

business model

BUSINESS INPUTS

FINANCIAL CAPITAL
 R2,902 million Capital expenditure
 R9,145 million Procurement
 44,474kg (1.43Moz) Gold produced
 R434,663/kg (US\$1,408/oz) Average gold price

HUMAN CAPITAL
 36,274 Number of employees
 R316 million Training and development

SOCIAL CAPITAL
 Beatrix Social and Labour Plan approved
 Kloof and Driefontein Social and Labour Plans submitted
 Identification of and engagement with stakeholders
 R1,050 million socio-economic development expenditure

NATURAL CAPITAL
 76,636Ml Water used
 14,298TJ Energy used
 6,905,373t Rock mined

MANUFACTURED CAPITAL
 19.7Moz Reserves
 65.0Moz Resources
 Improving operational productivity and efficiencies

ACTIVITIES













EXPLORATION AND NEW BUSINESS
 Prospective targets are identified and exploration or due diligence is undertaken. Worthwhile opportunities undergo intensive evaluation.

UNDERGROUND MINING
 Vertical shafts are in place to transport people and equipment to and from orebodies (more than 1,000m below surface) and to bring the ore mined to surface. Gold-bearing ore is drilled, blasted and the ore is brought to surface.

TREATMENT AND PROCESSING
 Once mined, gold ore is processed into doré (unrefined gold bars) at the operations and dispatched to Rand Refinery for further beneficiation.

REFINING
 At Rand Refinery, the gold doré is refined and sold to bullion banks in South Africa and internationally, or to jewellery-fabrication industries. Gold is a significant component in a number of medical applications and lends itself to recycling.

RE-TREATMENT
 The surface operations re-treat tailings, a product of processing, for residual gold and uranium. This re-mining serves as a form of rehabilitation as the tailings storage facilities are permanently removed.

REHABILITATION AND CLOSURE
 Rehabilitation of the land disturbed by mining is an integral aspect of a mine plan from the beginning and throughout the life of an operation. Closure plans take the livelihoods of communities into account.

WHAT MAKES US DIFFERENT?

MATURE HIGH QUALITY OPERATIONS

- Proven operating methods, track record, well-understood geology
- Capital sunk into existing, quality infrastructure
- Excess capacity provides opportunity to increase throughput at minimum cost
- Opportunities to reduce unit costs and increase effectiveness

LARGE HIGH-GRADE RESOURCES PROVIDE OPPORTUNITY TO BRING TO ACCOUNT VAST RESOURCES AT AN APPROPRIATE COST STRUCTURE

LOW CAPITAL TO MAINTAIN PRODUCTION LEVELS

MATURE OPERATIONS OFFERING POSSIBILITIES FOR SIGNIFICANT CASH GENERATION

SUPERIOR LONG-TERM DIVIDEND YIELD AN AREA OF FOCUS

FIRST-MOVER ADVANTAGE AND STRATEGIC LOCATION

- Regional presence potentially offers value-accretive consolidation opportunities

OPERATING STRATEGY

REDUCE COSTS AND PAYMENTS

INCREASE FLEXIBILITY

INCREASE MARGINS

OPTIMISE ALL CAPITAL INCLUDING BALANCE SHEET

STRONG CASH FLOWS

ROBUST DIVIDENDS