

Dated 16th January, 2018

THE REPUBLIC OF GHANA
and
ANGLOGOLD ASHANTI (GHANA) LIMITED

DEVELOPMENT AGREEMENT

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THIS AGREEMENT is dated, 2018 and made between:

- (1) **THE REPUBLIC OF GHANA**, represented by the Minister of Lands and Natural Resources (hereinafter referred to as the **Government**); and
- (2) **ANGLOGOLD ASHANTI (GHANA) LIMITED**, a company with limited liability established under the laws of Ghana (hereinafter referred to as **AGAG**).

BACKGROUND

- (A) In February 2004, the Government and AGA (as defined below) entered into a stability agreement which was amended in February 2007 (the **Existing Stability Agreement**), which agreements were ratified by Parliament (as defined below) and pursuant to which the Government granted certain support to AGA and its subsidiaries in Ghana.
- (B) AGAG has determined, taking account of the terms of this development agreement that the Redevelopment (as defined below) of the Obuasi Mine is a viable project and proposes to undertake the Redevelopment in accordance with the Redevelopment Plan (as defined below).
- (C) The Government has agreed, subject to Parliamentary approval, to enter into a development agreement with AGAG, in accordance with the Minerals and Mining Act (as defined below) to assist AGAG to obtain the support of investors and to achieve stability for the Redevelopment.

THE PARTIES AGREE AS FOLLOWS each in consideration of the agreement of the other:

1 Definitions and Interpretation

- 1.1 The following terms wherever used in this Agreement shall have the respective meanings set forth below:

AGA means AngloGold Ashanti Limited a company incorporated in South Africa with registered number 1944/017354/06, the registered office of which is at 76 Rahima Moosa Street, Newtown 2001, South Africa.

AGAI means AngloGold Ashanti (Iduapriem) Limited a company incorporated in Ghana with registered number C-33018, the registered office of which, is at 1 Patrice Lumumba Road, Kawukudi Junction, Roman Ridge, Accra.

Agreement means this development agreement.

Binsere Mining Leases means the three Mining Leases entered into between the Government and AGAG each dated 9 April 1998.

Constitution means the 1992 Constitution of the Republic of Ghana.

Contract Area means any area designated by the Mining Leases.

Development means all preparation for the removal and recovery of Minerals, including the construction or installation of a mill, a Mining Plant or any other Infrastructure to be used for the mining, handling, milling, beneficiation or other processing of Minerals.

Dollar and US\$ mean United States dollars and any other currency that is legal tender in the United States of America.

Effective Date means the date described in Clause 2.

Existing Stability Agreement has the meaning given in Recital (A).

Exploration means activities directed towards ascertaining the existence, location, quantity, quality or commercial value of deposits of Minerals.

Financial Year means 1 January to 31 December (inclusive), or such other period as the Parties may agree.

Force Majeure has the meaning given in Clause 19.3.

Foreign Currency means Dollars and any other currency except Ghana Cedis.

GAAP means generally accepted accounting principles that the Institute of Chartered Accountants, Ghana may from time to time adopt.

General Mining Regulations means the Minerals and Mining (General) Regulations, 2012 (L.I. 2173).

Ghana Cedi means the lawful currency of Ghana and any currency that is legal tender in Ghana.

Government means the Government of the Republic of Ghana as defined under Article 295 of the Constitution.

Group Company means a legal Person that, with respect to AGAG, directly or indirectly controls, is controlled by, or is under common control with AGAG. For this purpose, "control" shall have the same meaning as "controller" in section 111 of the Minerals and Mining Act.

ICSID Convention means the 1965 Washington Convention on the Settlement of Investment Disputes between States and Nationals of Other States, and **ICSID** refers to the International Centre for Settlement of Investment Disputes established by that convention.

Infrastructure includes the following:

- (a) immovable transportation and communication facilities (including roads, bridges, railroads, airports, landing strips and landing pads for aircraft, hangars and other airport facilities, garages, channels, tramways, pipelines and radio, telephone, telegraph, telecommunications, and electronic or other forms of communications facilities);
- (b) immovable port facilities (including docks, harbours, piers, jetties, breakwaters, terminal facilities and warehouses, and loading and unloading facilities);
- (c) immovable power, water and sewerage facilities (including electrical generating plants and transmission lines, dams, water drains, water supply systems and systems for disposing of tailings, plant waste and sewage);
- (d) immovable public welfare facilities (including schools, clinics and public halls);
- (e) miscellaneous immovable facilities used primarily in connection with the operation of any of the foregoing (including offices, machine shops, foundries, repair shops and warehouses);
- (f) other immovable facilities used primarily in connection with or as an incident to Operations; and
- (g) movable facilities and equipment used as an integral part of the immovable facilities described above or used in connection with Operations. For purposes

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of this Agreement, immovable items consist of all tangible items that are securely affixed and attached to the land or to buildings or other structures on the land. All other items are movable items.

Law means any Constitution, law, statute, decree, rule, regulation, judicial decision, judgement, order, proclamation, executive order or other sovereign act of the Government that regulates, controls or relates to AGAG and to its Operations, or that is generally applicable in Ghana.

Mineral means minerals as defined under section 111 of the Minerals and Mining Act as defined below.

Minerals Commission means the Minerals Commission established under section 1 of the Minerals Commission Act, 1993 (Act 450).

Minerals and Mining Act means Minerals and Mining Act, 2006 (Act 703), as amended.

Mining Leases means the Obuasi Mining Lease and the Binsere Mining Leases or any of them as they may be amended, renewed, merged or replaced from time to time.

Mining Plant means mining plant as defined under section 111 of the Minerals and Mining Act.

Minister means the Minister responsible for mines.

Notice means notice given in accordance with Clause 18.

Obuasi Mine means the mine operated by AGAG pursuant to the Mining Leases.

Obuasi Mining Lease means the mining lease entered into between the Government and AGAG dated 5 March 1994 as amended by an addendum effective 18 February 2004, both of which have been ratified by Parliament.

Operations means any and all activities and transactions conducted by or on behalf of AGAG, in connection with Exploration, Development, Production and reclamation and the financing of any of them (including the Redevelopment), as it relates to the Obuasi Mine.

Parliament means the Parliament of the Republic of Ghana or any successor legislative entity or authority.

Party means the Government or AGAG (as well as any permitted assignee of either of them) as the context may require or permit.

Person means any natural person and any legal person. For purposes of this Agreement, a natural person means a human being and a legal person means a partnership, joint venture, corporation, limited liability company, trust, estate, or any entity that is recognised by the laws of any state as a distinct legal entity, as well as a government or state.

Prevailing Market Rate of Exchange means the predominant rate, expressed in the relevant Foreign Currency, on any day during which AGAG engages in a foreign exchange transaction under this Agreement, at which willing sellers and willing buyers, acting at arm's length, in the ordinary course of business have most recently purchased or sold or agreed to purchase or sell Ghana Cedis.

Production means the commercial exploitation of Minerals found in the Contract Area and all other activities wherever performed that are incidental thereto including the design, construction, installation, fabrication, operation, maintenance and repair of Mining Plant or other Infrastructure, facilities and equipment and the mining, excavation, extraction, recovery, handling, beneficiation, processing, milling, stockpiling, transportation, export and sale of Minerals.

Redevelopment means the redevelopment of the Obuasi Mine in accordance with the Redevelopment Plan.

Redevelopment Plan means the plan for Redevelopment approved by the Government and attached to this Agreement as an Appendix.

Shareholder means any direct or indirect shareholder of AGAG, an indirect shareholder being a Person who controls the exercise of more than 50% of the voting power at any general meeting of a holding company of AGAG.

Stability Period means the period of ten (10) years from the Effective Date, as may be extended for a further term of five (5) years in accordance with Clause 4.3.

Subcontractors means any Person rendering goods or services to AGAG (or its contractors or subcontractors) in relation to the Operations or importing goods in connection with the Operations.

Subsidiary and Holding Company have the meanings set out in the First Schedule to the Ghana Companies Act, 1963 (Act 179), as amended.

UNCITRAL Arbitration Rules means the Arbitration Rules of the United Nations Commission on International Trade Law.

1.2 Headings to the clauses and sections of this Agreement are inserted for convenience only and shall not affect its construction.

1.3 Unless otherwise stated:

(a) a reference to "hereof", "hereunder", "herein" or words of similar meaning, means this Agreement;

(b) the words "and" and "and/or" include the conjunctive and disjunctive, as the context may require or permit;

(c) the word "include" (and any variation of that word) means including but not limited to.

1.4 This Agreement shall be read with such changes in gender or number as the context shall require and words importing the singular shall include the plural and vice versa.

1.5 Each of the Parties to this Agreement have participated in the drafting and negotiation of this Agreement and this Agreement shall not be construed against either Party as the drafting Party.

1.6 With effect from the Effective Date, the Existing Stability Agreement will cease to apply to AGAG and the Existing Stability Agreement shall only continue in relation to the other subsidiaries of AGA incorporated in Ghana, in particular AGAI.

2 Condition and Effective Date

2.1 This Agreement shall be conditional upon the ratification of this Agreement by Parliament under Article 268 of the Constitution and sections 48 and 49 of the Minerals and Mining Act.

2.2 The Effective Date shall be the date on which this Agreement is ratified by Parliament.

3 Term

The term of this Agreement shall commence on the Effective Date, and unless sooner terminated in accordance with this Agreement, shall continue for the Stability Period.

4 Stabilisation

4.1 During the Stability Period, AGAG shall not:

- (a) be adversely affected by a new enactment, order, instrument or other action made under a new enactment or changes to an enactment, order, instrument that existed at the date of this Agreement or other action taken under these that have the effect or purport to have the effect of imposing obligations on AGAG; and
- (b) be adversely affected by any subsequent changes to:
 - i. the level of and payment of customs or other duties relating to the entry of materials, goods, equipment and any other inputs necessary to the operation of the Obuasi Mine;
 - ii. the level of and payment of royalties, taxes, fees, and other fiscal imposts; and
 - iii. laws relating to exchange control, transfer of capital and dividend remittance.

4.2 Clause 4.1 shall not apply to a new enactment, order, or instrument, or other action made under a new enactment, order, or instrument to promote the use of Ghanaian goods and services in the Operations.

4.3 The Stability Period shall be for a period of ten (10) years from the Effective Date, which period (the Initial Stability Period) shall be extended for a further term of five (5) years (the Extended Stability Period) on terms agreed to by the Parties acting reasonably and taking into account the economic returns of the Obuasi Mine to each of the Parties, if:

- (a) at the end of the Initial Stability Period AGAG has complied fully with the Redevelopment Plan; and
- (b) under a plan (the Extension Plan) presented to and accepted by the Minister, AGAG commits to make an additional investment, subsequent to the

investments under the Redevelopment Plan, of at least Three Hundred Million United States Dollars (US\$300,000,000) in a mining project which is the subject of the Mining Leases, provided that the period for the completion of the project shall not exceed four (4) years beyond the Initial Stability Period, and the additional investment is projected under the Extension Plan to result in any of the following:

- (i) an increase in gold production by AGAG of at least ten per cent (10%) when compared to the average of the three (3) calendar years before the completion of the project described in the Extension Plan and financed by the additional investment; or
- (ii) an increase by at least three (3) years in the life of the mine which is the subject of the Mining Leases; or
- (iii) an increase of at least ten per cent (10%) in the number of permanent employees who are citizens of Ghana employed by AGAG at the mine which is the subject of the Mining Leases when compared to 31 December of the year prior to the year in which AGAG began construction or other activity required to complete the project described in the Extension Plan and financed by the additional investment; or
- (iv) the satisfaction of any other measure approved by the Minister.

4.4 Where the Minister has not acknowledged the Extension Plan referred to in Clause 4.3(b) ninety (90) days after it has been delivered, AGAG shall deliver a reminder notice to the Minister. The Extension Plan shall be deemed to have been accepted by the Minister if notice of disapproval has not been delivered to AGAG thirty (30) days after delivery of the reminder notice.

4.5 Fulfilment of the measures described in Clause 4.3(b) and set forth in the Extension Plan shall be deemed to have occurred if, within one (1) year after the completion of the project financed by the additional investment, any one of the conditions set forth in Clause 4.3(b) and as described in the Extension Plan has been met or, in the case of Clause 4.3(b)(ii), it can be demonstrated to the reasonable satisfaction of the Minister that activities have been completed and given effect such as will permit the attainment of that condition.

- 4.6 Should the conditions described in Clause 4.3 fail to be satisfied on the basis and within the period described in Clause 4.4 and 4.5 and in the Extension Plan, unless such failure is due to Force Majeure or to action taken or inaction by the Government after acceptance of the Extension Plan that prevents the satisfaction of any of the relevant conditions in the Extension Plan, the Government may rescind the Extended Stability Period and AGAG will thereafter become liable for any additional financial obligations that would have accrued but for the extension of the Initial Stability Period.

5 Taxes, Duties and Levies

AGAG shall, subject to Clause 4, be subject to all taxes, duties and levies in force in Ghana from time to time under Law as may apply to them except where AGAG is exempt wholly or partly from the application of a Law relating to taxes, duties and levies pursuant to Article 174 (2) of the 1992 Constitution of the Republic of Ghana.

6 Financial Reporting and Exchange Control

6.1 Currency for Accounting

Accounting by AGAG under this Agreement shall be in Dollars and any amounts paid or received, and obligations incurred or transactions carried out, in Ghana Cedis or in any Foreign Currency other than Dollars shall be converted to Dollars at the Prevailing Market Rate of Exchange between Dollars and Ghana Cedis or any other Foreign Currency on the date of the applicable transaction in accordance with GAAP. AGAG shall not be required to keep records and financial statements in Ghana Cedis.

6.2 Exchange Control

- (a) AGAG may without restriction, directly or indirectly, of the Government, obtain, retain, hold, deal with and disburse up to eighty (80) per cent of proceeds received from exporting Minerals in Foreign Currencies in places it has chosen under the Existing Stability Agreement or that it may choose in accordance with any foreign exchange retention account agreement hereinafter entered into with the Bank of Ghana or otherwise in accordance with Law.
- (b) AGAG shall be entitled to hold, in Foreign Currency, any amounts returned to or held in Ghana in excess of twenty (20) per cent of proceeds received from exporting Minerals.

- (c) AGAG may acquire Ghana Cedis at the Prevailing Market Rate of Exchange, and also exchange Ghana Cedis for Foreign Currency at the Prevailing Market Rate of Exchange provided that any of the above transactions in Ghana shall comply with Law including any requirement that such transactions in Ghana be conducted with Persons authorised by Law to engage in such transactions.

6.3 Right to Remit Payments

AGAG shall be entitled to remit in Dollars all payments of dividends, interest, finance charges, principal, management and technical services fees and other properly payable items arising from, as a result of, or related to Operations.

7 Group Company Transactions

7.1 Transactions including the purchases of goods and services and the provision of loans and the accrual of interest between AGAG and a Group Company or any other Person of whom AGAG or a Group Company of AGAG is a controller shall unless otherwise provided by this Agreement or Law be conducted on an arm's length basis as would occur between unrelated parties and as required by Law.

7.2 AGAG shall, in accordance with Law, provide documentation of the prices, discounts and commissions and a copy of any contracts and other relevant documentation related to transactions with Group Companies.

7.3 For the purposes of this Clause 7, "**controller**" shall have the meaning given to it by section 111 of the Minerals and Mining Act.

8 AGAG Covenants

8.1 Community Trust

AGAG has established a community trust for the Obuasi Mine through a wholly owned subsidiary named AngloGold Ashanti Obuasi Community Trust Fund with a board of directors drawn from AGAG management and the communities in Ghana in which AGAG operates. AGAG shall contribute US\$2.00 per ounce of gold sold by AGAG from the Obuasi Mine to the fund. The disbursement of funds shall be determined by the board of directors of the AngloGold Ashanti Obuasi Community Trust Fund.

8.2 Health and Safety

AGAG shall maintain health and safety standards in accordance with the Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I. 2182). AGAG may apply its own best practices in connection with Operations provided that they are not inconsistent with applicable Law and international best practices.

8.3 Use of Ghanaian Goods and Services

Subject to Clause 4.2, AGAG shall when purchasing goods and services required with respect to Operations, comply with section 105 of the Minerals and Mining Act and Regulation 2 of the General Mining Regulations as well as any new enactment, order or instrument made to give preference to materials and goods made in Ghana, and services provided by Ghanaians or entities incorporated or formed in Ghana and owned and controlled by Ghanaians.

9 Employment and Training

9.1 Employment

To the extent that Persons having the requisite skill and experience are available for and willing to accept employment with AGAG, AGAG shall employ (and shall give preference to the employment of) such qualified Persons who are citizens of Ghana (and to such other Persons as the Law may require) for skilled technical, administrative, financial and managerial positions in accordance with Law (in particular Regulation 1 of the General Mining Regulations) for the purpose of ensuring that managerial functions of AGAG at all levels including technical and senior executive levels shall be substantially performed by citizens of Ghana. Notwithstanding the foregoing, AGAG shall have the right freely to appoint and employ as its Chief Executive Officer, Chief Financial Officer and Head of Operations, Persons who may be either Ghanaian citizens or citizens of any other nation, except:

- (a) where any individual may be disqualified by Law from entering or residing in Ghana; or
- (b) where an individual is from a nation whose citizens may as a general category be banned by Law from residing or working in Ghana.

AGAG shall, subject to the foregoing, also have the right at all times to choose its employees freely and without restriction. AGAG and the Government shall, from time to time and as permitted by Law, determine how to accomplish the objectives set forth above in this Clause 9.1.

9.2 Training

AGAG shall among other measures, provide on a continuing basis for the training of suitable Ghanaian citizens, in order to qualify them for skilled, technical, administrative and managerial positions. AGAG shall submit to the Minerals Commission a detailed programme for the recruitment and training of Ghanaians in connection with Operations pursuant to the Mining Leases, and such programmes shall be designed towards the eventual replacement of expatriate personnel by Ghanaian personnel, as required by Law.

10 Undertakings of the Government

10.1 Government Interest

The Government undertakes that it shall not seek to exercise any right to acquire an interest in AGAG, its Group Companies or any of their respective operations or assets pursuant to requirements of section 43 of the Minerals and Mining Act, or of any other Law or any successor law thereto.

10.2 Special Share

The Government reconfirms its agreement that the Government's rights with respect to the Special Share as set out in the articles of association of AGAG apply solely to AGAG's assets and operations in Ghana.

10.3 Electricity Generation and Transmission

- (a) The Government shall through its best endeavours make available electric power sufficient to meet AGAG's reasonable needs for the conduct of Operations in Ghana on the same basis as other mines in Ghana.
- (b) The Government further affirms that AGAG may at its own cost and in accordance with Law, generate, transmit, use and deal with electricity and lawfully obtain electric power from other Persons who have been so authorised in Ghana by the Government.
- (c) With respect to all of the foregoing, AGAG may construct the necessary Infrastructure and Mining Plant subject to the requirements of any Law regulating the manner in which any of the foregoing rights shall be exercised

taking into account the safety of the public and prevention of harm to the environment.

10.4 Incidental rights

(a) Conduct of Operations

AGAG may conduct Operations either directly or through agents and contractors (including Subcontractors) and shall do so in accordance with (a) the terms of this Agreement and (b) the terms of the Mining Leases, and in a manner consistent with Law.

(b) Encumbrances

Subject to section 14 of the Minerals and Mining Act, AGAG may, mortgage, charge or otherwise encumber all or part of its interest under this Agreement or the Mining Leases to raise, from one or more Group Companies or third parties, financing for its Operations and other obligations under this Agreement. The Government agrees that in the event of default by AGAG, a Person who holds such mortgage, charge or other encumbrance may either conduct Operations to the same extent and on the same basis as AGAG if it is qualified under Law and has demonstrated the technical and financial ability to conduct Operations under this Agreement or, with the prior consent of the Minister, which consent shall not be unreasonably withheld, and as permitted by Law, may exercise any power of sale granted by any such mortgage, charge or other encumbrance.

(c) Right to Export Minerals and Other Rights

Under the Mining Leases and under this Agreement, AGAG has the exclusive right, subject to Law to:

- i. export and sell, without restriction by the Government or any other Person, Minerals obtained from Operations in a Contract Area to any Person in any country or state;
- ii. carry on Exploration for Minerals within the Contract Area;
- iii. mine Minerals within the Contract Area; and

iv. subject to Clause 6.2 (a), receive all income and proceeds from the export or sale of Minerals and to deposit them in banks within Ghana and outside of Ghana.

(d) Protection against Nationalisation or Expropriation

Except as permitted in accordance with the provisions of Article 20 of the Constitution, the Government undertakes and affirms that it shall not nationalise or expropriate (or with respect to any of the following take any measures equivalent to nationalisation or expropriation):

- i. any Infrastructure or other property, movable or immovable, tangible or intangible (including any bank accounts) owned by AGAG, subject to its right to possess or use, and whether in its possession or in the possession of its Group Companies, agents, representatives or contractors;
- ii. Minerals in any form as permitted by the Mining Leases resulting from the Operations;
- iii. any equity, shares, loans or ownership interests of whatever nature held in or owned or issued by AGAG; and
- iv. any structure or entity put in place by AGAG in connection with Production.

Any action taken by the Government pursuant to the Constitution as described above, or any other action by the Government in violation of the terms of this paragraph (d) shall each entitle AGAG, in addition to any other remedy provided by Law or otherwise by this Agreement, to payment of compensation by the Government as provided under Article 20 of the Constitution.

(e) Peaceful Enjoyment

The Government hereby warrants that AGAG shall have peaceful enjoyment of the rights granted hereunder in accordance with Ghanaian Law.

(f) Surface Rights

AGAG may, under the Mining Leases and subject to the requirements of Law, enter upon and utilise all land within the Contract Area for purposes of and

incidental to its Operations. Nothing contained in this paragraph (f) shall be construed to permit AGAG to explore for Minerals or to produce Minerals found in any land that is not within the Contract Area

(g) Mining Plant and the use of Public Infrastructure

- i. AGAG may, subject to Law, acquire, construct, install, maintain and operate a Mining Plant and other Infrastructure reasonably required for Operations.
- ii. AGAG may, subject to Law, use public Infrastructure, owned, operated or provided by the Government, or by any other Person under licence or authority of the Government, to the same extent that those facilities may be used by others to meet the needs of AGAG with respect to Operations.
- iii. To the extent reasonable in connection with Operations, AGAG may integrate any item of Mining Plant with similar items of public Infrastructure, where it is reasonable and lawful to do so, and subject to prior consent of the Government.
- iv. The Government reserves the right to construct roads, highways, railroads, telegraph⁷ and telephone lines or other public utility Infrastructure within the Contract Area, on reasonable Notice to and after consultation with AGAG. In the event of such construction, the Government shall, after receipt of an invoice from AGAG compensate it for any damage caused to the property of AGAG and shall indemnify and hold AGAG harmless from any claims by third parties arising from the construction.

11 Conflicts with and Amendments to Mining Leases

- 11.1 The terms of this Agreement, including the provisions of Clause 17, shall also control and govern the rights of the Parties under the Mining Leases. In the event of any conflict between the terms of this Agreement and the Mining Leases the terms of this Agreement shall prevail.
- 11.2 The Parties acknowledge and agree that, other than to the extent of any such conflict, the Mining Leases shall remain valid and in full force and effect.

12 Confidentiality

12.1 This Agreement

This Agreement is not confidential and the Parties and the Group Companies of AGAG expect to make public information relating to this Agreement and payments under this Agreement.

12.2 Other Information

All information, reports, and documents provided to the Government in the context of this Agreement, including those conveying geological information, Mineral reserves, sales data, Production data, amounts set aside as reserves for reclamation or other obligations including those as required by GAAP, financial information and data and all other information related to Operations shall be considered and treated as confidential information, subject to sub-paragraphs (a) – (c) below and section 20 of the Minerals and Mining Act and other applicable Law. The Government agrees not to divulge this confidential information to any other Person without the prior written consent of AGAG (which consent shall not be unreasonably withheld) except in the following cases:

- (a) where the information is used by one Party in the course of arbitration or court proceedings against the other Party;
- (b) where such information is made available to a third party providing services to the Government if that third party undertakes an obligation to treat the information as confidential and use it only for the specified purposes; or
- (c) where disclosure of the information is required in accordance with this Agreement or with Law.

12.3 Public Information

The obligation of confidentiality stipulated in this Clause 12 shall not apply to information exchanged between the Parties that is or comes in the public domain through no act or omission by a Party.

13 Warranty and Indemnification

13.1 Due Authorisation

Each Party warrants to the other that:

- (a) it has all necessary power and authority to execute and deliver this Agreement, and subject to receipt of the approval set out in Clause 2.1 to perform its obligations hereunder;
- (b) this Agreement has been duly and validly executed and delivered; and
- (c) subject to receipt of the approval set out in Clause 2.1, this Agreement constitutes a legal valid and binding obligation of the Party.

13.2 Indemnification

Any breach of an obligation in this Agreement by either Party entitles the Party aggrieved by the breach to be indemnified by the other Party in an amount equal to the damage suffered by the aggrieved Party subject to the limitations set out in Clause 17. If a Party is required to make additional payments, because of an inability by a Party to perform for the reasons set forth in this Clause or a breach as described in this Clause, then the Party so required shall, upon an award pursuant to any arbitration under Clause 17 with respect to its right to indemnification hereunder, provide written notice to the other Party for settlement.

14 Periodic Review

14.1 Profound Changes in Circumstances

For the purpose of considering Profound Changes in Circumstances from those existing on the Effective Date or on the date of the most recent review of this Agreement under this Clause 14.1, the Government and AGAG shall at the request of the other consult together at any time after 31 December 2023. The Parties shall meet to review the matter raised after the request as is reasonably convenient for them both to determine if Profound Changes in Circumstances are established to have occurred. To the extent a Profound Change in Circumstances has occurred, the Parties shall enter into good faith discussions to consider such modification, change in or clarification of this Agreement as they may in good faith agree is necessary provided that it is agreed by the Parties that such good faith discussions shall not require a party to agree to any modification of this Agreement. The Parties shall effect such modifications to this Agreement that the Parties agree are necessary and the Government shall seek to obtain the requisite approval of Parliament as soon as practicable. Such modification shall only take effect once any approvals are in force and effect. For purposes of this Agreement, Profound Changes in Circumstances shall mean such changes in the economic conditions of the gold mining industry worldwide or in Ghana, or such changes in the economic, political

or social circumstances existing in Ghana or elsewhere in the world at large as to result in such a material and fundamental alteration of the conditions, assumptions and basis relied upon by the Parties at the Effective Date (or the time after any subsequent review pursuant to this Clause 14.1 that the overall balance of equities and benefits reasonably anticipated by them will no longer be achievable as a practical matter.

14.2 Other Consultation

In addition to the consultation provided by Clause 14.1, each Party may at any time request a consultation with the other Party with respect to any matter affecting the rights and obligations of the Parties under this Agreement or any matter relating to Operations. The Parties shall meet to review the matter raised as soon after such request, as shall be reasonably convenient for them both. Subsequent to the consultation, the Parties shall take the action, if any, that is mutually agreed to address the matter.

15 Termination

Termination by the Government

The Government shall have the right to terminate this Agreement with respect to AGAG, as provided herein and subject to the provisions of this Clause 15, if any of the following events (hereinafter called "Events of Default" shall occur and continue:

- (a) AGAG fails to comply with its obligations under this Agreement and the failure has an adverse effect on the Government, including in particular the failure to carry out the Redevelopment according to the Redevelopment Plan unless failure is caused by the Government or is caused by or results from Force Majeure.
- (b) The Government has terminated the Mining Leases in accordance with the terms of the Mining Leases;
- (c) AGAG voluntarily makes an assignment of all or substantially all of its assets for the benefit of creditors other than an assignment made to secure indebtedness incurred in the ordinary course of business;
- (d) AGAG files a petition or application to any tribunal for the appointment of a trustee or receiver for all or a substantial part of its assets;

- (e) AGAG files or commences proceedings for its bankruptcy, reorganisation, arrangement or insolvency under the laws of any jurisdiction, or if any such petition or application is filed, or any such proceedings are commenced against it, and AGAG indicates its approval thereof, consent thereto or acquiescence therein and such proceedings are not terminated or withdrawn within ninety (90) days;
- (f) If any order is entered appointing a trustee or receiver for AGAG, or adjudicating it bankrupt or insolvent, or approving a petition in any such proceedings, and AGAG permits such order to remain in effect for more than ninety (90) days; or
- (g) Following the recommencement of Production after Redevelopment, AGAG ceases Production with respect to all Contract Area, contrary to the provisions of the General Mining Regulations unless the failure or cessation is caused by Force majeure

15.2 Opportunity to Cure

The Government shall provide Notice to AGAG of an alleged occurrence of an Event of Default on the grounds described in Clause 15.1 above and of the Government's position on the matter and shall offer AGAG a fair opportunity to consult with the Government to resolve the matter. If, after sixty (60) days of consultation, the Government is of the opinion that the matter cannot be resolved by further consultation, the Government may send to AGAG Notice of the Government's intention to terminate this Agreement with respect to AGAG. If the Event of Default is not cured within one hundred and twenty (120) days after the Notice, or within such longer period as the Minister may determine for AGAG to effect the cure, then this Agreement shall be terminated by the Government.

15.3 Disputes Regarding Events of Default

Notwithstanding the provisions of Clause 15.2, if AGAG disputes whether there has been an Event of Default and refers such dispute to arbitration in accordance with Clause 17, or demands non-binding mediation and/or conciliation as required by Clause 17.1, within sixty (60) days after receipt of the Government's Notice of its intention to terminate, termination of this Agreement shall not take effect until the conclusion of the arbitration or non-binding mediation and/or conciliation processes, and shall be in accordance either with an accord reached by the Parties after any mediation or conciliation or with an arbitration award upholding the Government's right to terminate.



16 Governing Law

This Agreement shall be construed and interpreted in accordance with the laws of Ghana.

17 Arbitration

17.1 Submission to Arbitration

- (a) The Parties hereby agree that in the event of any dispute, controversy or claim arising out of or in relation to or in connection with this Agreement, including without limitation any dispute as to its existence, interpretation, construction, validity or termination, the rights or liabilities of the Parties, the enforceability, performance, expiry, termination or breach of the Agreement or any Law affecting the rights, obligations or duties of any Party under this Agreement, whether such dispute is based on contract, tort or otherwise (a **Dispute**), the Parties shall first attempt to amicably resolve the Dispute by mutual discussion, which may also include any non-binding mediation or conciliation processes available in Ghana and, recognising their mutual interests, attempt to reach a satisfactory solution, provided that any such procedures need not take place in Ghana but on demand by any Party shall take place in such other venue as the Parties may agree or if they cannot agree then in London, England (provided that the travel and accommodation costs reasonably and properly incurred of the other Party shall be borne by the Party making the demand that the mediation or conciliation take place elsewhere than in Accra, Ghana). The Parties agree that the period set aside for mutual discussion, mediation or other conciliation processes shall not, however, bar a Party from applying for urgent interim relief.
- (b) If the Parties do not reach settlement within a period of one hundred and twenty (120) days after the date on which one Party has informed the other by Notice of its intention to seek arbitration of a Dispute as provided hereunder, then, upon further Notice by any Party to the other, any unresolved Dispute (provided it is not one in respect of which resolution by submission to an expert is specifically provided elsewhere in this Agreement), the Parties hereby consent to submit the Dispute to the International Centre for Settlement of Investment Disputes (ICSID) and such Dispute shall be exclusively and finally settled by binding arbitration pursuant to the Convention on the Settlement of

Investment Disputes between States and Nationals of Other States (the **ICSID Convention** or the **Convention**).

- (c) The Parties hereby stipulate and agree that this Agreement and the subject-matter thereof are an "investment" for the purposes of Article 25(1) of the Convention.
- (d) Notwithstanding the fact that AGAG is incorporated in the Republic of Ghana, for the purposes of Article 25(2)(b) of the Convention it shall be treated as a "national of another Contracting State" because it is foreign controlled
- (e) If ICSID refuses to register any Request for Arbitration or an ICSID tribunal declines jurisdiction under the Convention, then the Parties agree to refer the dispute to arbitration under the UNCITRAL Rules.

17.2 Constitution of the Arbitral Tribunal

Any Arbitral Tribunal constituted pursuant to this Agreement shall consist of three (3) arbitrators; one (1) arbitrator to be appointed by each Party, and a third, presiding, arbitrator appointed by the two Party-appointed arbitrators.

17.3 Seat and Language of the Arbitration

Subject to Article 62 of the Convention, and except as the Parties may otherwise agree in writing, the Seat shall be as provided by the Convention. However, the venue of any hearing conducted pursuant to this Agreement shall be Accra, Ghana, provided that at the demand of either Party any such hearing will be held either at a place mutually agreed to by the Parties or if not agreed, in the Seat. The proceedings shall, at all times, be conducted in the English language.

17.4 Sovereign Immunity and Waiver of Defences

To the fullest extent permitted by Law, each of the Parties hereby irrevocably and unconditionally:

- (a) waives for itself and its assets other than Protected Assets, any and all immunities (Sovereign or otherwise, in any jurisdiction) from jurisdiction of any Arbitral Tribunal constituted pursuant to this Agreement or court of competent jurisdiction, from any relief before or after proceedings have commenced including but not limited to injunctive relief and specific performance, from

enforcement, execution or attachment of an arbitral award or judgment against its assets, as well as all claims of immunity from the service of process or the jurisdiction of any court situated in any state, country or nation in aid of the jurisdiction of such arbitral tribunal or in connection with the enforcement of any such award, and for any other purpose whatsoever; and

- (b) consents generally in respect of the enforcement and/or execution of any judgment or arbitral award rendered in accordance with the dispute resolution procedures set out in this Agreement against any assets of either party in any jurisdiction irrespective of the use or intended use of the property or asset against which enforcement and/or execution is sought, except Protected Assets in the case of the Government.
- (c) Notwithstanding paragraphs (a) and (b) above, the Parties agree that the Government does not hereby waive immunity from execution or attachment in respect of (a) property used by its diplomatic or consular missions wherever located, (b) property of a military character and under control of a military authority or defence agency of the Government wherever located, (c) assets protected under the Petroleum Revenue Management Act, 2011 (Act 815) of the Republic of Ghana, (d) property located in the Republic of Ghana and dedicated to public or governmental use (as distinct from property dedicated to commercial use) and (e) non-commercial cargo belonging to the Republic of Ghana (the "**Protected Assets**").

17.5 Reservation of Rights

The right to refer a claim or Dispute to arbitration under this Agreement shall not be affected by the fact that a claimant or respondent has received full or partial compensation from another Person for a loss or injury that is the object of the claim or Dispute, and any such other Person may participate in such proceedings by right of subrogation.

17.6 Nature of Award

The Parties may, by mutual consent in writing, agree that the decision of the Arbitral Tribunal be public.

17.7 Investor Rights

The Parties agree that a Shareholder (either acting alone or jointly with any other Shareholder) of AGAG may initiate and prosecute on behalf of AGAG and/or on its own behalf as investor any of the procedures stated in Clause 17.1 and in accordance with and pursuant to Clauses 17.1 to 17.6 and shall benefit from the rights conferred on AGAG under this Clause 17.

18 Notices

18.1 Written Communication

Any orders, approvals, declarations and notices of any kind between the Parties which are required, expressly authorised or provided for under this Agreement (referred to as a **Communication**) shall be in writing and delivered by hand, by fax, by electronic mail or by prepaid internationally recognised courier service, in each case, in accordance with Clause 18.3 or by any other means of communication agreed upon by the Parties. Communication by fax or electronic mail is valid under this Agreement only to fax numbers or electronic email addresses set forth below or identified as acceptable to a Party by Notice to the other Party pursuant to this Clause 18. A Communication other than an electronic mail shall bear an original or facsimile reproduction of the signature of a representative of the sending Party responsible for such Communication and all Communications shall indicate the identity of such representative and state how he or she may be reached by telephone and, if practical, electronic mail. A Communication under this Agreement is not effective until delivery.

18.2 Delivery

A delivery of a Communication to a Party shall be deemed to have occurred in any one of the following circumstances:

- (a) if the Communication has been sent under Clause 18.3 below by prepaid internationally recognised courier service or by hand, on the fourth day following the date on which the Communication was sent by prepaid internationally recognised courier service or, if delivered by hand prior to 5.00pm on the day of delivery, on that day, or if delivered by hand after 5.00pm on the day of delivery, on the next business day;
- (b) where such form of Communication is permitted under Clause 18.3 below or has otherwise been agreed by the Parties, where a fax or electronic mail confirmation of receipt has been electronically issued to the sender by a

receiving device at a fax number or at an authorised electronic mail address indicating receipt of a Communication sent via fax or electronic mail;

- (c) where a duly authorised representative of the Government, in the case of the Government, or a corporate officer of AGAG, in the case of AGAG, has signed a return receipt of registered mail or internationally recognised courier service;
- (d) where verification of receipt of the Communication has been obtained in any manner specifically agreed to in writing by the Parties; or
- (e) where a Party has acknowledged receipt of the Communication in writing.

18.3 Address for Service of Notice

All Communications from the Government to AGAG shall be delivered by hand or sent by prepaid internationally recognised courier service or by electronic mail, to the following addresses:

The Managing Director
AngloGold Ashanti (Ghana) Limited
Gold House, 1 Patrice Lumumba Road
Accra

All Communications from AGAG to the Government shall be delivered by hand or sent by prepaid internationally recognised courier service, to the following addresses:

The Minister
Ministry of Lands and Natural Resources
PO Box M212
Ministries
Accra, Ghana

18.4 Change of Address

Either Party may upon prior Notice to the other Party change the designation of the Person named to receive Communications from the other Party, the address of the office in Ghana or elsewhere authorised to receive such Communications.

19 Force Majeure

19.1 Application

In the event of a Party being rendered unable, in whole or in part, by Force Majeure to carry out any obligation under this Agreement, other than an obligation to make payments of money that accrued before the commencement of Force Majeure, the Party shall give Notice and the particulars of the Force Majeure in writing to the other Party within forty-eight (48) hours after the occurrence of the cause relied on. The time periods specified in this Agreement for the performance of obligations or the enjoyment of rights that are affected by Force Majeure, except in connection with an obligation to make payments of money that accrued prior to the commencement of Force Majeure, but including the term of this Agreement, shall be extended by the period of time the inability caused by such Force Majeure exists.

19.2 Definition

The term "Force Majeure" as used in this Agreement shall mean acts of God, accidents, wars, acts of war, invasions, acts of public enemies, hostilities (whether war is declared or not), restrictions on trade or other activities imposed by the Government or other authority which has jurisdiction over a Party, embargoes, blockades, revolutions, riots, civil commotions, acts of terrorism, sabotage, strikes and/or other industrial, labour or employer-employee disputes (if not cured for a period of more than two (2) months), fires, explosions, earthquakes or any other natural disasters, expropriation of facilities or goods, epidemics, public health emergencies and any similar cause, provided that any such cause was beyond the reasonable control of the Party claiming suspension and could not have been avoided or overcome by the Party through the exercise of due diligence. Conditions

A Party shall not claim Force Majeure:

- a. Unless that Party has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of the Force Majeure event on the Party's ability to perform its obligations under this Agreement and to mitigate the consequences thereof;
- b. If the Force Majeure event is, or was, the direct or indirect result of the breach by that Party of any of its obligations under this Agreement.

20 Anti-corruption, Environmental Protection, Human Rights and National Security

Laws relating to anti-corruption, environmental protection, human rights and national security shall continue to apply to AGAG except that in the event that changes in laws in relation to environmental protection during the Stability Period impose new or amended obligations which have an adverse impact on AGAG and/or the Operations and/or AGAG's rights and obligations, AGAG may give a written notice to the Government and the application of such provisions shall be suspended for a period not exceeding six (6) months until the Parties reach agreement on their implementation with or without modifications.

21 Entire Agreement and Modifications

21.1 Entire agreement

This Agreement represents the entire agreement between the Parties and supersedes any previous oral and written negotiations and agreements.

21.2 Modifications

This Agreement may only be modified or amended by the mutual written agreement of the Parties and such modification or amendment would require ratification by Parliament, in which case any such modification or amendment shall not become effective until ratified by Parliament.

22 Assignment and Succession

22.1 The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the successors, beneficiaries and assignees of the Parties. The rights and obligations of the Parties under this Agreement shall not be affected by a corporate merger, consolidation, amalgamation, or other acquisition or change in control of any Group Company or parent entity of AGAG.

23 Survival

Notwithstanding termination of this Agreement by either Party or for any reason, including a termination due to a finding that this Agreement or a portion thereof is void, invalid, or unenforceable, Clauses 16 and 17, shall survive such termination and shall remain effective as to any matters which are the subject of this Agreement or which arise

out of, in relation to or in connection with this Agreement. This termination shall be without prejudice to rights, duties and obligations that have accrued before termination.

24 Non-waiver of Rights

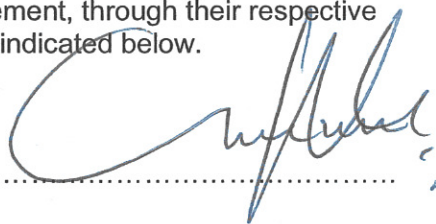
The non-exercise or partial exercise by a Party of any of its rights under the terms of this agreement shall not in any case constitute a waiver of that right.

25 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable, in whole or in part, the remaining provisions shall nevertheless remain valid and subsisting and shall be construed as if this Agreement had been executed without the illegal, invalid or unenforceable portion.

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IN WITNESS WHEREOF, the Parties have signed this Agreement, through their respective duly authorised representatives, on the day, month and year indicated below.



SIGNED by the GOVERNMENT OF THE)
REPUBLIC OF GHANA acting by the)
Minister of Lands and Natural Resources)

John Peter Amewa

in the presence of

Dr. Patrick Agbesinyale, Pledgey
Ag. Chief Director
MLNR, Accra

SIGNED by)
ANGLOGOLD ASHANTI (GHANA) LIMITED)
acting by Eric Asubonteng, its Managing Director)

ANGLOGOLD ASHANTI (GH.) LTD.

MANAGING DIRECTOR
GENERAL MANAGER

in the presence of

Sweet Matilda-Katei Asteia

AngloGold Ashanti (Ghana) Limited

APPENDIX

REDEVELOPMENT PLAN

1. CONTEXT

AngloGold Ashanti (Ghana) Limited holds the Obuasi Mining Lease. The size of the concession is 201 km².

The Obuasi mine has been in operation since 1897, and has produced about 32 Million ounces of gold.

Economic circumstances led to an interruption of underground mining activity at the end of 2014 to allow for restructuring. Limited operations were undertaken in 2015, before being placed on care & maintenance.

The restructuring process has seen significant changes in areas including the construction of a decline to enable mechanisation of the mine, consolidation of the operating footprint, upgraded security, demolition and rehabilitation of redundant infrastructure and right sizing of the organisation. Certain social programs have been maintained during this period including the hospital, AGA school and the malaria program.

A feasibility study was conducted to determine if re-opening the mine was economic and to define the approach and scope of the project. The study demonstrated that the project is feasible, but only through a phased approach to reduce the required cash, transitioning the mine to a modern mechanised mining method, and with the committed support of the Government of Ghana through certain fiscal terms, stability of the applicable legal regime, and the requisite consents and approvals.

2. PROJECT DESCRIPTION

2.1. Phased Approach

The project is implemented in several phases. Timings are from approval of the Development Agreement and Tax Concession Agreement and assume no delays in obtaining of any approvals; manufacturing and importation of equipment and no other events outside of AGAG's control which cause a delay, including normal mining risks.

	Phase	Major Activity	Approximate duration (months)
1	Project Execution and Operational Readiness Planning		6
2	Front End Engineering & Design	Detailed design, tender of major construction and operating contracts.	6
3	Construction & Refurbishment to enable operations at 2000 tonnes per day	SAG Mill #2 and 2 x Biox modules. Surface and underground infrastructure. Underground development and reinstatement.	12
4	Construction & Refurbishment to enable operations at 4000 tonnes per day	SAG Mill #1, 3 rd biox module, Construct Biox tailings storage facility. Underground infrastructure and shaft refurbishment. ODD extension and underground development.	12
5	Construction to enable ramp up to 5000 tonnes per day.	Construct flotation tailings storage facility, and the dirty/clean water separation ponds.	24
6	Underground development and associated shaft and infrastructure to support mining operations down to the 50 level.	ODD extensions, KMS shaft, ventilation, underground pumping systems.	24

2.2. Mineral Resources & Ore Reserve

The project is founded on the 2016 Mineral Resource and Reserve estimates, published in the AGA annual reports.

Mineral Resource	Dec 2016		
Classification	Tonnes	Grade	Ounces
Measured	56,390	3.91	7,084
Indicated	111,716,661	6.76	24,279,810
Inferred	29,446,735	9.72	9,202,306
Total	141,219,786	7.38	33,489,200

Ore Reserve	Dec 2016		
Classification	Tonnes	Grade	Ounces
Proven			
Probable	21,306,377	8.01	5,489,419
Total	21,306,377	8.01	5,489,419

2.3. Mining

Following reinstatement of underground development to the first mining areas, production is planned to commence at approximately 2000tpd and then increase to 4000tpd and progressively increase towards 5000tpd. Mining will start with existing infrastructure (including the decline), while infrastructure is built or refurbished.

Mining is planned to start from the south, utilising the ODD decline. Mining commences at Sansu 3 and Block 8L and will then progress into Blocks 8, 9, and 10 during the mine life.

The mining method will mostly be long hole open stoping, with variations as required to suit the orebody. Paste or hydraulic fill will be used to optimise ore extraction.

For the first 4 years of production, ore will be handled through the ODD (decline) and KRS (shaft). As mining progresses, materials handling will transfer to the KMS shaft.

2.4. Processing

The existing South Treatment Plant will be extensively refurbished and upgraded. Based on a remnant life assessment conducted on the plant, components of the plant will be refurbished, upgraded or replaced. Other components will be demolished.

The table below summarises the work to be done for the respective areas of the plant that require attention.

Plant Area	Demolish	Replace	Refurbish	Upgrade
Crushing/Coarse Ore Stockpile			✓	
Milling/Gravity/Flash Flotation	✓	✓		
Bulk Flotation				✓
Tailings/Concentrate Thickening			✓	
Concentrate Re grind	✓	✓		
BIOX/CCD/Neutralisation			✓	
BIOX CIL				✓
Elution/Goldroom/Carbon Regeneration	✓	✓	✓	
Tailings/Backfill			✓	
Reagents and Services			✓	

The work is planned to allow for the completion of the necessary activities to prepare the plant for the processing of 2000tpd initially, and increasing to 4000tpd and above.

2.5. Infrastructure

The infrastructure construction and refurbishment includes upgrading the shafts and material handling systems, dewatering, ventilation, backfill and electrical & instrumentation systems. This is done progressively to match the production rate and gradually deepening of the mine.

The existing South TSF will initially be used while a new tailings storage facility is constructed, starting with the construction of a BIOX tailings compartment, followed by a flotation tailings compartment.

3. PRODUCTION SCHEDULE

When production commences, ore mined in the first-year averages 2000 tpd, increasing to 4000 tpd during the second year and then to 5000 tpd.

Gold produced in the first ten years averages approximately 300koz per year at steady state.

Based on current gold prices and costs, mine life is expected to be approximately 20 years.

4. CAPITAL ESTIMATE

The capital cost during the period to 31 December 2023 is estimated to be \$880 million real.

The capital estimates for ongoing Life-of Mine cost for capitalised Ore Reserve Development (underground development) and Stay-in-Business capital is provided in the fiscal parameters contained in confidential information submitted to the Government on 27th June, 2017.