optionality

- ➔ Four operating mines in Tanzania
- ➔ ~700Koz of **current** gold production
- ➔ High grade resource base of >31Moz
- ➔ Portfolio of growth projects
- ➔ Significant investment in exploration
- ➔ \$584m cash position at end of 2011
- ➔ Strategy to optimise, expand and grow the asset base



# 2011 Highlights



- ➔ Significant increase in profitability and cash flow generation with strong leverage to the gold price
- ➔ Record cash margin of US\$895 per ounce, an increase of 33% on 2010
- ➔ Proposed tripling of full year dividend to US16.3 cents per share
- ➔ Increase in full year production at Bulyanhulu, Buzwagi and Tulawaka
- ➔ Launch of the ABG Development (Maendeleo) Fund, the largest community development fund in Tanzania
- ➔ Full reserve replacement and the addition of 4.3Moz of mineral resource
- ➔ Fourfold increase in the in-pit resource at Nyanzaga to 3.5Moz Au Indicated and 0.6Moz Au Inferred

## Focus Areas

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- Achieving growth in our overall resource base
- Improving further our safety record
- Continuing the development of our sustainability practices
- Increasing group throughput and recoveries
- Completing feasibility studies at our brownfield projects
- Assessment of acquisition targets



## Targets

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- Achieving attributable group production between 675,000-725,000 ounces
  - Total cash cost of between US\$790-860 per ounce sold (direct cash operating cost of US\$740-810 per ounce sold)
  - Sustaining capital budget of \$188m, \$34m expansion projects, \$79m deferred stripping costs
  - Exploration budget of \$35m, including \$9m capitalised drilling
- 
- Production is likely to be split 45:55 between the H1 and H2 2012, with correspondingly higher cash costs in H1 and lower in H2
  - Expect broadly similar production levels to 2011 at Bulyanhulu, Buzwagi and Tulawaka
  - Potential for higher production at North Mara in H2, with the completion of the waste stripping programme and access to higher grade material

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# FY 2011 Financial Highlights



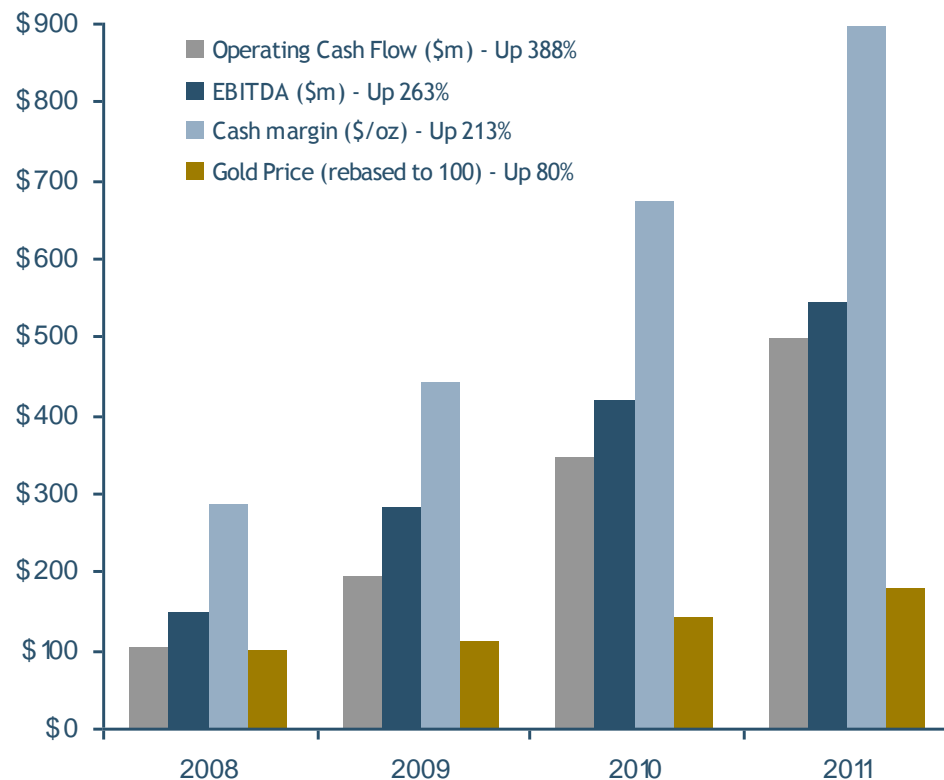
- Record 2011 revenues of \$1,218m driven by a 28% increase in average realised gold price
- Record EBITDA of \$544m, up 30% on 2010
- Net profit attributable to owners of \$275m
  - 26% greater than in 2010
- Proposed final dividend of 13.1 cents per share, leading to a tripled full year dividend of 16.3 cents per share
  - Future dividend policy set for payout ratio of between 15-30% of EPS
  - Demonstrates our significant commitment to capital returns
- Cash balance of \$584m, up 46% on 2010

\$'000s (Unaudited)	Full Year ended 31 December		% change Y-o-Y
	2011	2010	
Revenue	1,217,915	975,021	25%
Cost of sales	(704,114)	(589,039)	20%
<b>Gross profit</b>	<b>513,801</b>	<b>385,982</b>	<b>33%</b>
Corporate administration	(50,505)	(35,436)	43%
Exploration and Evaluation	(30,339)	(14,861)	104%
Social development expenditure	(7,376)	(3,467)	113%
Other charges	(15,639)	(22,566)	-31%
<b>Profit before net finance costs</b>	<b>409,942</b>	<b>309,652</b>	<b>32%</b>
Finance income	1,484	1,202	23%
Finance expense	(8,725)	(1,777)	391%
<b>Net profit before taxation</b>	<b>402,701</b>	<b>309,077</b>	<b>30%</b>
Taxation expense	(117,924)	(86,471)	36%
<b>Net profit</b>	<b>284,777</b>	<b>222,606</b>	<b>28%</b>
Non-controlling interests	9,882	4,503	119%
<b>Net profit attributable to owners</b>	<b>274,895</b>	<b>218,103</b>	<b>26%</b>
<b>EPS (cents)</b>	<b>67.0</b>	<b>53.2</b>	<b>26%</b>
<b>DPS (cents)</b>	<b>16.3</b>	<b>5.3</b>	<b>208%</b>

# Strong cash generation

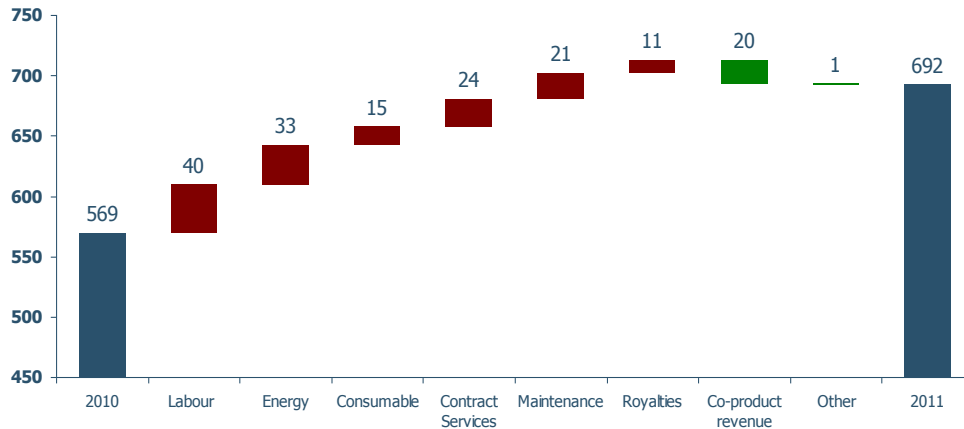
- Production base of nearly 700koz has allowed ABG to benefit from the high gold price environment
- Cash generated from operations increased by 44% to \$498m
- Strong free cash flow led to cash position of \$584 million at year-end
- We have continued to invest in our operations:
  - \$300m of capex spend in 2011
  - Budget of \$302m for 2012

## Gold price leverage

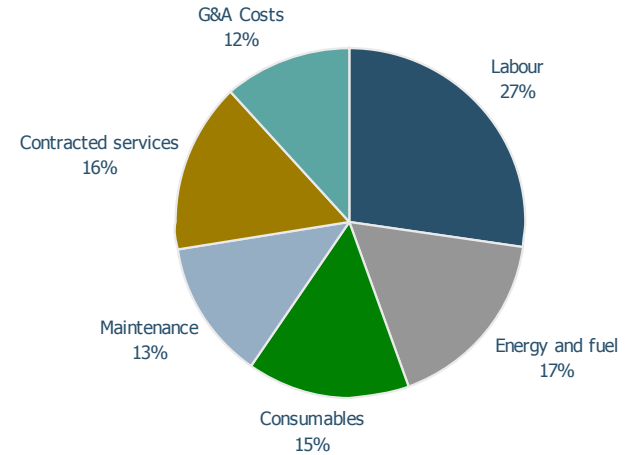


# Cash cost breakdown

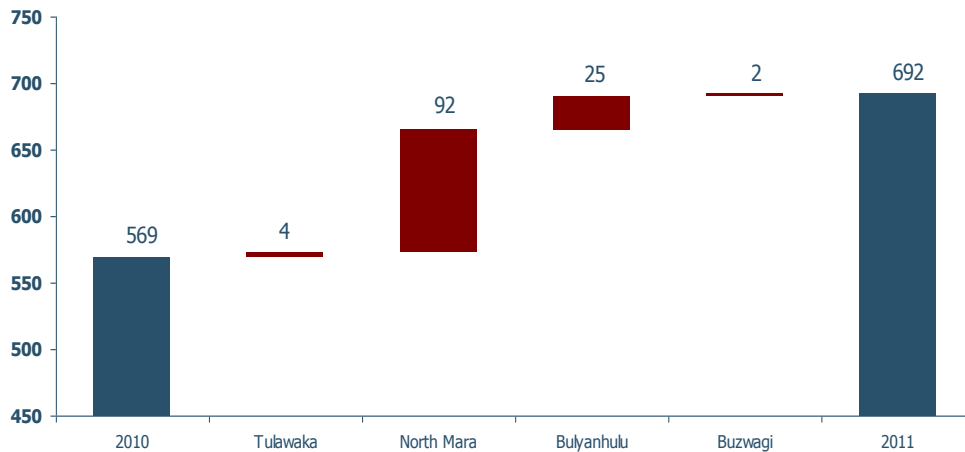
## Cash cost reconciliation



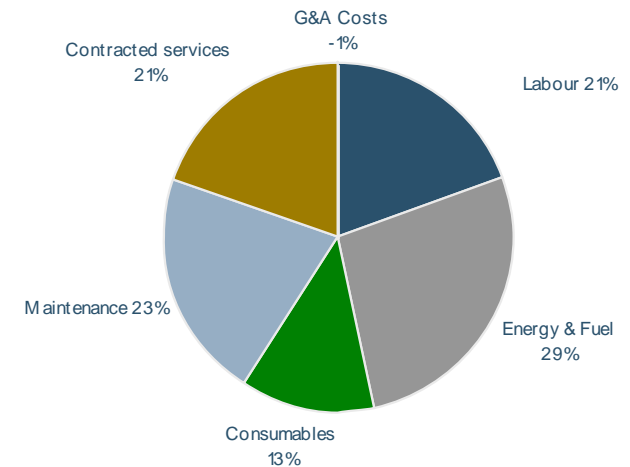
## Breakdown of Direct Mining Cost – 2011\*



## Impact by Mine on Group Costs



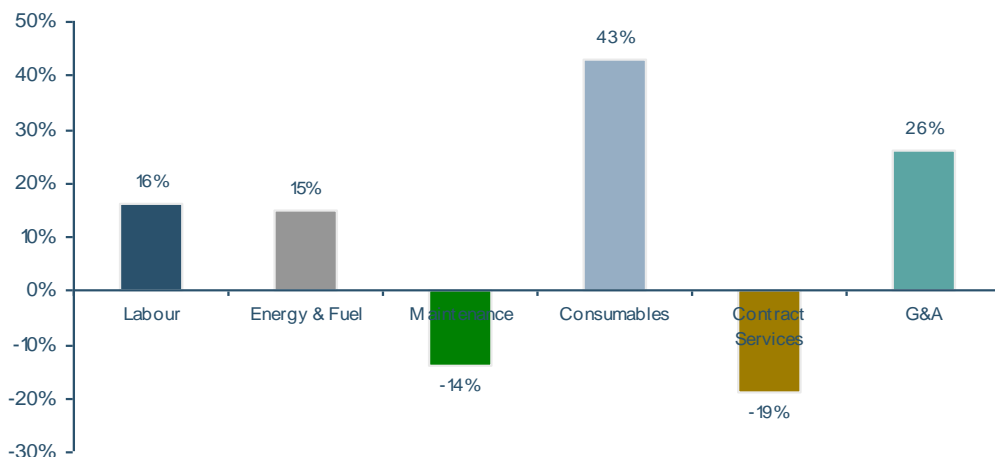
## 2010-2011 Change in Direct Mining Cost (%)\*



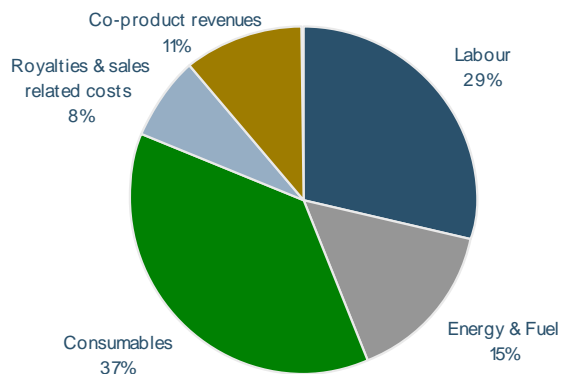
\*Excludes capitalised direct costs

# 2012 Estimated Cash Cost Evolution

## Group change in Direct Mining costs (%)



## Breakdown of Increase in Group Cash Cost

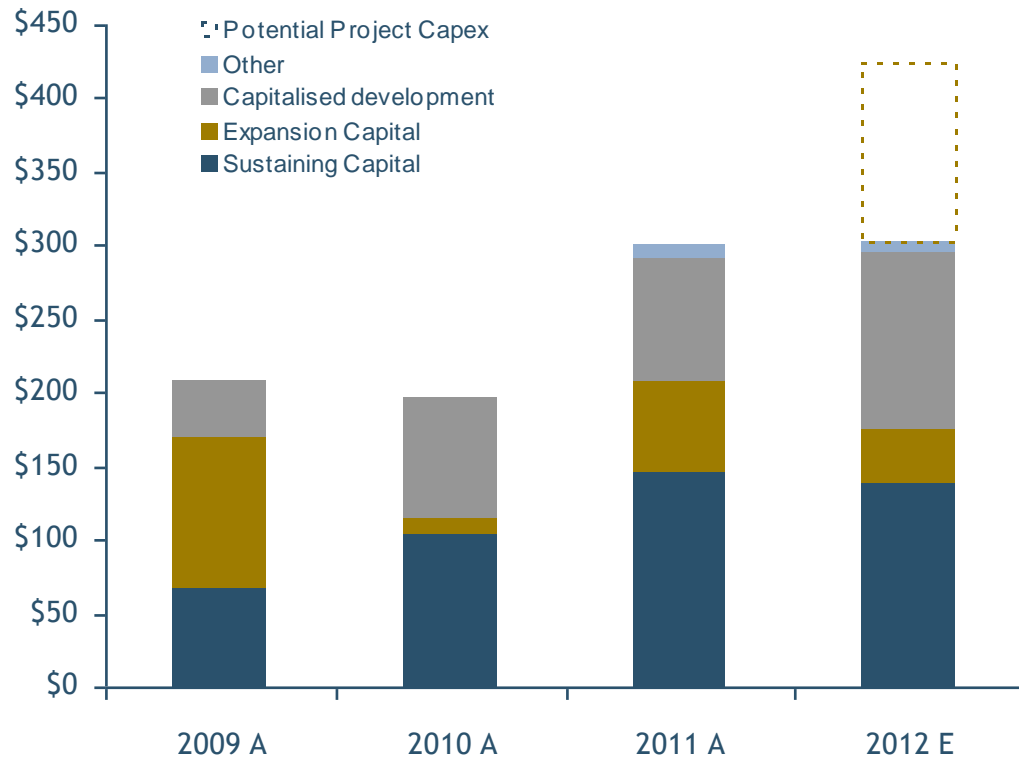


## Breakdown of Increase in Group Cash Cost

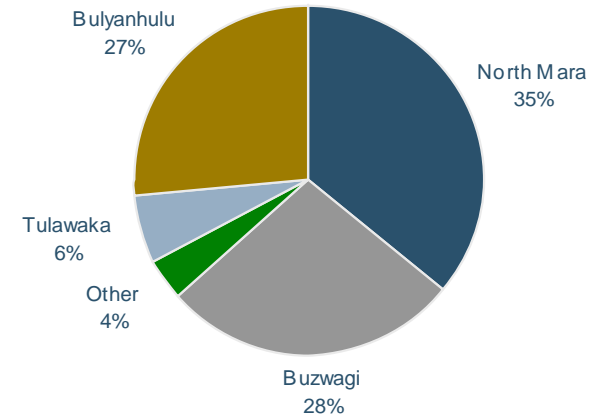
- Increase in consumable cost by 43% to reflect:
  - higher usage from increasing mining and processing activity; and
  - higher cyanide and neutralising agents to manage copper content in the CIL process at Buzwagi
- Rising energy and diesel costs due to anticipated purchase power tariff increases and higher usage from back up power generation and increased mining activity
- Increased labour costs from annual salary increases and in-sourcing of contracted services at North Mara
- Decline in maintenance and external services from more stable operating environment from back up power and in-sourcing of contractor services

# Capex Profile

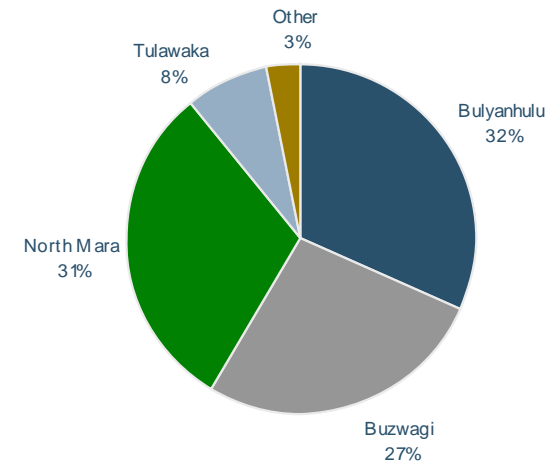
## Group Capex profile (\$m)



## Capex by mine in 2011



## Capex by mine in 2012



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# FY 2011 Operational Highlights

- Gold production for the full year was 688,278 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
- Cash costs were in line with revised guidance at \$692 per ounce
  - Generating record cash margins of \$895 per ounce
- Investment in exploration generating positive returns
  - Increase in in-pit resource at Nyanzaga to >4Moz
  - Tulawaka mine life extended through to the end of 2012
  - Initial resource declared at Golden Ridge

	Full Year 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%
Attributable Gold production (Koz)	688	701	-2%
Copper production (thousands of pounds)	14,875	14,093	6%
<b>Per ounce data (\$)</b>			
Average spot gold price	1,572	1,225	28%
Average realised gold price	1,587	1,240	28%
Total cash costs per ounce sold	692	569	22%
Cash margin (\$/oz)	895	671	33%

# 2011 production and cash costs

## Key Operating Statistics

	<b>Bulyanhulu</b>		<b>North Mara</b>		<b>Buzwagi</b>		<b>Tulawaka<sup>(1)</sup> (3)</b>	
								
<b>12 Months ended 31 December</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Open pit tonnes mined (kt)	n/a	n/a	21,808	20,106	21,534	18,848	519	-
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
Cash cost/ounces sold (\$/oz)	610	539	810	472	691	685	727	709
Cash cost per tonne milled (\$/tonne)	156	148	45	36	46	38	146	93
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
Capital Expenditure (\$'000)	95,432	80,539	123,146	91,442	83,203	29,781	31,652	15,513

(1) Reflects ABG's 70% ownership (2) 144kt hoisted from the underground operation and 22kt mined from the open pit (3) Capex shown as 100%

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# Growth projects on track

## Bulyanhulu Growth Projects

Upper East Zone	1Moz	<ul style="list-style-type: none"> <li>Test stope to validate assumptions due to be completed in Q3</li> <li>Rehabilitation and dewatering of decline continue</li> </ul>
CIL Expansion	315Koz	<ul style="list-style-type: none"> <li>Feasibility into expansion of CIL circuit due to for completion by end of Q1</li> <li>Indicated resource of 315Koz at 1.23g/t declared for the Bulyanhulu Tailings, underpinning the project</li> </ul>

## Tulawaka Growth Projects

Tulawaka Extensions	170Koz	<ul style="list-style-type: none"> <li>Mine life extended through to end of 2012</li> <li>Resource replacement indicates the potential to further extend this</li> </ul>
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## North Mara Growth Projects

Gokona Underground	>1Moz	<ul style="list-style-type: none"> <li>Feasibility study for underground based on late 2010 resource showed positive returns</li> <li>Recent ability to access additional land makes open pit re-sequencing possible</li> <li>Potential to add net 100-200Koz will necessitate some reworking of the underground planning</li> </ul>
Nyabirama Underground	>700Koz	<ul style="list-style-type: none"> <li>Drilling targeting &gt;700Koz of resource has returned intercepts showing multiple zones of higher grade mineralisation, including some wider zones (&gt;10 metres) with grades &gt; 5g/t gold</li> <li>Expect to initiate an underground feasibility study later in 2012</li> </ul>

## Satellite / Greenfield Growth Projects

Golden Ridge	770Koz	<ul style="list-style-type: none"> <li>Looking at alternatives to original option of trucking to Buzwagi</li> <li>Initial analysis promising – further updates during the year as the new study progresses</li> </ul>
Nyanzaga	>4Moz	<ul style="list-style-type: none"> <li>Recently declared resource at Tusker deposit, Kilimani resource to follow by end of Q1</li> <li>Scoping study due for completion in early Q2 and aim to move into pre-feasibility following that</li> </ul>

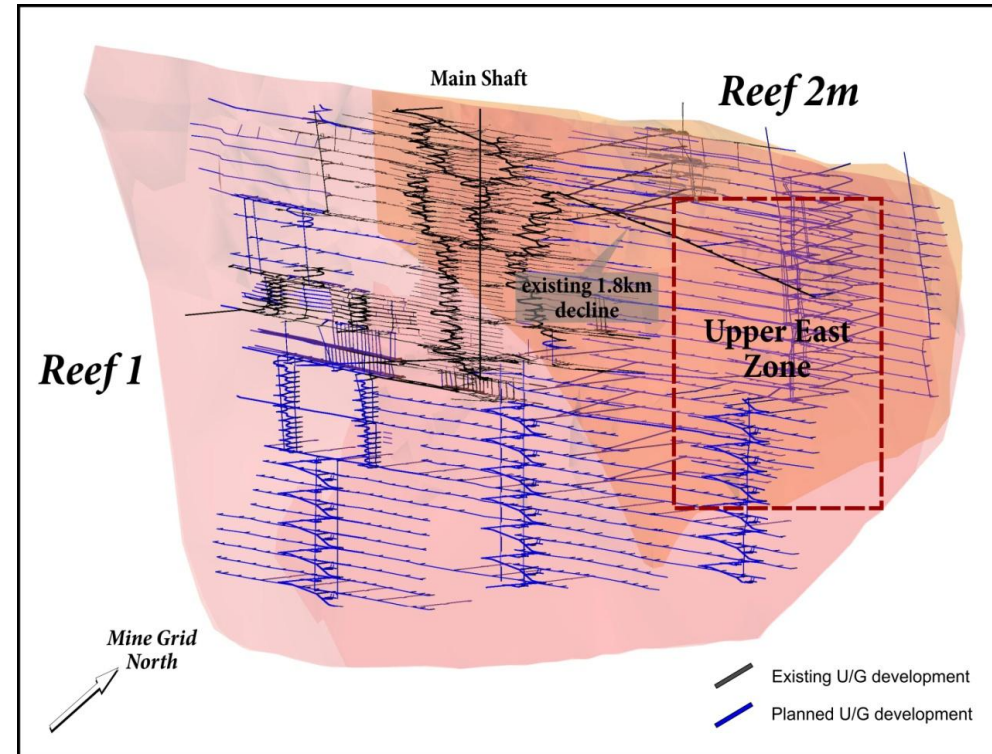
# Bulyanhulu Upper East Zone & CIL Expansion

## Upper East Zone

- The mining and infrastructure elements of the Upper East Zone feasibility study have now been completed
- A test stope to validate the planned mining method will be instigated in Q3 2012 following which it is expected that Board approval will be sought for the project

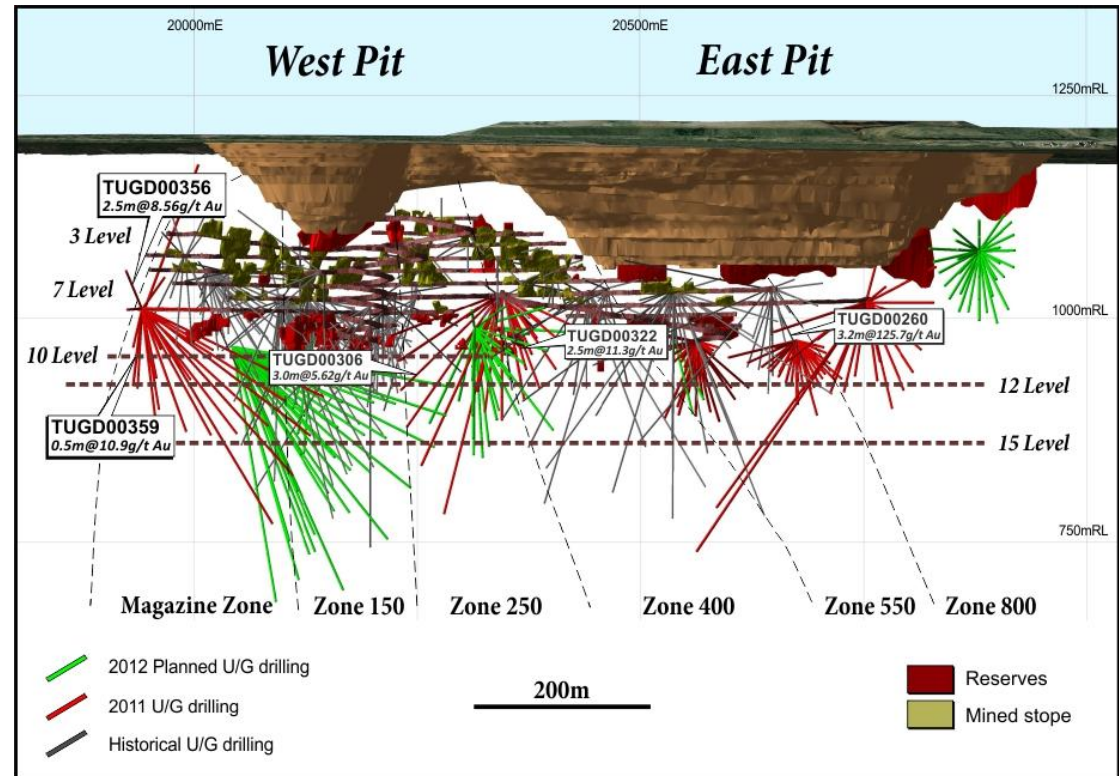
## CIL Expansion

- Feasibility study initiated in H2 2011 into the expansion of the CIL capacity from 1.2Mtpa to 2.4Mtpa in order to reprocess the tailings at the mine
- Resource of 8Mt at 1.23g/t for 315Koz declared in the tailings which underpins the project
- Feasibility expected to be completed by end of Q1



# Tulawaka Underground Extensions

- Mine life extended to the end of 2012, assessing potential to further extend this
- Much of 2011's focus was on the East Zone Underground extensions where we continued to extend the known high-grade mineralised shoots below 7-Level, down to 12-Level
- Underground drilling in 2012 will continue to target high grade extensions below the East Pit in Zone 800
- A second portal into the Tulawaka East Zone Underground is anticipated to commence in Q1 2012



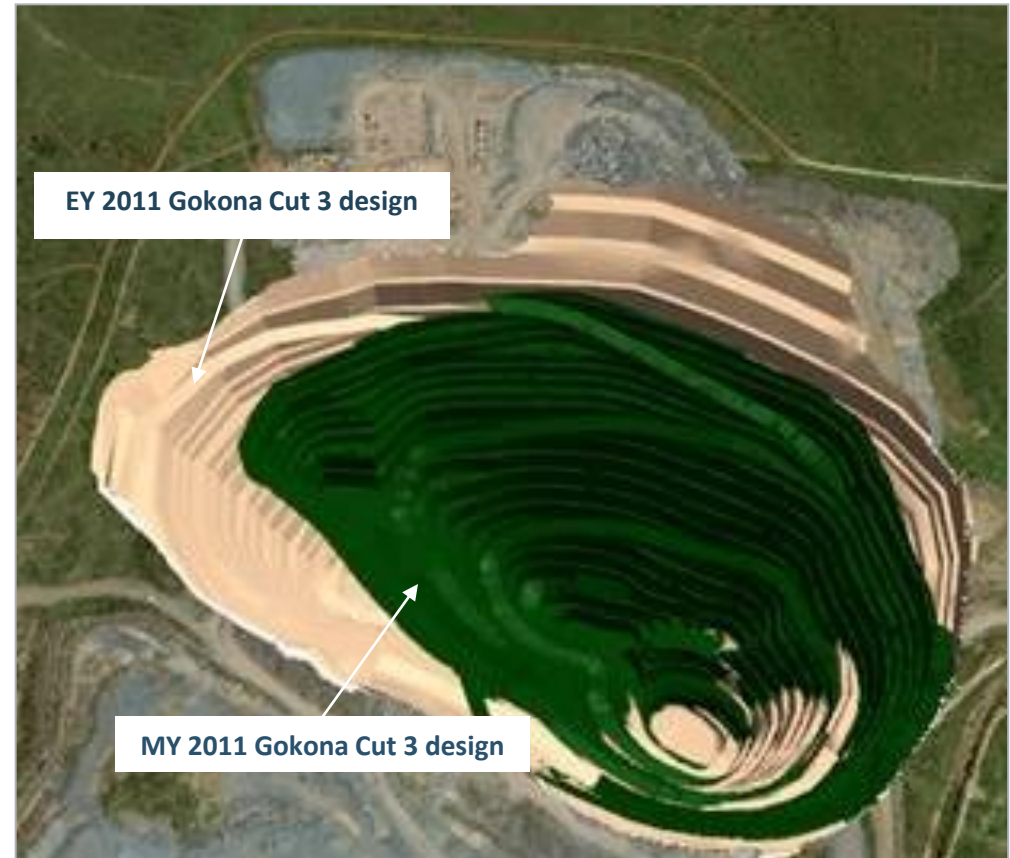
# North Mara Underground

## Gokona Underground

- Progression of land acquisitions have the potential to increase the open pit reserve ounces by ~300Koz
- Would reduce the 2010 underground resource by approximately 150Koz and move planned U/G portal
- Further investigation required, but potential addition of the lower cost open pit ounces is a positive for the overall North Mara mine
- We believe the potential for an underground operation remains intact

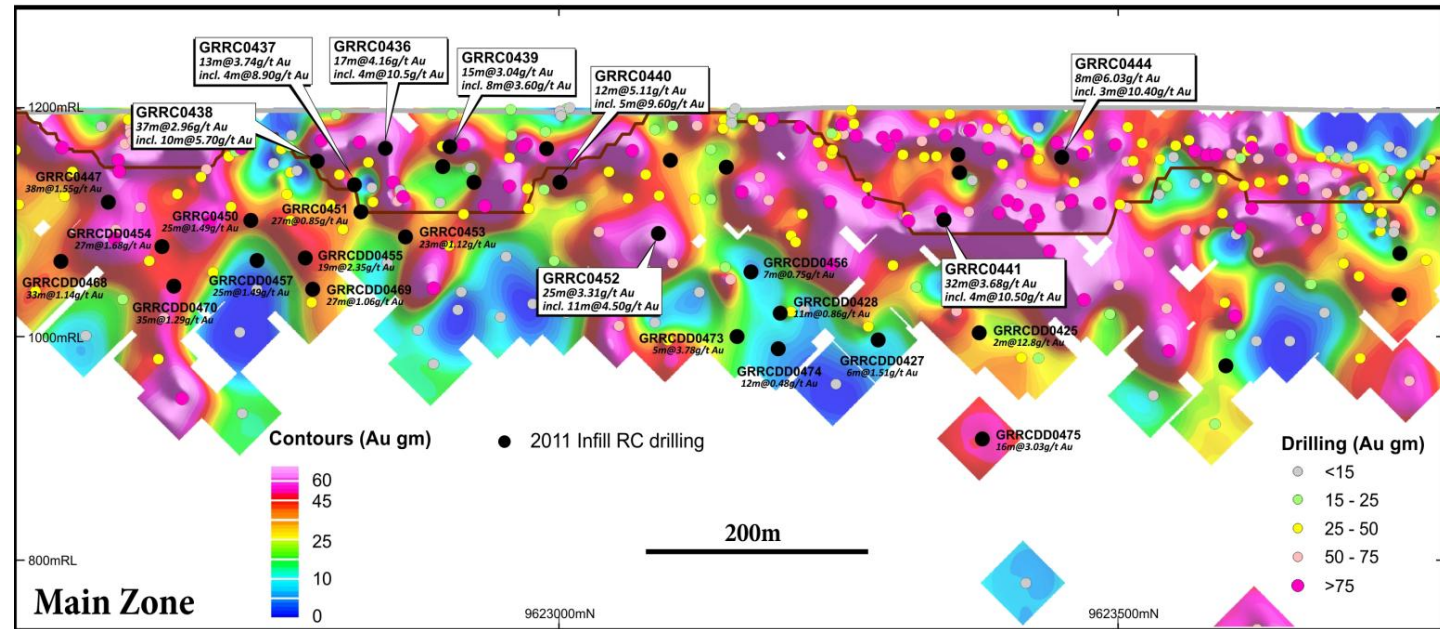
## Nyabirama Underground

- Results from the drilling to date have returned intercepts showing multiple zones of higher grade mineralisation, including some wider zones (>10 metres) with grades > 5g/t gold
- Plan to initiate an underground feasibility study during 2012



# Golden Ridge Project

- Initial resource announced in March 2011
- Current resource of
  - 677Koz @ 2.84g/t Au Indicated
  - 93Koz @ 2.37g/t Au Inferred
- Further infill drilling programme completed to upgrade the Inferred resource

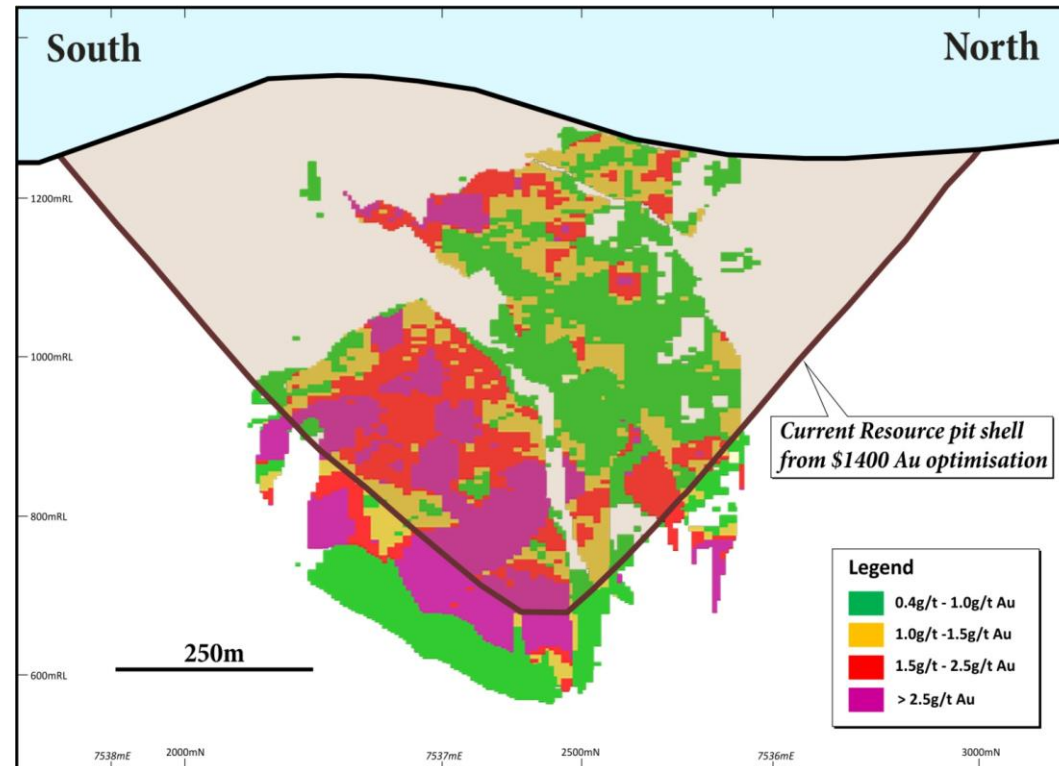


- Feasibility study to toll mill ore at Buzwagi completed positively, but did not pass internal hurdle rate
- Further initial analysis has shown that utilising the expanded process plant at Bulyanhulu, around 30km away, could be a viable option to develop the resource
- A revised feasibility study will be initiated in 2012 to investigate this and will incorporate GRR results from the successful 2011 drilling programme

# Greenfield growth - Nyanzaga

- The Nyanzaga project is located in a sparsely populated area in northwest Tanzania, 35km northeast of Bulyanhulu and 5km from Lake Victoria
- Nyanzaga consists of the main Tusker deposit and the smaller Kilimani deposit (c. 200-300m north east of Tusker)
- ABG has carried out an aggressive reverse circulation and diamond-core step-out and infill drill programme across both the Tusker and Kilimani resource areas drilling 91,537 metres since May 2010
  - Investment in drilling programme of \$21.7 million
- Exploration in 2011 focused on exploring the area of the deposit 250 to 500 metres below surface as well as potential higher gold grade areas near surface
- Programme has been highly successful and has identified significant mineralisation in the zones targeted

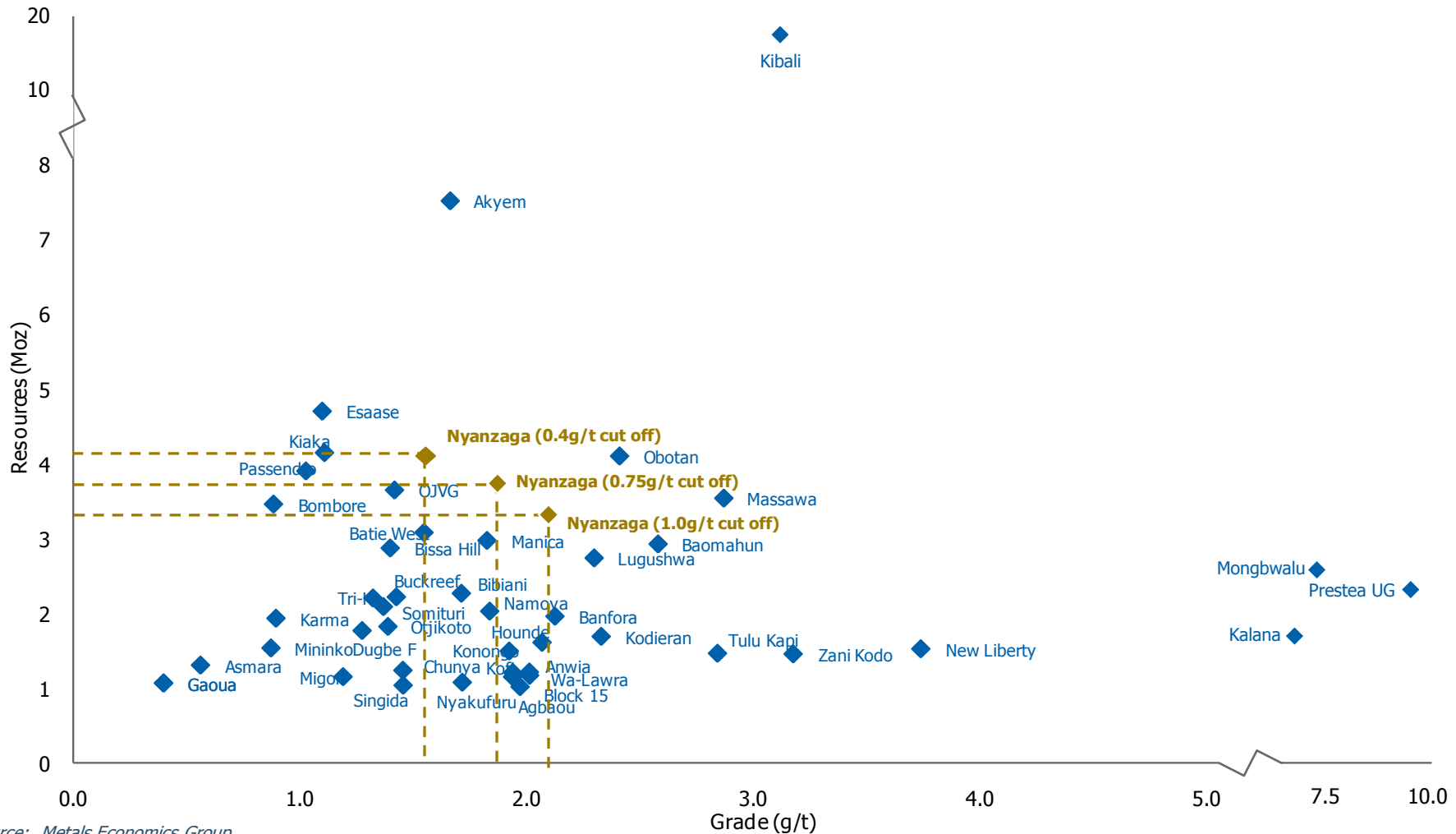
## Expanded pit shell now delineated with an in-pit resource in excess of 4Moz Au



# African Gold Projects – Grade vs. Total Resources



- Nyanzaga compares favourably with other African gold development projects



Source: Metals Economics Group

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# Summary



- Established production base, generating significant cashflow to fund growth
- Range of near mine and greenfield projects on track to deliver meaningful growth
- High quality long life resource base, now in excess of 31Moz
- Continued commitment to sustainable development in Tanzania
- Strong balance sheet provides significant strategic flexibility - \$584m cash at end of 2011
- Strategy to optimise, expand and grow the asset base