ANGLOGOLD ASHANTI LTD
Form 20-F
April 26, 2013
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As filed with the Securities and Exchange Commission on April 26, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

¨ REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934 OR
x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR
¨ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012

Commission file number: 1-14846

AngloGold Ashanti Limited

(Exact Name of Registrant as Specified in its Charter)

Republic of South Africa

(Jurisdiction of Incorporation or Organization)

76 Jeppe Street, Newtown, Johannesburg, 2001

(P.O. Box 62117, Marshalltown, 2107)

South Africa

(Address of Principal Executive Offices)

ME Sanz Perez, Company Secretary, Telephone: +27 11 6376306, Facsimile: +27 86 6750137

E-mail: rsanz@anglogoldashanti.com, 76 Jeppe Street, Newtown, Johannesburg, 2001, South Africa

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares	New York Stock Exchange

Ordinary Shares	New York Stock Exchange*
6.00 Percent Mandatory Convertible Subordinated Bonds due 2013	New York Stock Exchange

* Not for trading, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission

Securities registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report:

Ordinary Shares of 25 ZAR cents each	383,320,962
E Ordinary Shares of 25 ZAR cents each	1,617,752
A Redeemable Preference Shares of 50 ZAR cents each	2,000,000
B Redeemable Preference Shares of 1 ZAR cent each	778,896

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes x No ¨

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing

requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant (1) has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was

required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

(Check one): Large Accelerated Filer x Accelerated Filer ¨ Non-Accelerated Filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

x

International Financial Reporting Standards as issued by the International Accounting Standards Board ¨Other¨

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

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PRESENTATION OF INFORMATION

AngloGold Ashanti Limited

In this annual report on Form 20-F, unless the context otherwise requires, references to AngloGold, AngloGold Ashanti, the company, the Company and the group are references to AngloGold Ashanti Limited including, as appropriate, subsidiaries and associate companies of AngloGold Ashanti.

US GAAP financial statements

The audited consolidated financial statements contained in this annual report on Form 20-F for the years ended December 31, 2012, 2011 and 2010 and as at December 31, 2012 and 2011 have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP).

IFRS financial statements

As a company incorporated in the Republic of South Africa, AngloGold Ashanti also prepares annual audited consolidated financial statements and unaudited consolidated quarterly financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements (referred to as IFRS statements) are distributed to shareholders and are submitted to the JSE Limited (JSE), as well as the London, New York, Australian and Ghana stock exchanges and are furnished to the US Securities and Exchange Commission (SEC) on Form 6-K.

Currency

AngloGold Ashanti presents its consolidated financial statements in United States dollars.

In this annual report, references to rands, ZAR and R are to the lawful currency of the Republic of South Africa, references to US dollars, dollar or $ are to the lawful currency of the United States, references to are to the lawful currency of the European Union, references to C$ or CAD are to the lawful currency of Canada, references to ARS and peso are to the lawful currency of Argentina, references to AUD and A$ are to the lawful currency of Australia, references to BRL are to the lawful currency of Brazil, reference to NAD and N$ are to the lawful currency of Namibia, reference to Tsh is to the lawful currency of the United Republic of Tanzania and references to GHC, cedi or ¢ are to the lawful currency of Ghana.

See Item 3A.: Selected financial data Exchange rate information for historical information regarding the US dollar/South African rand exchange rate. On April 19, 2013 the interbank US dollar/South African rand exchange rate as reported by OANDA Corporation was R9.17/$1.00.

Non-GAAP financial measures

In this annual report on Form 20-F, AngloGold Ashanti presents the financial items total cash costs , total cash costs per ounce , total production costs and total production costs per ounce which have been determined using industry guidelines and practices promulgated by the Gold Institute and are not US GAAP measures. An investor should not consider these items in isolation or as alternatives to production costs, net income/(loss) applicable to common shareholders, income/(loss) before income tax provision, net cash provided by operating activities or any other measure of financial performance presented in accordance with US GAAP. While the Gold Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Glossary of selected terms Financial terms Total cash costs and Total production costs and Item 5A.: Operati results Total cash costs and total production costs .

Shares and shareholders

In this annual report on Form 20-F, references to ordinary shares, ordinary shareholders and shareholders/members, should be read as common stock, common stockholders and stockholders, respectively, and vice versa.

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CERTAIN FORWARD-LOOKING STATEMENTS

Certain statements contained in this document, other than statements of historical fact, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, cash costs and other operating results, return on equity, productivity improvements, growth prospects and outlook of AngloGold Ashanti s operations, individually or in the aggregate, including the achievement of project milestones, the completion and commencement of commercial operations of certain of AngloGold Ashanti s exploration and production projects and the completion of acquisitions and dispositions, AngloGold Ashanti s liquidity and capital resources and capital expenditures and the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental issues, are forward-looking statements regarding AngloGold Ashanti s operations, economic performance and financial condition.

These forward-looking statements or forecasts involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results and forecasts could differ materially from those set out in the forward-looking statements as a result of among other factors, changes in economic, social and political and market conditions, success of business and operating initiative, changes in the regulatory environment and other government actions, including environmental approval, fluctuations in gold prices and exchange rates, the outcome of pending or future litigation proceedings and business and operational risk management and other factors as determined in item 3D.: Risk factors and elsewhere in this annual report. These factors are not necessarily all of the important factors that could cause AngloGold Ashanti s actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Consequently, readers are cautioned not to place undue reliance on forward-looking statements.

AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events, except to the extent required by applicable law. All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein.

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GLOSSARY OF SELECTED TERMS

The following explanations are not intended as technical definitions but should assist the reader in understanding terminology used in this annual report. Unless expressly stated otherwise, all explanations are applicable to both underground and surface mining operations.

Mining terms

All injury frequency rate: The total number of injuries and fatalities that occurs per million hours worked.

BIF: Banded Ironstone Formation. A chemically formed iron-rich sedimentary rock.

By-products: Any products that emanate from the core process of producing gold, including silver, uranium and sulfuric acid.

Calc-silicate rock: A metamorphic rock consisting mainly of calcium-bearing silicates such as diopside and wollastonite, and formed by metamorphism of impure limestone or dolomite.

Carbon-in-leach (CIL): Gold is leached from a slurry of gold ore with cyanide in agitated tanks and adsorbed on to carbon granules in the same circuit. The carbon granules are separated from the slurry and treated in an elution circuit to remove the gold.

Carbon-in-pulp (CIP): Gold is leached conventionally from a slurry of gold ore with cyanide in agitated tanks. The leached slurry then passes into the CIP circuit where carbon granules are mixed with the slurry and gold is adsorbed on to the carbon. The granules are separated from the slurry and treated in an elution circuit to remove the gold.

Comminution: Comminution is the crushing and grinding of ore to make gold available for treatment. (See also Milling).

Contained gold: The total gold content (tons multiplied by grade) of the material being described.

Cut-off grade (surface mines): The minimum grade at which a unit of ore will be mined to achieve the desired economic outcome.

Depletion: The decrease in the quantity of ore in a deposit or property resulting from extraction or production.

Development: The process of accessing an orebody through shafts and/or tunneling in underground mining operations.

Diorite: An igneous rock formed by the solidification of molten material (magma).

Doré: Impure alloy of gold and silver produced at a mine to be refined to a higher purity, usually consisting of 85 percent gold on average.

Electro-winning: A process of recovering gold from solution by means of electrolytic chemical reaction into a form that can be smelted easily into gold bars.

Elution: Recovery of the gold from the activated carbon into solution before zinc precipitation or electro-winning.

Gold Produced: Refined gold in a saleable form derived from the mining process.

Grade: The quantity of gold contained within a unit weight of gold-bearing material generally expressed in ounces per short ton of ore (oz/t), or grams per metric tonne (g/t).

Greenschist: A schistose metamorphic rock whose green color is due to the presence of chlorite, epidote or actinolite.

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Leaching: Dissolution of gold from crushed or milled material, including reclaimed slime, prior to adsorption on to activated carbon.

Life of mine (LOM): Number of years for which an operation is planning to mine and treat ore, and is taken from the current mine plan.

Metallurgical plant: A processing plant constructed to treat ore and extract gold.

Metallurgical recovery factor (MetRF): A measure of the efficiency in extracting gold from the ore deposit.

Milling: A process of reducing broken ore to a size at which concentrating can be undertaken. (See also Comminution).

Mine call factor: The ratio, expressed as a percentage, of the total quantity of recovered and unrecovered mineral product after processing with the amount estimated in the ore based on sampling. The ratio of contained gold delivered to the metallurgical plant divided by the estimated contained gold of ore mined based on sampling.

Mineral deposit: A mineral deposit is a concentration (or occurrence) of material of possible economic interest in or on the earth s crust.

Ore Reserve: That part of a mineral deposit which could be economically and legally extracted or produced at the time of the Ore Reserve determination.

Ounce (oz) (troy): Used in imperial statistics. A kilogram is equal to 32.1507 ounces. A troy ounce is equal to 31.1035 grams.

Pay limit: The grade of a unit of ore at which the revenue from the recovered mineral content of the ore is equal to the sum of total cash costs, closure costs, Ore Reserve development and stay-in-business capital. This grade is expressed as an in-situ value in grams per tonne or ounces per short ton (before dilution and mineral losses).

Precipitate: The solid product of chemical reaction by fluids such as the zinc precipitation referred to below.

Probable Ore Reserve: Ore Reserve for which quantity and grade are computed from information similar to that used for Proven Reserves, but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for Proven Reserves, is high enough to assume continuity between points of observation.

Productivity: An expression of labor productivity based on the ratio of grams of gold produced per month to the total number of employees in mining operations.

Proven Ore Reserve: Ore Reserve for which the (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade is computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of the Ore Reserve are well established.

Project capital: Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially extend the productive life of an asset.

Recovered grade: The recovered mineral content per unit of ore treated.

Reef: A gold-bearing sedimentary horizon, normally a conglomerate band that may contain economic levels of gold.

Refining: The final purification process of a metal or mineral.

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Rehabilitation: The process of reclaiming land disturbed by mining to allow an appropriate post-mining use. Rehabilitation standards are defined by country-specific laws, including but not limited to the South African Department of Mineral Resources, the US Bureau of Land Management, the US Forest Service, and the relevant Australian mining authorities, and address among other issues, ground and surface water, topsoil, final slope gradient, waste handling and re-vegetation issues.

Seismic event: A sudden inelastic deformation within a given volume of rock that radiates detectable seismic energy.

Shaft: A vertical or subvertical excavation used for accessing an underground mine; for transporting personnel, equipment and supplies; for hoisting ore and waste; for ventilation and utilities; and/or as an auxiliary exit.

Short ton: Used in imperial statistics. Equal to 2,000 pounds.

Skarn: A rock of complex mineralogical composition, formed by contact metamorphism and metasomatism of carbonate rocks.

Smelting: A pyro-metallurgical operation in which gold is further separated from impurities.

Stope: Underground excavation where the orebody is extracted.

Stripping ratio: The ratio of waste tonnes to ore tonnes mined calculated as total tonnes mined divided by ore tonnes mined.

Stoping: The process of excavating ore underground.

Syngenetic: Formed contemporaneously with the deposition of the sediment.

Tailings: Finely ground rock of low residual value from which valuable minerals have been extracted.

Tailings dam (slimes dam): Dam facilities designed to store discarded tailings.

Tonne: Used in metric statistics. Equal to 1,000 kilograms.

Tonnage: Quantity of material measured in tonnes or tons.

Waste: Material that contains insufficient mineralization for consideration for future treatment and, as such, is discarded.

Yield: The amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne.

Zinc precipitation: Zinc precipitation is the chemical reaction using zinc dust that converts gold in solution to a solid form for smelting into unrefined gold bars.

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Financial terms

Average number of employees: The monthly average number of production and non-production employees and contractors employed during the year, where contractors are defined as individuals who have entered into a fixed-term contract of employment with a group company or subsidiary. Employee numbers of joint ventures represents the group s attributable share.

Capital expenditure: Total capital expenditure on tangible assets.

Discontinued operation: A component of an entity that, pursuant to a single plan, has been disposed of or abandoned or is classified as held for sale until conditions precedent to the sale have been fulfilled.

Effective tax rate: Current and deferred taxation charge for the year as a percentage of profit before taxation.

OANDA Corporation: An internet-based provider of forex trading and currency information services.

Rated bonds: The $700 million 5.375 percent bonds due 2020, $300 million 6.5 percent bonds due 2040 and the $750 million 5.125 percent bonds due 2022.

Region: Defines the operational management divisions within AngloGold Ashanti Limited, namely South Africa, Continental Africa (Ghana, Guinea, Mali, Namibia and Tanzania), Australasia, and the Americas (Argentina, Brazil and United States of America).

Related party: Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Significant influence: The ability, directly or indirectly, to participate in, but not exercise control over, the financial and operating policy decision of an entity so as to obtain economic benefit from its activities.

STRATE: The licensed Central Securities Depository (CSD) for the electronic settlement of financial instruments in South Africa.

Total cash costs: Total cash costs include site costs for all mining, processing and administration, reduced by contributions from by-products and are inclusive of royalties and production taxes. Depreciation, depletion and amortization, rehabilitation, corporate administration, employee severance costs, capital and exploration costs are excluded. Total cash costs per ounce are the attributable total cash costs divided by the attributable ounces of gold produced.

Total production costs: Total cash costs plus depreciation, depletion and amortization, employee severance costs, rehabilitation and other non-cash costs. Corporate administration and exploration costs are excluded. Total production costs per ounce are the attributable total production costs divided by the attributable ounces of gold produced.

Weighted average number of ordinary shares: The number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the group, and increased by share options that are virtually certain to be exercised.

Currencies

$, US$ or dollar	United States dollars
ARS	Argentinean peso
A$ or AUD	Australian dollars
BRL	Brazilian real
or Euro	European Euro
C$ or CAD	Canadian dollars
GHC, cedi or ¢	Ghanaian cedi
N$ or NAD	Namibian dollars
Tsh	Tanzanian Shillings
ZAR, R or rand	South African rands

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Abbreviations

ADS	American Depositary Share
ADR	American Depositary Receipt
AIFR	All injury frequency rate
ASX	Australian Securities Exchange
Au	Contained gold
BBSY	Bank Bill Swap Bid Rate
bn	Billion
BEE	Black Economic Empowerment
capex	Capital expenditure
CDI	Chess Depositary Interests
CLR	Carbon Leader Reef
Companies Act	South African Companies Act 71, of 2008
DMTNP	Domestic medium-term notes program
ERP	Enterprise resource planning
FIFR	Fatal injury frequency rate
G or g	Grams
g/t	Grams per tonne
GhDS	Ghanaian Depositary Share
GhSE	Ghana Stock Exchange
JORC	Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves
JIBAR	Johannesburg Interbank Agreed Rate
JSE	JSE Limited (Johannesburg Stock Exchange)
King III	South African King Code on Corporate Governance, 2009
Kg or kg	Kilograms
Km or km	Kilometers
LSE	London Stock Exchange
LIBOR	London Interbank Offer Rate
LOM	Life of mine
M or m	Meter or million, depending on the context
Moz	Million ounces
Mt	Million tonnes or tons
Mtpa	Million tonnes/tons per annum
NYSE	New York Stock Exchange
Oz or oz	Ounces (troy)
oz/t	Ounces per ton
oz/TEC	Ounces per total employee costed
SAMREC	South African Code for the Reporting of Mineral Resources and Mineral Reserves 2007 Edition
SEC	United States Securities and Exchange Commission
SOX	Sarbanes-Oxley Act of 2002
T or t	Tons (short) or tonnes (metric)
Tpa or tpa	Tonnes/tons per annum
US/USA/United States	United States of America
VCR	Ventersdorp Contact Reef

Note: Rounding of figures in this report may result in computational discrepancies.

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PART I

ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3: KEY INFORMATION

3A. SELECTED FINANCIAL DATA

The selected financial information set forth below for the years ended December 31, 2010, 2011 and 2012 and as at December 31, 2011 and 2012 has been derived from, and should be read in conjunction with, the US GAAP financial statements included under Item 18 of this annual report. The selected financial information for the years ended December 31, 2008 and 2009 and as at December 31, 2008, 2009 and 2010 has been derived from the US GAAP financial statements not included in this annual report.

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	Year ended December 31,				
	2008 [1]	2009	2010	2011	2012
	$	$	$	$	$
	(in millions, except share and per share amounts)				
Consolidated statement of income					
Sales and other income	3,730	3,954	5,402	6,642	6,428
Product sales[2]	3,655	3,784	5,334	6,570	6,353
Interest, dividends and other	75	170	68	72	75
Costs and expenses	4,103	4,852	5,021	4,521	5,217
Operating costs[3]	2,452	2,543	3,112	3,555	3,876
Royalties	78	84	142	193	164
Depreciation, depletion and amortization	615	615	720	789	794
Impairment of assets	670	8	91	17	367
Interest expense	72	123	151	178	213
Accretion expense	22	17	22	28	33
(Profit)/loss on sale of assets, realization of loans, indirect taxes and other	(64)	10	(3)	(43)	35
Non-hedge derivative loss/(gain) and movement on bonds	258	1,452	786	(196)	(265)
(Loss)/income from continuing operations before income tax and equity income in associates	(373)	(898)	381	2,121	1,211
Taxation (expense)/benefit	(22)	33	(255)	(705)	(340)
Equity (loss)/income in associates	(149)	88	40	59	(23)
Net (loss)/income from continuing operations	(544)	(777)	166	1,475	848
Discontinued operations	23	-	-	-	-
Net (loss)/income	(521)	(777)	166	1,475	848
Less: Net income attributable to noncontrolling interests	(42)	(48)	(54)	(50)	(19)
Net (loss)/income - attributable to AngloGold Ashanti	(563)	(825)	112	1,425	829
Net (loss)/income - attributable to AngloGold Ashanti					
(Loss)/income from continuing operations	(586)	(825)	112	1,425	829
Discontinued operations	23	-	-	-	-
	(563)	(825)	112	1,425	829
Basic (loss)/earnings per common share (in $)[4]					
From continuing operations	(1.86)	(2.30)	0.30	3.71	2.15
Discontinued operations	0.07	-	-	-	-
Net (loss)/income - attributable to AngloGold Ashanti common stockholders	(1.79)	(2.30)	0.30	3.71	2.15
Diluted (loss)/income per common share (in $)[4]					
From continuing operations	(1.86)	(2.30)	0.30	3.17	1.61
Discontinued operations	0.07	-	-	-	-
Net (loss)/income - attributable to common stockholders	(1.79)	(2.30)	0.30	3.17	1.61
Dividend per common share (cents)	13	13	18	34	56

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	2008 $	2009 $	2010 $	2011 $	2012 $
	(in millions, except share and per share amounts)				
Consolidated balance sheet data (as at period end)					
Cash and cash equivalents and restricted cash	585	1,112	585	1,147	927
Other current assets	2,328	1,646	1,412	1,484	1,863
Property, plant and equipment and acquired properties, net	5,579	6,285	6,762	6,902	7,983
Goodwill and other intangibles, net	152	180	197	213	305
Materials on the leach pad (long-term)	261	324	331	393	445
Other long-term assets, derivatives, deferred taxation assets and other long-term inventory	546	1,115	1,101	1,046	1,579
Total assets	9,451	10,662	10,388	11,185	13,102
Current liabilities	3,458	4,475	1,004	919	1,959
Provision for environmental rehabilitation	302	385	530	653	758
Deferred taxation liabilities	1,008	1,171	1,200	1,242	1,157
Other long-term liabilities and derivatives	1,277	1,186	3,065	2,849	3,380
Equity [5]	3,406	3,445	4,589	5,522	5,848
Total liabilities and equity	9,451	10,662	10,388	11,185	13,102
Capital stock (exclusive of long-term debt and redeemable preferred stock)	12	12	13	13	13
Number of common shares as adjusted to reflect changes in capital stock	353,483,410	362,240,669	381,204,080	382,242,343	383,320,962
Net assets	3,406	3,445	4,589	5,522	5,848

(1) 2008 results included the acquisition of the remaining 33 percent shareholding in the Cripple Creek and Victor Gold Mining Company with effect from July 1, 2008. In prior years, the investment was consolidated as a subsidiary. The 2008 accounting treatment is therefore consistent with that of prior years.

(2) Product sales represent revenue from the sale of gold.

(3) Operating costs include production costs, exploration costs, related party transactions, general and administrative, market development costs, employment severance costs and other.

(4) The calculations of basic and diluted (loss)/earnings per common share are described in note 8 to the consolidated financial statements Income/(loss) per common share . Amounts reflected exclude E Ordinary shares.

(5) Includes noncontrolling interests.

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Annual dividends

The table below sets forth the amounts of interim, final and total dividends paid in respect of the past five years in cents per ordinary share. In respect of 2012, a fourth quarter dividend of 50 South African cents per ordinary share was declared on February 18, 2013, with a record date of March 15, 2013 and a payment date of March 28, 2013.

Year ended December 31[1]	2008	2009	2010	2011	2012
South African cents per ordinary share					
First quarter					100
Second quarter	50	60	65	90	100
Third quarter				90	50
Fourth quarter	50	70	80	200	50
Total	100	130	145	380	300
US cents per ordinary share[2]					
First quarter					11.81
Second quarter	6.45	7.66	9.00	12.08	12.10
Third quarter				10.87	5.76
Fourth quarter	5.00	9.50	11.26	27.50	5.40
Total	11.45	17.16	20.26	50.45	35.07

(1) During quarter three of 2011, the Company changed the frequency of dividend payments from half-yearly to quarterly.
(2) Dividends for these periods were declared in South African cents. US dollar cents per share figures have been calculated based on exchange rates prevailing on each of the respective payment dates.

For further information on the company s policy on dividend distributions, see Item 8A: Consolidated statements and other financial information Annual dividend .

Exchange rate information

The following table sets forth, for the periods and dates indicated, certain information concerning US dollar/South African rand exchange rates expressed in rands per $1.00. On April 19, 2013, the interbank rate between South African rands and US dollars as reported by OANDA Corporation was R9.17/$1.00.

Year ended December 31	High	Low	Year end	Average [1]
2008 [2]	11.27	6.74	9.30	8.26
2009 [3]	10.70	7.21	7.41	8.44
2010 [3]	8.08	6.57	6.64	7.34
2011 [3]	8.60	6.49	8.14	7.27
2012 [3]	8.95	7.46	8.47	8.20
2013 [3][4]	9.31	8.47	9.17	8.96

(1) The average rate of exchange on the last business day of each month during the year.
(2) Based on the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York.
(3) Based on the interbank rate as reported by OANDA Corporation.
(4) Through to April 19, 2013.

Exchange rate information for the months of [1]	High	Low

October 2012	8.84	8.30
November 2012	8.95	8.63
December 2012	8.90	8.47
January 2013	9.07	8.47
February 2013	8.99	8.81
March 2013	9.31	8.89
April 2013[2]	9.23	9.08

(1) Based on the interbank rate as reported by OANDA Corporation.
(2) Through to April 19, 2013.

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3B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

3C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3D. RISK FACTORS

This section describes many of the risks that could affect AngloGold Ashanti. There may however be additional risks unknown to AngloGold Ashanti and other risks, currently believed to be immaterial, that could turn out to be material. Additional risks may arise or become material subsequent to the date of this document. These risks, either individually or simultaneously, could significantly affect the group s business, financial results and the price of its securities.

Risks related to AngloGold Ashanti s results of operations and financial condition as a result of factors that impact the gold mining industry generally.

Commodity market price fluctuations could adversely affect the profitability of operations.

AngloGold Ashanti s revenues are primarily derived from the sale of gold and, to a lesser extent, uranium, silver and sulfuric acid. The company s current policy is to sell its products at prevailing market prices and not to enter into price hedging arrangements. The market prices for these commodities fluctuate widely. These fluctuations are caused by numerous factors beyond the company s control. For example, the market price of gold may change for a variety of reasons, including:

- speculative positions taken by investors or traders in gold;
- monetary policies announced or implemented by central banks, including the US Federal Reserve;
- changes in the demand for gold as an investment or as a result of leasing arrangements;
- changes in the demand for gold used in jewellery and for other industrial uses, including as a result of prevailing economic conditions;
- changes in the supply of gold from production, divestment, scrap and hedging;
- financial market expectations regarding the rate of inflation;
- the strength of the US dollar (the currency in which the gold price trades internationally) relative to other currencies;
- changes in interest rates;
- actual or anticipated sales or purchases of gold by central banks and the International Monetary Fund;
- gold hedging and de-hedging by gold producers;
- global or regional political or economic events; and
- the cost of gold production in major gold producing countries.

The market price of gold has been and continues to be significantly volatile. During 2012, the gold price traded from a low of $1,540 per ounce to a high of $1,790 per ounce. On April 19, 2013, the closing price of gold was $1,404 per ounce. The price of gold is often subject to sharp, short-term changes; for example, during the period from Friday, April 12, 2013 through Monday, April 15, 2013, the price of gold dropped $228 per ounce. While the overall supply of and demand for gold can affect its market price, the considerable size of historical mined (i.e., above ground) stocks of the metal means that these factors typically do not affect the gold price in the same manner or degree as for other commodities. In addition, the shift in demand from physical gold to investment and speculative demand may exacerbate the volatility of the gold price.

During 2012, there appeared to develop a relationship between the central banks and the price of gold with the price falling at the prospect of the end of quantitative easing in some of the main economies.

A sustained period of significant gold price volatility may adversely affect the company s ability to evaluate the feasibility of undertaking new capital projects, or the continuity of existing operations, or to make other long-term strategic decisions. The use of lower gold prices in reserve calculations and life-of-mine plans could result in material write-downs of the company s investment in mining properties and increased amortization, reclamation and closure charges.

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The spot price of uranium has been volatile in past years. During 2012, the price varied between a low of approximately $41 per pound and a high of $53 per pound. On April 19, 2013, the spot price of uranium was $41 per pound. Uranium prices can be affected by several factors, including demand for nuclear reactors, uranium production shortfalls and restocking by utilities. Events like those surrounding the earthquake and tsunami that occurred in Japan in 2011 can also have a material impact on the price of and demand for uranium.

The price of silver has experienced significant fluctuations. From a low of $26 per ounce in January 2012, the price rose steadily to reach a high of $37 per ounce in February 2012. By December 2012, the price had dropped to approximately $30 per ounce. Factors affecting the price of silver include investor demand, physical demand for silver bars, industrial and retail off-take, and silver coin minting. On April 19, 2013, the price of silver was $23 per ounce.

If revenue from sales of gold, uranium, silver or sulfuric acid falls below their respective cost of production for an extended period, AngloGold Ashanti may experience losses or be forced to change its dividend payment policies and curtail or suspend some or all of its exploration projects and existing operations. Declining commodities prices may also force a reassessment of the feasibility of a particular project or projects, which could cause substantial delays or interrupt operations until the reassessment can be completed.

Foreign exchange fluctuations could have a material adverse effect on AngloGold Ashanti s results of operations and financial condition.

Gold is principally a US dollar-priced commodity and most of the company s revenues are realized in, or linked to, US dollars while production costs are largely incurred in the local currency where the relevant operation is located. Given the company s global operations and local foreign exchange regulations, some of its funds are held in local currencies, such as the South African rand, Ghanaian cedi, Brazilian real, Argentinean peso and the Australian dollar.

Exchange rate movements may have a material impact on AngloGold Ashanti s operating results. For example, the company estimates that a 1 percent strengthening of all of the South African rand, Brazilian real, the Argentinean peso or the Australian dollar against the US dollar will, other factors remaining equal, result in an increase in total cash costs under IFRS of approximately $6 per ounce or approximately 1 percent of the company s total cash costs. The impact on cash costs determined under US GAAP may be different.

The profitability of operations and the cash flows generated by these operations are significantly affected by fluctuations in input production prices, many of which are linked to the prices of oil and steel.

Fuel, energy and consumables, including diesel, heavy fuel oil, chemical reagents, explosives, tyres, steel and mining equipment consumed in mining operations form a relatively large part of the operating costs and capital expenditure of any mining company.

AngloGold Ashanti has no influence over the cost of these consumables, many of which are linked to some degree to the price of oil and steel.

The price of oil has recently been volatile, fluctuating between $88.40 and $130.57 per barrel of Brent crude in 2012. As of April 19, 2013, the price of oil was at $100.09 per barrel of Brent Crude. AngloGold Ashanti estimates that for each US dollar per barrel rise in the oil price, other factors remaining equal, the total cash costs under IFRS of all its operations increases by approximately $0.90 per ounce. The impact on cash costs determined under US GAAP may be different. The cash costs of certain of the company s mines, particularly Yatela, Sadiola, Siguiri, Geita, Navachab, Morila, and Cripple Creek & Victor, are most sensitive to changes in the price of oil.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine. For example, the price of flat hot rolled coil (North American Domestic FOB) steel traded between $590 per tonne and $733 per tonne in 2012. On April 19, 2013, the price of flat hot rolled coil (North American Domestic FOB) was $609 per tonne.

Fluctuations in oil and steel prices have a significant impact on operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable.

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Energy cost increases and power fluctuations and stoppages could adversely impact the company s results of operations and financial condition.

Increasing global demand for energy, concerns about nuclear power, and the limited growth of new supply are impacting the price and supply of energy. The transition of emerging markets to higher energy consumption, carbon taxation as well as unrest and potential conflict in the Middle East, among other factors, could result in increased demand or constrained supply and sharply escalating oil and energy prices.

AngloGold Ashanti s mining operations are substantially dependent upon electrical power generated by local utilities or by power plants situated at some of its operations. The unreliability of these local sources of power can have a material effect on the company s operations, as large amounts of power are required for exploration, development, extraction, processing and other mining activities on the company s properties.

In South Africa, the company s operations are dependent on electricity supplied by one state-owned power generation company, Eskom. Electricity is used for most business and safety-critical operations that include cooling, hoisting and dewatering. Loss of power can therefore impact production, employee safety and prolonged outages could lead to flooding of workings and ore sterilization. In 2008, Eskom and the South African government declared a national emergency and warned that they could no longer guarantee the availability of electricity due to a national supply shortage blamed on coal supply shortages and unplanned generation-set outages as a result of maintenance backlog and asset age. The entire country went into a program of rolling blackouts and AngloGold Ashanti and other mining companies operating in South Africa were forced in late January until mid-March of 2008 to temporarily suspend mining operations at their mines. In addition, lightning damage to power stations can result in power interruptions at our operations. In this regard, AngloGold Ashanti s two main operational sites in the West Wits region in South Africa had all main power interrupted between March 13, 2013 and March 15, 2013 after a fire caused by lightning damaged a transformer at a main regional substation. The power supply to AngloGold Ashanti s South African operations may be curtailed or interrupted again in the future. A warning of the very high risk of blackouts was re-issued at the start of 2011 and again in 2012. While a national energy conservation program is in place, Eskom cannot guarantee that there will be no power interruptions and is again facing very tight supply reserve margins in 2013, which we expect to continue at least until the new coal fired Medupi Power Station starts to come on line in early 2014.

Eskom and the National Energy Regulator of South Africa (NERSA) recognize the need to increase electricity supply capacity and a series of tariff increases and proposals have been enacted to assist in the funding of this expansion. In 2010, NERSA approved an annual increase of 24.8 percent for 2010, 25.8 percent for 2011, 25.9 percent for 2012, and 16.0 percent for 2013. The actual increase implemented for 2012 was lowered to 16.09 percent after government intervention, but there can be no assurance as to the existence or nature of any government intervention in the future. In February 2013, NERSA announced that Eskom would be allowed to increase electricity tarriffs at an average yearly rate of 8 percent between 2013 and 2018. This increase is half the 16 percent sought by the utility in its application. As energy represents a large proportion of the company s operating costs in South Africa, these increases have had, and any future increases will have, a materially adverse impact on the cash costs of its South African operations.

The company has also identified a risk of energy shortages in Argentina and the DRC. Furthermore, all of the company s mining operations in Ghana depend on hydroelectric power supplied by the state-controlled Volta River Authority (VRA), which is supplemented by thermal power from the Takoradi plant and a smaller unit at Tema. During periods of below average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam, the VRA s primary generation source, may be curtailed as occurred in 1998, 2006 and the first half of 2007. During periods of limited electricity availability, the grid is subject to disturbances and voltage fluctuations which can damage equipment. Recent disruptions in natural gas supply from Nigeria, via the West Africa Gas Pipeline, has led to some reduction in thermal generation capacity and the use of more expensive light crude oil which is putting upward pressure on power tariffs. In the past, the VRA has obtained power from neighboring Côte d Ivoire, which has intermittently experienced political instability and civil unrest. AngloGold Ashanti negotiates rates directly with the VRA and the VRA may not agree to a satisfactory rate during future rounds of negotiations.

The company s mining operations in Guinea, Tanzania and Mali are dependent on power supplied by outside contractors and supplies of fuel are delivered by road. Power supplies have been disrupted in the past, resulting in production losses due to equipment failure.

Increased energy prices could negatively impact operating costs and cash flow of AngloGold Ashanti s operations.

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Global economic conditions could adversely affect the profitability of operations.

AngloGold Ashanti s operations and performance depend significantly on worldwide economic conditions. The global financial markets have experienced considerable volatility from uncertainty surrounding the level and sustainability of the sovereign debt of various countries. Concerns remain regarding the sustainability of the European Monetary Union and its common currency, the euro, in their current form, as well as the negative impacts of the recent downgrade of the sovereign credit rating of the Republic of South Africa. These conditions and other disruptions to international credit markets and financial systems have caused a loss of investor confidence and resulted in widening credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Despite the aggressive measures taken by governments and central banks so far, economic recovery has been extremely slow. A significant risk remains that these measures may not prevent the global economy from falling back into an even deeper and longer lasting recession or even a depression.

A global economic downturn and recession may have follow-on effects on AngloGold Ashanti s business that include inflationary cost pressures and commodity market fluctuations.

Other effects could, for example, include:

- the insolvency of key suppliers or contractors which could result in contractual breaches and in a supply chain breakdown;
- the insolvency of one or more joint venture partners which could result in contractual breaches and disruptions at the operations of the company s joint ventures;
- changes in other income and expense which could vary materially from expectations, depending on gains or losses realized on the sale or exchange of financial instruments, and impairment charges that may be incurred with respect to investments;
- AngloGold Ashanti s defined benefit pension fund may not achieve expected returns on its investments, which could require the company to make substantial cash payments to fund any resulting deficits;
- a reduction in the availability of credit which may make it more difficult for the company to obtain financing for its operations and capital expenditures or make that financing more costly; and
- exposure to the liquidity and insolvency risks of the company s lenders and customers;

any of which could negatively affect AngloGold Ashanti s financial results.

Inflation may have a material adverse effect on results of operations.

Many of AngloGold Ashanti s operations are located in countries that have experienced high rates of inflation during certain periods. It is possible that significantly higher future inflation in the countries in which the company operates may result in an increase in operational costs in local currencies (without a concurrent devaluation of the local currency of operations against the dollar or an increase in the dollar price of gold). This could have a material adverse effect on the company s results of operations and financial condition. Significantly higher and sustained inflation, with a consequent increase in operational costs, could result in the rationalization of higher cost mines or projects.

Mining companies face many risks related to the development of mining projects that may adversely affect the company s results of operations and profitability.

The profitability of mining companies depends partly on the actual costs of developing and operating mines, which may differ significantly from estimates determined at the time the relevant project was approved following completion of its feasibility study. Development of mining projects may also be subject to unexpected problems and delays that could increase the development and operating costs of the relevant project.

AngloGold Ashanti s decision to develop a mineral property is typically based on the results of a feasibility study. Feasibility studies estimate the expected or anticipated economic returns from the project. These estimates are based on assumptions regarding:

- future prices of gold, uranium, silver and other metals;
- future currency exchange rates;
- tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- anticipated recovery rates of gold, uranium, silver and other metals extracted from the ore;
- anticipated capital expenditure and cash operating costs; and
- required return on investment.

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Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. Operating costs and capital expenditure are to a significant extent driven by the cost of commodity inputs consumed in mining, including fuel, chemical reagents, explosives, tyres and steel, and also by credits from by-products, such as silver and uranium. They could also fluctuate considerably as a result of changes in the prices of mining equipment used in the construction and operation of mining projects.

There are a number of uncertainties inherent in the development and construction of a new mine or the extension of an existing mine. In addition to those discussed above, these uncertainties include the:

- timing and cost of construction of mining and processing facilities, which can be considerable;
- availability and cost of mining and processing equipment;
- availability and cost of skilled labor, power, water and transportation;
- availability and cost of appropriate smelting and refining arrangements;
- applicable requirements and time needed to obtain the necessary environmental and other governmental permits; and
- availability of funds to finance construction and development activities.

The remote location of many mining properties, permitting requirements and/or delays, third-party legal challenges to individual mining projects and broader social or political opposition to mining may increase the cost, timing and complexity of mine development and construction. New mining operations could experience unexpected problems and delays during the development, construction, commissioning and commencement of production. AngloGold Ashanti may prove unable to successfully develop the La Colosa and Gramalote projects as well as other potential exploration sites in Colombia due to difficulties that could arise in relation to, for example, social and community opposition, litigation, ore body grades, definition of adequate reserves and resources, and the time taken to prove project feasibility that could result in the expiry of permits. For example, on March 11, 2013, Cortolima, a regional environmental authority in Colombia, issued an injunction against AngloGold Ashanti s Colombian subsidiary, alleging that the subsidiary was operating without proper permits and was engaging in activity that was harmful to the environment. Furthermore, at around the same period in time, access to an AngloGold Ashanti drilling site was blockaded by residents of a nearby community.

Accordingly, AngloGold Ashanti s future development activities may not result in the expansion or replacement of current production, or one or more new production sites or facilities may be less profitable than anticipated or may be loss-making. The company s operating results and financial condition are directly related to the success of its project developments. A failure in the company s ability to develop and operate mining projects in accordance with, or in excess of, expectations could negatively impact its results of operations, as well as its financial condition and prospects.

Mining companies face uncertainty and risks in exploration, feasibility studies and other project evaluation activities.

AngloGold Ashanti must continually replace Ore Reserve depleted by mining and production to maintain or increase production levels in the long term. This is undertaken by exploration activities that are speculative in nature. The ability of the company to sustain or increase its present levels of gold production depends in part on the success of its projects and it may be unable to sustain or increase such levels. For example, in South Africa, the company experienced declining production rates (1.213 million ounces of gold in 2012, compared with 1.624 million ounces of gold in 2011 and 1.784 million ounces in 2010), principally due to continued safety and associated stoppages, mining flexibility constraints and overall falls in grades. The significant decrease in 2012 was also mainly attributable to the industrial strike action at the company s South African mines, which resulted in the loss of production of 235,000 ounces of gold.

Feasibility studies and other project evaluation activities necessary to determine the current or future viability of a mining operation are often unproductive. Such activities often require substantial expenditure on exploration drilling to establish the presence, extent and grade (metal content) of mineralized material. AngloGold Ashanti undertakes feasibility studies to estimate the technical and economic viability of mining projects and to determine appropriate mining methods and metallurgical recovery processes. These activities are undertaken to estimate the Ore Reserve.

Once mineralization is discovered, it may take several years to determine whether an adequate Ore Reserve exists, during which time the economic feasibility of the project may change due to fluctuations in factors that affect both revenue and costs, including:

- future prices of metals and other commodities;
- future foreign currency exchange rates;
- the required return on investment as based on the cost and availability of capital; and
- applicable regulatory requirements, including environmental, health and safety matters.

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Feasibility studies also include activities to estimate the anticipated:

- tonnages, grades and metallurgical characteristics of the ore to be mined and processed;
- recovery rates of gold, uranium and other metals from the ore; and
- capital expenditure and cash operating costs.

These estimates depend on assumptions made on available data. Ore Reserve estimates are not precise calculations and depend on the interpretation of limited information on the location, shape and continuity of the mineral occurrence and on available sampling results. Further exploration and feasibility studies can result in new data becoming available that may change previous Ore Reserve estimates and impact the technical and economic viability of production from the project. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves resulting in revisions to previous Ore Reserve estimates. These revisions could impact depreciation and amortization rates, asset-carrying amounts, provisions for closedown, restoration and environmental rehabilitation costs.

AngloGold Ashanti undertakes annual revisions to its Ore Reserve estimates based upon actual exploration and production results, depletion, new information on geology, model revisions and fluctuations in production, economic assumptions and operating and other costs. These factors may result in reductions in Ore Reserve estimates, which could adversely affect life-of-mine plans and consequently the total value of the company s mining asset base. Ore Reserve restatements could negatively affect the company s results of operations, as well as its financial condition and prospects.

The increased overall demand for gold and other commodities, combined with a declining rate of discovery of new gold Ore Reserve in recent years, has resulted in the accelerated depletion of the existing Ore Reserve across the global gold sector. AngloGold Ashanti therefore faces intense competition for the acquisition of attractive mining properties. From time to time, the company evaluates the acquisition of an Ore Reserve, development properties or operating mines, either as stand-alone assets or as part of companies. AngloGold Ashanti s decision to acquire these properties has been based on a variety of factors including historical operating results, estimates and assumptions regarding the extent of the Ore Reserve, cash and other operating costs, gold prices, projected economic returns and evaluations of existing or potential liabilities associated with the relevant property and its operations and how these factors may change in future. Other than historical operating results, these factors are uncertain and could have an impact on revenue, cash and other operating costs, as well as the process used to estimate the Ore Reserve.

As a result of these uncertainties, exploration and acquisitions by the company may not result in the expansion or replacement of current production or the maintenance of its existing Ore Reserve net of production or an increase in Ore Reserve. AngloGold Ashanti s results of operations and financial condition are directly related to the success of its exploration and acquisition efforts and ability to replace or increase the existing Ore Reserve. If the company is not able to maintain or increase its Ore Reserve, its results of operations as well as its financial condition and prospects could be adversely affected.

Mining companies face many risks related to their operations that may adversely impact cash flows and overall profitability.

Gold mining is susceptible to events that may adversely impact a mining company s ability to produce gold and meet production and cost targets. These events include, but are not limited to:

- environmental, as well as health and safety incidents during production or transportation resulting in injury, loss of life, or damage to equipment;
- ground and surface water pollution;
- social or community disputes or interventions;
- security incidents;
- surface or underground fires or explosions;
- electrocution;
- falls from heights and accidents relating to mobile machinery, including shaft conveyances and elevators, drilling blasting and mining operations;
- labor force disputes and disruptions;
- loss of information integrity or data;
- activities of illegal or artisanal miners;
- shortages in material and equipment;
- mechanical failure or breakdowns and ageing infrastructure;
- failure of unproven or evolving technologies;
- energy and electrical power supply interruptions or rationing;

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unusual or unexpected geological formations, ground conditions, including lack of mineable face length, and ore-pass blockages;
water ingress and flooding;
process water shortages;
metallurgical conditions and gold recovery;
unexpected decline of ore grade;
unanticipated increases in gold lock-up and inventory levels at heap-leach operations;
fall-of-ground accidents in underground operations;
cave-ins, sinkholes, subsidence, rock falls, rock bursts, or landslides;
failure of mining pit slopes, heap-leach facilities, water or solution dams, waste stockpiles and tailings dam walls;
legal and regulatory restrictions and changes to such restrictions;
safety-related stoppages;
gold bullion theft;
corruption, fraud and theft;
allegations of human rights abuses;
seismic activity; and
other natural phenomena, such as floods, droughts or weather conditions, potentially exacerbated by climate change.

Seismic activity is of particular concern in underground mining operations, particularly in South Africa due to the extent and extreme depth of mining, and also in Australia and Brazil due to the depth of mining and residual tectonic stresses. Despite modifications to mine layouts and support technology, as well as other technological improvements employed with a view to minimizing the incidence and impact of seismic activity, seismic events have caused death and injury to employees and contractors and may do so again in future, and have in the past and may again result in safety-related stoppages.

Seismic activity may also cause the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, environmental damage and potential legal liabilities. As a result, these events may have a material adverse effect on AngloGold Ashanti s results of operations and financial condition. For example, in early 2011, mining of the Ventersdorp Contact Reef shaft pillar at Tau Tona was suspended following a significant seismic event. New equipment had to be purchased and the shutdown contributed to the decline in the operational output of the mine as compared to the previous year.

In the past, floods have also disrupted the operations of some of the company s mines. For example, unprecedented heavy rains in February and March 2011 in Australia flooded the Sunrise Dam Gold Mine and forced a temporary shutdown of operations. The flood event impacted underground production for approximately four months and open pit production for approximately six months. Despite the shutdown, full costs were incurred as the mining contractors worked on remedial activities to repair damage and rehabilitate flooded areas. The considerable remedial work required adversely impacted cash costs per ounce and the impact of the flood event and the pit wall failure together significantly reduced planned production at the plant.

Mining companies operations are vulnerable to infrastructure constraints.

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable rail, ports, roads, bridges, power sources, power transmission facilities and water supply are critical to the company s business operations and affect capital and operating costs. These infrastructure and services are often provided by third parties whose operational activities are outside the control of the company.

Interferences in the maintenance or provision of infrastructure, including unusual weather phenomena, sabotage and social unrest, could impede the company s ability to deliver its products on time and adversely affect AngloGold Ashanti s business, results of operations and financial condition.

Establishing infrastructure for the company s development projects requires significant resources, identification of adequate sources of raw materials and supplies, and necessary co-operation from national and regional governments, none of which can be assured.

AngloGold Ashanti has operations or potential development projects in countries where government-provided infrastructure may be inadequate and regulatory regimes for access to infrastructure may be uncertain, which could adversely impact the efficient operation and expansion of its business. AngloGold Ashanti may not secure and maintain access to adequate infrastructure in the future, or it may not do so on reasonable terms.

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Mining companies face strong competition.

The mining industry is competitive in all of its phases. AngloGold Ashanti competes with other mining companies and individuals for specialized equipment, components and supplies necessary for exploration and development, for mining claims and leases on exploration properties and for the acquisition of mining assets. These competitors may have greater financial resources, operational experience and technical capabilities than AngloGold Ashanti. Competition may increase AngloGold Ashanti s cost of acquiring suitable claims, properties and assets.

Mining companies are subject to extensive health and safety laws and regulations.

Gold mining operations are subject to extensive health and safety laws and regulations in every jurisdiction they operate in. These laws and regulations, along with international and industry standards, designed to protect and improve the safety and health of employees, require extensive compliance measures.

From time to time, new or updated health and safety laws, regulations and standards are introduced. Should compliance with these require a material increase in expenditure or material changes or interruptions to operations or production, including as a result of any failure to comply with applicable regulations, the company s results of operations and financial condition could be adversely affected. Furthermore, AngloGold Ashanti is implementing an enhanced safety program, which could result in additional costs for the company.

In some of the jurisdictions in which AngloGold Ashanti operates, the government enforces compulsory shutdowns of operations to enable investigations into the cause of accidents. Certain of the company s operations have been temporarily suspended for safety reasons in the past. In South Africa, in particular, so-called Section 54 safety stoppages have become a significant issue. In 2011, the Inspector of Mines ordered the shutdown of entire mines in cases of relatively minor violations, which had a material impact on production at these mines. In particular, the Inspector issued Kopanang eleven Section 54 notices during 2011. Each notice resulted in Kopanang suspending operations either fully or partially in order to comply with the inspector s recommendations on safety.

Safety-related stoppages resulted in the direct loss of 72,900 and 72,400 ounces of gold production during 2011 and 2012, respectively, in South Africa.

A working group comprised of the inspectorate, the mining industry and organized labor has been formed to address the trend of increasing safety stoppages in South Africa. However, the working group may not agree on how to address this issue and the number of safety stoppages may continue or even increase in the future.

AngloGold Ashanti s reputation could be damaged by any significant governmental investigation or enforcement of health and safety laws, regulations or standards. Any of these factors could have a material adverse effect on the company s results of operations and financial condition.

Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities. Failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment, loss of social licence to operate , and adversely impact mining companies financial condition.

As a result of public concern about the perceived ill effects of economic globalization, businesses in general and large multinational mining corporations such as AngloGold Ashanti in particular face increasing public scrutiny of their activities.

These businesses are under pressure to demonstrate that while they seek a satisfactory return on investment for shareholders, human rights are respected and other social partners, including employees, host communities and more broadly the countries in which they operate, also benefit from their commercial activities. Such pressures tend to be particularly focused on companies whose activities are perceived to have, or have, a high impact on their social and physical environment. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit may result in additional operating costs, reputational damage, active community opposition, allegations of human rights abuses, legal suits and investor withdrawal.

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Existing and proposed mining operations are often located at or near existing towns and villages, natural water courses and other infrastructure. As the impacts of dust generation, waste storage, water pollution or shortage, in particular, may be immediate and directly adverse to those communities, poor environmental management practices, or adverse changes in the supply or quality of water can result in community protest, regulatory sanctions or ultimately in the withdrawal of community and government support for company operations. For example, opposition to mining activity in the Tolima province of Colombia, which hosts the La Colosa deposit, has centered on the perception that large-scale mining activity will have a detrimental impact on the region s river systems.

Mining operations must be designed to minimize their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, or by relocating the affected people to an agreed location. Responsive measures may also include the full restoration of livelihoods of those impacted.

In addition, as AngloGold Ashanti has a long history of mining operations in certain regions, issues may arise regarding historical as well as potential future environmental or health impacts in those areas. For example, certain parties, including non-governmental organizations, community groups and institutional investors, have raised concerns about surface and groundwater quality, among other issues, in the area surrounding the company s Obuasi and Iduapriem mines in Ghana, including potential impacts to local rivers and wells used for water from heavy metals, arsenic and cyanide as well as sediment and mine rock waste.

Disputes with surrounding communities may also affect mining operations, particularly where they result in restrictions of access to supplies and to mining operations. The miners access to land may be subject to the rights or asserted rights of various community stakeholders, including indigenous people. Access to land and land use is of critical importance to the company for exploration and mining, as well as for ancillary infrastructure. In some cases, AngloGold Ashanti has had difficulty gaining access to new land because of perceived poor community compensation practices. For example, compensation remains a significant area of concern in Siguiri in Guinea. In 2011, a violent community protest interrupted operations for three days, which contributed to the project s decline in production as compared to 2010. Delays in projects attributable to a lack of community support can translate directly into a decrease in the value of a project or into an inability to bring the project to production.

The cost of measures and other issues relating to the sustainable development of mining operations could place significant demands on personnel resources, could increase capital and operating costs and could have an adverse impact on AngloGold Ashanti s reputation, results of operations and financial condition.

Mining companies are subject to extensive environmental laws and regulations.

Mining companies are subject to extensive environmental laws and regulations in the various jurisdictions in which they operate in addition to international standards. These regulations and standards establish limits and conditions on a miner s ability to conduct its operations and govern, among other things, extraction, use and conservation of water resources; air emissions (including dust control) and water treatment and discharge; regulatory and community reporting; clean-up of contamination; worker safety and community health; and the generation, transportation, storage and disposal of solid and hazardous wastes, such as acids, radioactive materials, and mine tailings.

The cost of compliance with environmental laws and regulations is expected to continue to be significant to AngloGold Ashanti. AngloGold Ashanti could incur fines, penalties and other sanctions, clean-up costs, and third-party claims for personal injury or property damages, suffer reputational damage, or be required to install costly pollution control equipment or to modify or suspend operations, as a result of actual or alleged violations of environmental laws and regulations. In addition, unknown environmental hazards may exist on the company s properties which may have been caused by previous owners or operators.

For example, in 2010 AngloGold Ashanti s Obuasi mine in Ghana suspended gold processing operations for five days to implement a revised water management strategy aimed at reducing contaminants contained in its discharge. Brief stoppages after environmental incidents, such as pipeline failures, have occurred more recently at that mine. Furthermore, following a temporary suspension of operations at the Iduapriem mine, the company, with the approval of the Ghana Environmental Protection Agency, constructed an interim tailings storage facility for tailings deposition for a year while a new tailings storage facility was being constructed. The company continues to seek to make improvements in water quality management to reduce the risk of unpermitted and/or accidental discharges and, in addition, it is currently investigating allegations of impacts on water quality in the area of these mines.

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Failure to comply with applicable environmental laws and regulations may also result in the suspension or revocation of operating permits. AngloGold Ashanti s ability to obtain and maintain permits and to successfully operate in particular communities may be adversely impacted by real or perceived effects on the environment or human health and safety associated with AngloGold Ashanti s or other mining companies activities.

For example, in Colombia, various plaintiffs, including associations that represent local communities, have brought legal proceedings against AngloGold Ashanti Colombia S.A. (AGAC) alleging that AGAC has violated applicable environmental laws in connection with the La Colosa project. If the plaintiffs were to prevail, AGAC s three core concession contracts relating to the La Colosa project may be cancelled, AGAC would be required to abandon the La Colosa project and all other existing mining concession contracts and pending proposals for new mining concession contracts of AGAC, though not those of other companies of the AngloGold Ashanti group operating in Colombia. In addition, AGAC would be banned from doing business with the Colombian government for a period of five years. See Item 8A.: Legal proceedings .

Environmental laws and regulations are continually changing and are generally becoming more stringent. Changes to AngloGold Ashanti s environmental compliance obligations or operating practices could adversely affect the company s rate of production and revenue. Variations in laws and regulations, assumptions made to estimate liabilities, standards or operating procedures, more stringent emission or pollution thresholds or controls, or the occurrence of unanticipated conditions, may require operations to be suspended or permanently closed, and could increase AngloGold Ashanti s expenses and provisions. These expenses and provisions could adversely affect the company s results of operations and financial condition.

For example, the use of sodium cyanide in metallurgical processing is under increasing environmental scrutiny and is prohibited for certain jurisdictions. As there are few, if any, effective substitutes in extracting gold from the ore, any ban or material restrictions on the use of sodium cyanide in mining operations in the jurisdictions where AngloGold Ashanti conducts its operations could adversely affect the company s results of operations and financial condition. In addition, leaks or discharges of sodium cyanide or other hazardous materials could result in liabilities for clean-up or personal injury that may not be covered by insurance.

AngloGold Ashanti s operations are heavily dependent upon access to substantial volumes of water for use in the mining and extractive processes and typically are subject to water-use permits that govern usage and require, among other things, that mining operations maintain certain water quality upon discharge. Water quality and usage are areas of concern globally, such as with respect to the company s mining operations in Ghana and South Africa and its exploration projects in Colombia, where there is significant potential environmental and social impact and a high level of stakeholder scrutiny. Any failure by the company to secure access to suitable water supplies, or achieve and maintain compliance with applicable requirements of the permits or licenses, could result in curtailment or halting of production at the affected operation. Incidents of water pollution or shortage can, in extreme cases, lead to community protest and ultimately to the withdrawal of community and government support for our operations. Water scarcity has been identified as a significant risk at AngloGold Ashanti s US operation in particular. Production at the Cripple Creek & Victor Gold Mining Company s Cresson mine continued to be affected by a severe drought in 2011 and 2012. The lack of water reduced percolation through the heap-leach pad, which curtailed production and productivity.

Mining and mineral processing operations generate waste rock and tailings. The impact of dust generation, breach, leak, or failure of a waste rock or tailings storage facility, can be significant. An incident at AngloGold Ashanti s operations could lead to, among others, obligations to remediate environmental contamination and claims for property damage and personal injury from adjacent communities. Incidents at other companies operations could result in governments tightening regulatory requirements and restricting mining activities.

In addition, mining companies are required by law to close their operations at the end of the mine life and rehabilitate the lands mined. Estimates of total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on life-of-mine profiles, changing inflation and discount rate assumptions, changing designs of tailing storage facilities and current legal and regulatory requirements that may change materially. Environmental liabilities are accrued when they become known, probable and can be reasonably estimated. Increasingly, regulators are seeking security in the form of cash collateral or bank guarantees in respect of environmental obligations, which could have an adverse impact on AngloGold Ashanti s financial condition.

AngloGold Ashanti s discounted closure liability was US$758 million as at December 31, 2012 compared with US$653 million as at December 31, 2011. The reasons for the change were new damage from current mining operations, new damage from building of new mining areas, the acquisition of Mine Waste Solutions, changes in

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estimates for new life of mine calculations and changes in discount rates. Costs associated with rehabilitating land disturbed by mining processes and addressing environmental, health and community issues are estimated and financial provision made based upon current available information. Estimates may, however, be insufficient and further costs may be identified at any stage that may exceed the provisions that AngloGold Ashanti has made. Any underestimated or unidentified rehabilitation costs would reduce earnings and could materially and adversely affect the company s asset values, earnings and cash flows.

Compliance with emerging climate change regulations could result in significant costs and climate change may present physical risks to a mining company s operations.

Greenhouse gases (GHGs) are emitted directly by AngloGold Ashanti s operations, as well as by external utilities from which AngloGold Ashanti purchases power. Currently, a number of international and national measures to address or limit GHG emissions, including the Kyoto Protocol, the Copenhagen Accord and the Durban Platform, are in various phases of discussion or implementation in the countries in which the company operates. In particular, the Durban Platform commits all parties to the conference to develop a global mitigation regime which could take effect in 2020, with the specific terms of that legally binding accord, including individual targets, to be finalized by 2015. These, or future, measures could require AngloGold Ashanti to reduce its direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes or have these costs or taxes passed on by electricity utilities which supply the company s operations. AngloGold Ashanti also could incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements. For example, on July 1, 2012, the Australian Government introduced a carbon tax on GHG emissions. It also plans to implement an emissions trading scheme beginning in July 2015. Other countries, including South Africa, Brazil and the United States, have passed or are considering GHG trading or tax schemes, and/or other regulation of GHG emissions, although the precise impact on AngloGold Ashanti s operations cannot yet be determined.

In addition, AngloGold Ashanti s operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures and extreme weather events. Events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, create resource shortages or damage the company s property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on the company s workforce and on the communities around its mines, such as an increased risk of food insecurity, water scarcity and prevalence of disease.

Compliance with conflict materials and responsible gold legislation and standards could result in significant costs.

There are ever more stringent standards relating to conflict minerals and responsible gold that include the: US Dodd-Frank Act; World Gold Council Conflict Free Gold Standard; Organization for Economic Cooperation and Development Due Diligence Guidelines for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas; and London Bullion Market Association Responsible Gold Guidance.

Any such legislation and standards may result in significant costs to ensure and demonstrate compliance, and difficulties in the sale of gold emanating from certain areas. The complexities of the gold supply chain, especially as they relate to scrap or recycled gold, and the fragmented and often unregulated supply of artisanal and small-scale mined gold are such that there may be significant uncertainties at each stage in the chain as to the provenance of the gold, and as a result of uncertainties in the process, the costs of due diligence and audit, or the reputational risks of defining their product or a constituent part as containing a conflict mineral would be too burdensome for the company s customers. Accordingly, manufacturers may decide to switch supply sources or to substitute gold with other minerals not covered by the initiatives. This could have a material negative impact on the gold industry, including on AngloGold Ashanti s financial results.

Mining operations and projects are vulnerable to supply chain disruption with the result that operations and development projects could be adversely affected by shortages of, as well as the lead times to deliver, strategic spares, critical consumables, mining equipment or metallurgical plant.

AngloGold Ashanti s operations and development projects could be adversely affected by both shortages and long lead times to deliver strategic spares, critical consumables, mining equipment and metallurgical plant. Import restrictions, such as those introduced by the Argentine government in 2011, can also delay the delivery of parts and equipment. In the past, the company and other gold mining companies experienced shortages in critical consumables, particularly as

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production capacity in the global mining industry expanded in response to increased demand for commodities. AngloGold Ashanti has also experienced increased delivery times for these items. Shortages have resulted in unanticipated price increases and production delays and shortfalls, resulting in a rise in both operating costs and in the capital expenditure necessary to maintain and develop mining operations.

Individually, AngloGold Ashanti and other gold mining companies have limited influence over manufacturers and suppliers of these items. In certain cases there are a limited number of suppliers for certain strategic spares, critical consumables, mining equipment or metallurgical plant who command superior bargaining power relative to the company. The company could at times face limited supply or increased lead time in the delivery of such items. For example, during 2012, supply of caustic soda was delayed in the Continental Africa Region. In addition, the unreliability of oxygen and lime supply similarly affected production at the Vaal River and West Wits surface operations in South Africa throughout 2011 and poor availability of drill rigs, heavy machinery and fleet equipment hampered underground drilling and overall operational performance at the Serra Grande mine in Brazil in 2011.

The company s procurement policy is to source mining and processing equipment and consumables from suppliers that meet its corporate values and ethical standards although risk remains around the management of ethical supply chains. In certain locations, where a limited number of suppliers meet these standards, additional strain is placed on the supply chain, thereby increasing the cost of supply and delivery times.

Furthermore, supply chains and rates can be impacted by natural disasters, such as earthquakes, extreme weather patterns and climate change, as well as other phenomena that include unrest, strikes, theft and fires. For example, a three-week transport strike in 2012 delayed the supply of consumables in South Africa. Potential supply chain disruption in Mali, as a result of the coup d état and subsequent state of emergency, has been avoided to date by well managed consumable stock holding. Potential gold doré export disruptions at Geita, the result of an attempted gold heist, and in Mali, following the closure of Bamako International Airport, were minimized with the introduction of alternative transportation arrangements. In February 2013, a fire destroyed the heavy mining equipment stock of spares and components at the Geita gold mine. If AngloGold Ashanti experiences shortages, or increased lead times in the delivery of strategic spares, critical consumables, mining equipment or processing plant, the company might have to suspend some of its operations and its results of operations and financial condition could be adversely impacted.

Diversity in interpretation and application of accounting literature in the mining industry may impact reported financial results.

The mining industry has limited industry-specific accounting literature. As a result, there is diverse interpretation and application of accounting literature on mining specific issues. AngloGold Ashanti, for example, capitalizes drilling and costs related to defining and delineating a residual mineral deposit that has not been classified as a Proven and Probable Reserve at a development project or production stage mine. Some companies, however, expense such costs.

As and when this diverse interpretation and application is addressed, the company s reported results could be adversely impacted should the adopted interpretation differ from the position it currently follows.

Failure to comply with laws, regulations, standards, contractual obligations whether following a breach or breaches in governance processes or fraud, bribery and corruption may lead to regulatory penalties, loss of licences or permits, and loss of reputation.

Since AngloGold Ashanti operates globally in multiple jurisdictions and with numerous and complex frameworks, its governance and compliance processes may not prevent potential breaches of law, accounting principles or other governance practices.

AngloGold Ashanti s Code of Business Principles and Ethics, among other policies, standards and guidance, and training thereon may not prevent instances of unethical or unlawful behaviour, including bribery or corruption, nor guarantee compliance with legal and regulatory requirements, and breaches may not be detected by management.

Sanctions for failure by the company or others acting on its behalf to comply with these laws, regulations, standards and contractual obligations could include fines, penalties, imprisonment of officers, litigation, and loss of operating licences or permits, suspensions of operations, and may damage the company s reputation. Such sanctions could have a material adverse impact on the company s financial condition and results of operations.

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Breaches in information technology security and governance process may adversely impact business activities.

AngloGold Ashanti maintains global information technology and communication networks and applications to support its business activities. Information technology security processes may not prevent future malicious actions, denial-of-service attacks, or fraud, resulting in corruption of operating systems, theft of commercially sensitive data, misappropriation of funds and business and operational disruption. Material system breaches and failures could result in significant interruptions that could in turn affect AngloGold Ashanti s operating results and reputation.

Risks related to AngloGold Ashanti s results of operations and financial condition as a result of factors specific to the company and its operations

AngloGold Ashanti removed the last of its gold hedging instruments and long-term sales contracts exposing the company to potential gains from subsequent commodity price increases but exposes it entirely to subsequent commodity price decreases.

AngloGold Ashanti removed the last of its gold hedging instruments in October 2010 to provide greater participation in a rising gold price environment. As a result, AngloGold Ashanti no longer has any protection against declines in the market price of gold.

A sustained decline in the price of gold could adversely impact the company s operating results and its financial condition.

Any downgrade of credit ratings assigned to AngloGold Ashanti s debt securities could increase future interest costs and adversely affect the availability of new financing.

An actual or expected negative development of AngloGold Ashanti s results of operations or cash flows, country risk, financial metrics, or an increase in net debt position could result in the deterioration of the company s credit ratings. AngloGold Ashanti s ratings are influenced by the location of its domicile and its operations. Following the downgrade of South Africa s sovereign debt rating as a result of strikes, social tension and policy uncertainty in South Africa, AngloGold Ashanti was placed on credit watch negative by Standard & Poor s on October 17, 2012. On December 10, 2012, Standard & Poor s affirmed the investment grade rating of the company s publicly traded debt, but warned that it could lower the rating in the future.

Any such downgrade by ratings agencies could increase the cost of capital, reduce the investor base and negatively and materially affect AngloGold Ashanti s business, results of operations and financial condition.

Labor disruptions could have a material adverse effect on AngloGold Ashanti s results of operations and financial condition.

AngloGold Ashanti employees in South Africa, Ghana, Guinea and Argentina, are highly unionized. Trade unions, therefore, have a significant impact on the company s labor relations, as well as on social and political reforms, most notably in South Africa. There is a risk that strikes or other types of conflict with unions or employees may occur at any of the company s operations, particularly where the labor force is unionized or there is inter-union rivalry. Labor disruptions may be used to advocate labor, political or social goals in the future. For example, labor disruptions may occur in sympathy with strikes or labor unrest in other sectors of the economy and for political goals. Labor unrest in South Africa can also be fuelled by migrant labor conditions and mine worker debt levels. Furthermore, such labor disruptions may themselves affect or be perceived to affect local political and social stability. Acts or vandalism affecting mines and mine equipment are possible during periods of labor unrest.

For example, following a wave of labor unrest and unprotected strike action that took place throughout the South African mining, transport and agricultural sectors since early August 2012, workers from AngloGold Ashanti s Kopanang mine, three West Wits mines and the Vaal River region s other operations engaged in unprotected strikes in September 2012. More than 100,000 miners were involved in the strikes across the mining sector during the last four months of 2012. Workers at AngloGold Ashanti mines in South Africa have also staged sit-ins which prompted the company to suspend operations at some of its mines. These work stoppages pose significant safety risks and operating challenges. The protracted period of inactivity caused by the strike, coupled by the depth of the affected mines, has complicated the consequent ramping up of production following the termination of the strikes and has resulted in a lengthened ramp-up period to ensure employee safety. The unprotected strike action at the South African operations had an adverse impact

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on the company s third quarter results and significantly adversely impacted its fourth quarter results. The company estimates that the unprotected strike action cost approximately 235,000 ounces in lost production due to the work stoppages and the slow ramp-up to full production.

Lower production and payroll increases resulting from the labor disruptions have adversely impacted the financial performance of all South African operations, threatening viability in some cases and similar disruptions in the future may have a material adverse effect on the company s results of operations and financial condition. For example, subsequent to the 2012 strikes, AngloGold Ashanti, along with its major gold-producing peers in South Africa, increased the entry-level pay of employees; established a new pay category for equipment operators; provided an allowance for rock-drill operators; and increased pay by 2 percent for most categories of workers. The net impact of the settlement on the payroll cost for AngloGold Ashanti is $16 million per annum.

Increased labor costs could have a material adverse effect on AngloGold Ashanti s results of operations and financial condition.

Labor costs represent a substantial proportion of the company s total operating costs and at many operations, including its South African, Ghanaian and Tanzanian operations, constitute the company s single largest component of operating costs. Failing to obtain any simultaneous increase in productivity, any change to the company s wage agreements or other factors that could increase labor costs may have a material adverse effect on AngloGold Ashanti s results of operations and financial condition. In 2012, the cost of salaries and wages increased by 7 percent over 2011 levels.

In South Africa, the established practice is to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. South African employment law sets out minimum terms and conditions of employment for employees, which form the benchmark for all employment contracts. As at December 31, 2012, approximately 62 percent of the company s workforce, excluding contractors, or approximately 52 percent of its total workforce was located in South Africa. At present, the mining unions and gold mining companies are in the second year of this two-year wage agreement, with the latest increases (ranging from 8 percent to 10 percent) awarded to the workforce in July 2012 and additional improvements to the current pay structure offered to workers on October 18, 2012. Further negotiations on this agreement are expected in 2013, which may result in an increase in labor actions. In addition, any new agreement could result in increased labor costs for the company.

AngloGold Ashanti s results may be further impaired if it incurs penalties for failing to meet standards set by labor laws regarding workers rights or incurs costs complying with new labor laws, rules and regulations. For example, employment law in South Africa imposes monetary penalties for neglecting to report to government authorities on progress made towards achieving employment equity in the workplace. Ghanaian law also contains broad provisions requiring mining companies to recruit and train Ghanaian personnel and to use the services of Ghanaian companies. In Australia, the federal government has recently introduced a new industrial relations system that includes good faith bargaining obligations for employers, fewer restrictions on the content of collective agreements and an enhanced role for union officials as bargaining representatives, parties to agreements and participants in dispute resolution. Penalties and compliance costs, as well as increased costs due to laws and regulations less favourable to employers, could have a material adverse effect on the company s results of operations and financial condition.

AngloGold Ashanti s mining rights in the countries in which it operates could be altered, suspended or cancelled for a variety of reasons, including breaches in its obligations in respect of its mining rights.

AngloGold Ashanti s right to own and exploit Mineral Reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of the company s Mineral Reserves and deposits are located in countries where mining rights could be suspended or cancelled should it breach its obligations in respect of the acquisition and exploitation of these rights.

In each of the countries in which AngloGold Ashanti operates, the formulation or implementation of government policies on certain issues may be unpredictable. This may include changes in laws relating to mineral rights and ownership of mining assets and the right to prospect and mine, and in extreme cases, nationalization, expropriation or nullification of existing concessions, licenses, permits, agreements and contracts. In May 2012, for example, the Argentine government nationalized the oil company Yacimientos Petrolíferos Fiscales (YPF) by expropriating 51 percent of the shares from the majority Spanish shareholder.

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Any existing and new mining and exploration operations and projects are subject to various national and local laws, policies and regulations governing the ownership and the right to prospect or mine or develop proposed projects. For more details on the risks surrounding ownership of mining assets, see Title to AngloGold Ashanti s properties may be uncertain and subject to challenge and AngloGold Ashanti s Mineral Reserve deposits and mining operations are located in countries that face political, economic and security risks that may affect both the terms of its mining concessions, as well as its ability to conduct operations in certain countries .

Project implementation delays could result in licences not being renewed and the loss of mining rights. Some of AngloGold Ashanti s mining concessions, authorizations, licences and permits are subject to expiry, limitations on renewal and to various other risks and uncertainties. For example, the company s license to mine at the Mongbwalu concession in the DRC is up for renewal in 2014, but the company must seek renewal a year in advance of the license s expiration. The company may not be successful in the renewal process or in retaining the license on the same terms. If the company is unsuccessful in the renewal process, it will need to record an impairment. In October 2012, the DRC announced a proposed overhaul of the DRC s mining code, which could affect the company s ability to renew the license or its terms. This overhaul is still in progress.

If AngloGold Ashanti is not able to obtain or maintain necessary permits, authorizations or agreements to prospect or mine or to implement planned projects, or continue its operations, or comply with all laws, regulations or requirements, or do so within time-frames that make such plans and operations economically viable, or if the laws impacting the company s ownership of its mineral rights, or the right to prospect or mine change materially, or should governments increase their ownership in the mines or nationalize them, AngloGold Ashanti s results of operations and financial condition could be adversely affected.

Title to AngloGold Ashanti s properties may be uncertain and subject to challenge.

AngloGold Ashanti has operations in several countries where ownership of land is uncertain and where disputes may arise in relation to ownership. Certain of the company s properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous people. The presence of those stakeholders may have an impact on AngloGold Ashanti s ability to develop or operate its mining interests. For example, in Australia, the Native Title Act (1993) provides for the establishment and recognition of native title under certain circumstances. In South Africa, the Extension of Security of Tenure Act (1997) and the Restitution of Land Rights Act (1994) provide for various landholding rights. Such legislation is complex, difficult to predict and outside of the company s control, and could therefore negatively affect the business results of new or existing projects. Where consultation with stakeholders is statutorily or otherwise mandated, relations may not remain amicable and disputes may lead to reduced access to properties or delays in operations.

Title to the company s properties, particularly undeveloped ones, may also be defective or subject to challenge. Title insurance generally is not available, and title review does not necessarily preclude third parties from contesting ownership. Where surveys have not been conducted, the precise area and location of the company s claims may be in doubt. Accordingly, AngloGold Ashanti s mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects.

AngloGold Ashanti may experience unforeseen difficulties, delays or costs in successfully implementing its business strategy and projects, including any cost-cutting initiatives, and any such strategy or project may not result in the anticipated benefits.

The successful implementation of the company s business strategy and projects depends upon many factors, including those outside its control. For example: the successful management of costs will depend on prevailing market prices for input costs; the ability to grow the business will depend on the successful implementation of the company s existing and proposed project development initiatives and continued exploration success, as well as on the availability of attractive merger and acquisition opportunities, all of which are subject to the relevant mining and company specific risks as outlined in these risk factors.

AngloGold Ashanti is in the process of implementing initiatives relating to strategic alignment, portfolio review, restructuring and cost-cutting, including in connection with the consolidation of its business activities and assets. Any future contribution of these measures to profitability will be influenced by the actual savings achieved and by the company s ability to sustain these ongoing efforts. Strategic alignment, restructuring and cost-cutting initiatives may involve various risks, including, for example, labor unrest and operating licence withdrawal. The risk is highest in South Africa, given recent calls for withdrawal of mining licences for mothballed shafts and hostile reaction to proposed

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mining industry retrenchments. In addition, these measures may not be implemented as planned; turn out to be less effective than anticipated; only become effective later than anticipated; or not be effective at all. Any of these outcomes, individually or in combination, may adversely impact the company s business, results of operations and financial condition.

AngloGold Ashanti s business strategy also includes divesting activities in some business areas and strengthening others, including through mergers and acquisitions. With respect to dispositions, AngloGold Ashanti may not be able to divest some of its activities as planned or to obtain all of the required approvals, and the divestitures that are carried out could have a negative impact on its business, results of operations, financial condition and reputation.

AngloGold Ashanti may also prove unable to deliver on production targets, including in potentially critical areas, such as the Obuasi turnaround plan in Ghana, as well as on the timely, cost-effective and successful execution of key capital projects, including at the Tropicana project in Australia, the Kibali project in the DRC, and with regard to the implementation of the company s new Enterprise Resource Planning (ERP) system. For more details on the risks surrounding the ERP implementation, see the section entitled The implementation of an integrated ERP system could have an adverse effect on AngloGold Ashanti s results of operations and financial condition.

Unforeseen difficulties, delays or costs may adversely affect the successful implementation of AngloGold Ashanti s business strategy and projects, and such strategy and projects may not result in the anticipated benefits.

Any acquisition or acquisitions that AngloGold Ashanti may complete may expose the company to new geographic, political, legal, social, operating, financial and geological risks.

AngloGold Ashanti may pursue the acquisition of producing, development and advanced stage exploration properties and companies. Any such acquisition may change the scale of the company s business and operations and may expose it to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks. For example: there may be a significant change in commodity prices after the company has committed to complete the transaction and established the purchase price or share exchange ratio; a material ore body may prove below expectations; AngloGold Ashanti may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls; the integration may disrupt the company s ongoing business and its relationships with employees, suppliers and contractors; and the acquisition may divert management s attention from AngloGold Ashanti s day-to-day business. Furthermore, the company operates and acquires businesses in different countries, with different regulatory and operating cultures, which may exacerbate the risks described above. In addition, the acquired business may have undetected liabilities which may be significant.

In the event that the company chooses to raise debt capital to finance any acquisition, the company s leverage will be increased. Should the company choose to use equity as consideration for an acquisition, existing shareholders may suffer dilution. Alternatively, the company may choose to finance any acquisition with its existing resources, which could decrease its ability to fund future capital expenditures.

The company may not be successful in overcoming these risks or any other problems encountered in connection with acquisitions. Failure by AngloGold Ashanti to implement its acquisition strategy or to integrate acquired businesses successfully could have material adverse effects on its growth and business results.

Ageing infrastructure at some of AngloGold Ashanti s operations could adversely impact its business.

Deep level gold mining shafts are usually designed with a lifespan of 25 to 30 years. Vertical shafts consist of large quantities of infrastructure steelwork for guiding conveyances and accommodating services such as high and low tension electric cables, air and water pipe columns. Rising temperatures in the deeper mining areas can also lead to increased cooling requirements in the form of upgraded and expanded ice plants. Maintaining this infrastructure requires skilled human resources, capital allocation, management and planned maintenance.

Once a shaft has reached the end of its intended lifespan, higher than normal maintenance and care is required. Incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have an adverse effect on the company s results of operations and financial condition. Asset integrity issues relating to ageing infrastructure are of particular concern in South Africa and at the Obuasi mine in Ghana.

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For example, cracks were discovered in the mill feed end in September 2008 and at the discharge end in February 2010 at the Geita gold mine. The Geita gold mine is one of the group s principal assets and sources of cash flow. After initial repairs, the feed end was replaced during May and June 2011. A decision was subsequently taken to replace the entire mill as a result of shell distortion. After new mill manufacture delays, installation was completed during March 2013. Production throughput in 2011 was 1 million tonnes less than planned, as a result of mill downtime that included feed-end replacement; ore grade was however sufficient to achieve 494,000 ounces. The Geita gold mine produced approximately 531,000 ounces in 2012, with production throughput of some 100,000 tonnes short of budget.

Some of AngloGold Ashanti s technologies are unproven and failure could adversely impact costs and production.

AngloGold Ashanti has teamed up with various specialists to engineer new solutions to environmental management, mine design, rock breaking and underground logistics, among others. The company has invested in new technologies, including phyto-technologies to reduce seepage and address soil and ground water contamination, and in mine support technologies to minimize the impact of seismic activity. The company is also attempting to develop technologies to access the deeper reaches of South African mines.

Some aspects of these technologies are unproven and their eventual operational outcome or viability cannot be assessed with certainty. The costs, productivity and other benefits from these initiatives, and the consequent effects on AngloGold Ashanti s future earnings and financial condition, may vary from expectations. Failure of the company to realize the anticipated benefits could result in increased costs, an inability to realize production or growth plans, or adversely affect its operational performance.

The level of AngloGold Ashanti s indebtedness could adversely impact its business.

As at December 31, 2012, AngloGold Ashanti had gross borrowings of approximately $3.0 billion, (2011: approximately $1.7 billion) excluding the mandatory convertible bonds amounting to $588 million (2011: $760 million).

AngloGold Ashanti s indebtedness could have a material adverse effect on its flexibility to conduct business. For example, the company may be required to use a large portion of its cash flow to pay the principal and interest on its debt, which will reduce funds available to finance existing operations and the development of new organic growth opportunities and further acquisitions. In addition, under the terms of the company s borrowing facilities from its banks, AngloGold Ashanti is obliged to meet certain financial and other covenants. The company s ability to continue to meet these covenants and to service its debt will depend on its future financial performance which will be affected by its operating performance as well as by financial and other factors, certain of which are beyond the control of the company.

Should the cash flow from operations be insufficient, AngloGold Ashanti could breach its financial and other covenants. Covenant breaches, if interpreted as events of default under one or more debt agreements, could allow lenders to accelerate payment of such debt. Any such acceleration could result in the acceleration of indebtedness under other financial instruments. As a result, the company may be required to refinance all or part of the existing debt, use existing cash balances, issue additional equity or sell assets. AngloGold Ashanti cannot be sure that it will be able to refinance its debt on commercially reasonable terms, if at all. The company s ability to access the bank, public debt or equity capital markets on an efficient basis may be constrained by dislocation in the credit markets or capital and liquidity constraints in the banking, debt or equity markets at the time of issuance.

Certain factors may affect AngloGold Ashanti s ability to support the carrying amount of its property, plant and equipment, acquired properties, investments and goodwill on the balance sheet. If the carrying amount of its assets is not recoverable, AngloGold Ashanti may be required to recognize an impairment charge, which could be significant.

AngloGold Ashanti reviews and tests the carrying amount of its assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The company values individual mining assets at the lowest level for which cash flows are identifiable and independent of cash flows of other mining assets and liabilities.

If there are indications that impairment may have occurred, AngloGold Ashanti prepares estimates of expected future cash flows for each group of assets. Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure. Estimated rehabilitation and closure costs could also materially affect the company s financial performance and could result in the need to recognize an impairment charge.

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If any of these uncertainties occur, either alone or in combination, management could be required to recognize an impairment, which could have a material adverse effect on the company s results of operations and financial condition.

AngloGold Ashanti expects to have significant financing requirements.

AngloGold Ashanti s existing board-approved development projects and exploration initiatives will require significant funding. These include: Tropicana in Australia; Mponeng Below 120 Project in South Africa; the Mongbwalu and Kibali projects in the DRC; and the mine life extension project (MLE2) at Cripple Creek & Victor in the United States.

Potential future development projects will also require significant funding, if and when approved by the AngloGold Ashanti board of directors. These include the: La Colosa and Gramalote projects in Colombia; Moab Khotsong Zaaiplaats in South Africa; Iduapriem expansion project in Ghana, Sadiola Deeps project in Mali; Geita underground mining project in Tanzania; Nova Lima Sul project in Brazil; a further mine life extension project (MLE3) at Cripple Creek & Victor in the United States; as well as various other exploration projects and feasibility studies.

AngloGold Ashanti estimates that over the next three years, growth initiatives will require project capital expenditure (excluding stay in business and ore reserve development capital expenditure) of approximately $4.0 billion (subject to escalation and based on certain assumptions, including exchange rates). The company s capital expenditure plans and requirements are subject to a number of risks, contingencies and other factors, some of which are beyond its control, and therefore the actual future capital expenditure and investments may differ significantly from the current planned amounts.

AngloGold Ashanti s operating cash flow and credit facilities may be insufficient to meet all of these expenditures, depending on the timing and cost of development of these and other projects as well as operating performance and available headroom under its credit facilities. As a result, new sources of capital may be needed to meet the funding requirements of these developments, to fund ongoing business activities and to pay dividends. AngloGold Ashanti s ability to raise and service significant new sources of capital will be a function of macroeconomic conditions, the condition of the financial markets, future gold prices, the company s operational performance and operating cash flow and debt position, among other factors. The company s ability to raise further debt financing in the future and the cost of such financing will depend on, among other factors, its prevailing credit rating, which may be affected by the company s ability to maintain its outstanding debt and financial ratios at levels acceptable to the credit ratings agencies, its business prospects risks relating to the countries in which it operates or other factors. As a result, in the event of lower gold prices, unanticipated operating or financial challenges, any dislocation in financial markets or new funding limitations, AngloGold Ashanti s ability to pursue new business opportunities, invest in existing and new projects, fund its ongoing business activities and retire or service outstanding debt and pay dividends, could be significantly constrained, all of which could adversely impact the company s results of operations and financial condition.

AngloGold Ashanti does not have full management control over some of its significant joint venture projects and other interests. If the operators of these projects do not manage these effectively and efficiently, the company s investment in these projects could be adversely affected and its reputation could be harmed.

AngloGold Ashanti s joint ventures at Morila in Mali and at Kibali in the DRC are managed by the company s joint venture partner Randgold Resources Limited (Randgold). In addition, certain of AngloGold Ashanti s exploration ventures are managed by the relevant joint venture partner. AngloGold Ashanti s marine gold joint venture with De Beers is managed by an independent company jointly owned by AngloGold Ashanti and De Beers, with a significant part of the technical input subcontracted to De Beers or other marine service providers.

While AngloGold Ashanti provides strategic management and operational advice to its joint venture partners in respect of these projects, the company cannot ensure that these projects are operated in compliance with the standards that AngloGold Ashanti applies in its other operations. If these joint ventures are not operated effectively or efficiently, including as a result of weaknesses in the policies, procedures and controls implemented by the joint venture partners, the company s investment in the relevant project could be adversely affected. In addition, negative publicity associated with operations that are ineffective or inefficiently operated, particularly relating to any resulting accidents or environmental incidents, could harm the company s reputation and therefore its prospects and potentially its financial condition. Further, any failure of joint venture partners to meet their obligations to AngloGold Ashanti or to third parties, or any disputes with respect to the parties respective rights and obligations, could have a material adverse impact on AngloGold Ashanti s results of operations and financial condition. In particular, the company and Randgold retain equal representation, with neither party holding a deciding vote on the board of the two companies that have overall management control of the Morila project in Mali and the Kibali project in the DRC, respectively, and all major

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management decisions for each of these two projects, including approval of the budget, require board approval. If a dispute arises between the company and Randgold with respect to the Kibali or Morila project and the parties are unable to amicably resolve such dispute, it may be difficult for the parties to make strategic decisions relating to the project affected by such dispute, the day-to-day operations and the development of such project may be adversely affected and the company may have to participate in proceedings to resolve the dispute, which could adversely affect the company s results of operations and financial condition.

AngloGold Ashanti s joint ventures and other strategic alliances may not be successful.

AngloGold Ashanti s joint venture partners may have economic or business interests or goals that are not consistent with the company s or may, as a result of financial or other difficulties, be unable or unwilling to fulfill their obligations under the joint venture or other agreements. Disputes between AngloGold Ashanti and its joint venture partners may lead to legal action, including litigation between AngloGold Ashanti and joint venture partners. Such disputes could adversely affect the operation of the joint venture and may prevent the realization of the joint ventures goals. There is no assurance that the company s joint venture partners will continue their relationship with the company in the future or that the company will be able to achieve its financial or strategic objectives relating to the joint ventures.

For example, AngloGold Ashanti has a 50:50 strategic alliance with Thani Investments LLC (TI), a company based in Dubai. During 2011, AngloGold Ashanti advanced a loan of $35 million to Thani Ashanti Alliance Limited, the joint entity it owns together with TI. This loan was impaired during 2012. TI guaranteed the loan. AngloGold Ashanti has brought legal action against TI over non-payment of the loan. The resolution to this dispute may affect the overall relationship between TI and the company. The failure of the company s joint venture partners to fulfil their obligations or their unwillingness to continue these relationships may have an adverse effect on the company s results of operations and financial condition.

AngloGold Ashanti s Mineral Reserve, deposits and mining operations are located in countries where political, tax and economic laws and policies may change rapidly and unpredictably and such changes and policies may adversely affect both the terms of its mining concessions, as well as its ability to conduct operations in certain countries.

Any existing and new mining, exploration operations and projects that the company carries out are subject to various national and local laws, policies and regulations governing the ownership, prospecting, development and mining of mineral reserves, taxation and royalties, exchange controls, import and export duties and restrictions, investment approvals, employee and social community relations and other matters.

In most of the countries in which AngloGold Ashanti operates, there is a focus on resource nationalism with governments seeking to reap greater economic benefit from high commodity prices. This entails the review of mining codes and stability agreements, which were designed under different economic environments, and the formulation or amendment of laws, policies and regulations relating to issues such as mineral rights and asset ownership, royalties, taxation and taxation disputes, windfall or super taxation, non-recovery of taxation refunds, import and export duties, currency transfers, restrictions on foreign currency holdings and repatriation of earnings. Laws, policies and regulations in such countries are uncertain, changing and generally require progressively higher payments to governments, notably in the form of increased royalties and taxes, mandated beneficiation, export levies and increasing or retaining state or national ownership of resources. Changes in particular to the fiscal terms governing AngloGold Ashanti s operations may have a material adverse impact on the company s results of operations or financial condition, as well as discourage future investments in certain jurisdictions, which may have an adverse impact on the company s ability to access new assets and could potentially reduce future growth opportunities.

For example on September 9, 2011, a new mining code for Guinea was enacted. The new mining code significantly increases the share of state ownership in the mining industry, extending a 15 percent share of future mining projects to the government, without financial compensation. The government also has the option to purchase up to an additional 20 percent of each project. However, the new mining code was withdrawn in October 2012 due to unfavorable reception and is yet to be re-issued. The Guinean government also announced its intention to carry out a review of the mining conventions currently in force in Guinea. This mining convention review is currently in progress. The outcome of this review may have a material adverse effect on the company s results of operations or financial condition.

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In late 2011 and early 2012, the government of Ghana amended its fiscal mining regime, increased its corporate taxation and royalty rates and may impose a windfall profit tax. Furthermore, the government of Ghana has constituted a review committee to review and re-negotiate stability agreements with mining companies. AngloGold Ashanti is currently participating in negotiations with the Ghanaian review committee. The outcome of these negotiations may have a material adverse effect on the company s results of operations or financial condition.

AngloGold Ashanti Limited and other major mining companies are in talks with the Tanzanian government regarding new mining legislation and its impact on existing mining agreements; such talks follow an earlier declaration in July 2012 by the Tanzanian Minister of Energy and Minerals that the mining contracts were under review. The new mining legislation and the outcome of the review of the mining contracts may have a material adverse impact on the company s results of operations and financial condition. Recently, the Tanzanian Minister of Energy and Minerals unexpectedly increased the royalty rate levied on gold extracted in Tanzania by AngloGold Ashanti s operations by 1 percent. Further unanticipated increases in royalty rates in Tanzania or other countries could have a material adverse impact on the company s results of operations and financial condition.

In the DRC, in October 2012 the Mines Minister announced a proposed overhaul of the DRC s mining code. The proposed laws seek to, among other things, increase the government stake in mining operations to 35 percent from the existing 5 percent, double royalties on some minerals, and introduce a 50 percent levy on certain profits. Should such laws be enacted in the future, these may have a material adverse impact on the company s results of operations in the DRC.

On July 1, 2012, Australia s Minerals Resource Rent Tax (MRRT) came into effect after the legislation was passed in March 2012. The MRRT applies only to the bulk commodities of coal and iron ore, and replaced the previously proposed Resource Super Profit Tax (RSPT), which covered all minerals. The Australian federal government did not include gold and uranium in the final MRRT. However, should Australia consider reintroducing the RSPT, or if similar super profit taxes were to be introduced and implemented in any other country in which AngloGold Ashanti operates, the company s results of operations and financial condition could be materially adversely affected.

In addition, some of AngloGold Ashanti s mineral deposits and mining and exploration operations are located in countries that are experiencing political instability and economic uncertainty. For example, in South Africa, country risk has increased recently in light of the violent strike action, social unrest, high levels of unemployment, poverty and concern that the government may take measures unfavorable to business.

In December 2012, while the ruling African National Congress rejected the concept of wholesale nationalization, it nevertheless favoured a resource rent tax on windfall profits. Political instability and the resulting unstable business environment in which companies operate may discourage future investments in certain jurisdictions, which may have an adverse impact on the company s ability to access new assets and could potentially reduce future growth opportunities.

AngloGold Ashanti is subject to an uncertain tax environment. Increased taxes are expected in most countries of operation. Changes in tax laws could result in higher tax expense and payments. Furthermore, legislation changes could materially impact AngloGold Ashanti s tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities. In addition, the uncertain tax environment in some regions could limit AngloGold Ashanti s ability to enforce its rights. As a global company, AngloGold Ashanti conducts its business in countries subject to complex tax rules, which may be interpreted in different ways. Further interpretations or developments of tax regimes may affect the company s tax liability, return on investments and business operations. AngloGold Ashanti is regularly examined by tax authorities in the various jurisdictions of operation.

For example, on March 15, 2012, the Mwanza office of the Tanzania Revenue Authority notified Geita Gold Mine Limited (Geita Gold Mine) that it intended to issue additional tax assessments against Geita Gold Mine. In connection with such assessments, the Tanzania Revenue Authority also challenged the validity of the existing mining development agreement (MDA) relating to the Geita Gold Mine, which was entered into with the Tanzanian government in June 1999. AngloGold Ashanti was served with a demand to pay the increased assessments, which it is currently paying under protest while awaiting a discussion with the government. In the event that the MDA is held to be invalid, the tax burden on the company s Tanzanian operations would increase and the company would have to pay additional taxes for prior periods.

Furthermore, in Guinea, Mali and Tanzania, AngloGold Ashanti is due refunds of input tax and fuel duties which remain outstanding for periods longer than those provided for in the respective statutes.

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The countries in which the company operates may also introduce strict exchange controls, impose restrictions to source materials and services locally, or impose other similar restrictions that hinder foreign companies operations within such countries. For example, the Argentine government introduced stricter exchange controls and related protracted approval processes, which may limit the company s ability to repatriate dividends from its Argentine subsidiaries. In October 2011, the Argentina government has decreed that mining, oil and energy companies must repatriate export earnings. Additionally, the purchase of US dollars requires authorization from the Argentine tax agency and the purpose for which the currency will be used must be stated. In May 2012, the Argentine Mining Secretariat issued new regulations requiring mining companies in Argentina to boost their domestic purchases of equipment and services. Mining companies are now required to resort exclusively to locally established suppliers for their export-related shipping and logistics operations. A separate norm requires companies to open an import substitution division which will be in charge of submitting procurement plans to the Mining Secretariat on a quarterly basis. Such requirements are hindering the company s operations within Argentina and these or similar requirements may continue to do so in the future and may have a material adverse effect on AngloGold Ashanti s results of operations and financial condition.

If, in one or more of the countries in which it operates, AngloGold Ashanti were not able to obtain or maintain necessary permits, authorizations or agreements to implement planned projects or continue its operations under conditions or within timeframes that make such plans and operations economically viable, or if the applicable legal, ownership, fiscal (including all royalties and duties), exchange control, employment, environmental and social laws or regimes change materially, or if the governing political authorities change resulting in amendments to such laws and regimes, this could have a material adverse effect on AngloGold Ashanti s operating results, financial condition, and, in extreme situations, on the viability of an operation.

For example, in South Africa mining rights are linked to meeting various obligations that include the broad-based socio-economic empowerment charter for the mining industry (the Revised Charter). Compliance with the Revised Charter is measured using a designated scorecard relating to equity ownership and management control of mining companies by historically disadvantaged South Africans (HDSAs) by no later than May 2014 and that HDSAs must constitute 40 percent of all levels of management by 2014. While AngloGold Ashanti believes that it is compliant with ownership targets to be achieved by May 2014, it must make further progress to achieve future targets, including further participation by HDSAs in senior and top management levels, the upgrade of housing and accommodation at the company s mines, further human resource development, mine community development, sustainable development and growth as well as procurement and enterprise development, certain of which are also included under the Revised Charter s targets that must also be achieved by May 2014.

The company will incur expenses in giving further effect to the Revised Charter and the scorecard. AngloGold Ashanti may not meet all of the various requirements by the required dates. Additionally, the South African government may decide that the Mining Charter has not gone far enough to achieve its underlying goals and therefore decide to expand the obligations of mining companies thereunder. Should AngloGold Ashanti breach its obligations in complying with the Mineral and Petroleum Resources Development Act, Revised Charter or any future amendments to the Mining Charter, its mining rights in South Africa could be suspended or cancelled by the Minister of Mineral Resources and it may be unable to obtain any new mining rights. Any such suspension or cancellation could have a material adverse effect on Anglo Ashanti s results of operations and financial condition.

AngloGold Ashanti s Mineral Reserve, deposits and mining operations are located in countries that face instability and security risks that may adversely affect both the terms of its mining concessions, as well as its ability to conduct operations in certain countries.

Some of AngloGold Ashanti s mineral deposits and mining and exploration operations are located in countries that are experiencing political instability and economic uncertainty.

Certain of the countries in which AngloGold Ashanti has mineral deposits or mining or exploration operations, including the DRC, Mali, Guinea and Colombia, have in the past experienced, and in certain cases continue to experience, a difficult security environment. In particular, various illegal groups active in regions in which the company is present may pose a credible threat of military repression, terrorism, civil unrest, extortion and kidnapping, which could have an adverse effect on its operations in these and other regions.

For example, Mali continues to experience a difficult security environment since the military coup in March 2012. The situation in Mali remains of heightened concern as a result of the instability in northern Mali.

Eastern DRC also continues to experience tension consistent with the cycles of unrest experienced since the late 2000s. Fighting has caused instability in the area and could expand or intensify.

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In 2012, and for the first time in approximately seven years, Anglo Gold Ashanti Colombia s (AGAC) assets and employees were the targets of direct attacks by hostile actors around the La Colosa project s area of influence. These and other such attacks could adversely affect the company s operations in Colombia.

Since 2009, the company has recorded an almost five-fold increase in the instances of injury to security personnel, including members of AngloGold Ashanti s internal security, private security companies and public security forces in certain jurisdictions. The rise in the number and severity of security incidents has come as a result of both increased illegal and artisanal mining due to a steady migration of people into the areas and an increase in the level of organization and funding of criminal activity around some of the company s Continental African operations, spurred on by an escalating gold price. The most significant security challenges have occurred in Tanzania and Ghana in areas where there is endemic poverty and high levels of unemployment. If the security environment surrounding the company s operations that are most exposed to these challenges does not improve or further deteriorates, employee, third-party and community member injuries and fatalities could also increase. Any such increase could disrupt the company s operations in certain mines and adversely affect its reputation, results of operations and financial condition.

In some instances, risk assessments categorize threats as serious enough to require resort to public security forces, such as national police or military units on a near-permanent basis. In the event that continued operations in any of the company s countries of operations compromise the company s security or business principles, AngloGold Ashanti may withdraw from any such countries on a temporary or permanent basis. This could have a material adverse impact on AngloGold Ashanti s results of operations and financial condition.

Furthermore, the company has at times experienced strained relationships with certain of its host communities. AngloGold Ashanti operates in several regions where poverty, unemployment and the lack of access to alternative livelihoods mean that the creation and distribution of economic benefit from mining operations is a significant area of focus for community and government. Conflict with communities has led to community protests and business interruptions, particularly at the Siguiri mine in Guinea during 2010 and 2011. In 2012, there were five recorded community protests at Cerro Vanguardia, Obuasi and Geita.

Illegal and artisanal mining occurs on AngloGold Ashanti s properties, which can disrupt the company s business and expose the company to liability.

Illegal and artisanal miners are active on, or adjacent to, some of AngloGold Ashanti s Continental African and South American properties, which leads at times to interference with the company s operations and results in conflict situations that present a security threat to property and human life. Artisanal mining is associated with a number of negative impacts, including environmental degradation, flouting of land rights, poor working practices, erosion of civil society, human rights abuse and funding of conflict. The environmental, social, safety and health impacts of artisanal mining are frequently attributed to formal mining activity, and it is often assumed that artisanally-mined gold is channeled through large-scale mining operators, even though artisanal and large-scale miners have distinct supply chains. These misconceptions impact negatively on the reputation of the industry.

The activities of the illegal miners, which include theft and shrinkage, could cause damage to AngloGold Ashanti s properties, including pollution, underground fires, or personal injury or death, for which AngloGold Ashanti could potentially be held responsible. Illegal mining could result in the depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits. Illegal mining and theft could also result in lost gold reserves, mine stoppages, and have a material adverse effect on AngloGold Ashanti s results of operations or financial condition.

In 2012, the company recorded an increase in the number and severity of security incidents, due to a steady migration of people into the areas and an increase in the level of organization and funding of criminal activity around some of the company s Continental African operations, spurred on by an escalating gold price. The most significant security challenges have occurred in Tanzania and Ghana in areas where there is endemic poverty and high levels of unemployment.

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The use of contractors at certain of the company s operations may expose AngloGold Ashanti to delays or suspensions in mining activities and increases in mining costs.

AngloGold Ashanti uses contractors at certain of its operations to mine and deliver ore to processing plants as well as for other purposes. At mines employing mining contractors, contracting costs represent a significant proportion of the total operating costs of these operations and the company does not own all of the mining equipment. For example, increased contractor rates at the Sadiola mine in Mali contributed to a significant rise in total cash costs in the final quarter of 2011. Increased contractor costs at Sunrise Dam in Australia and Geita in Tanzania contributed to higher production costs in the first quarter of 2012.

AngloGold Ashanti s operations could be disrupted, resulting in additional costs and liabilities, if the mining contractors at affected mines have financial difficulties or if a dispute arises in renegotiating a contract, or if there is a delay in replacing an existing contractor and its operating equipment to meet business needs at expected cost levels. Increases in contract mining rates, in the absence of associated productivity increases, will also have an adverse impact on the company s results of operations and financial condition.

For example, on October 13, 2012, AngloGold Ashanti terminated the underground development contract with a third-party contractor at the Obuasi mine in Ghana. The costs of the termination amounted to $17 million.

In addition, AngloGold Ashanti s reduced control over those aspects of operations which are the responsibility of contractors, their failure to comply with applicable legal, human rights and regulatory requirements, or their inability to manage their workforce or provide high quality services or a high level of productivity could adversely affect AngloGold Ashanti s reputation, results of operations and financial condition, and may result in the company incurring liability to third parties due to the actions of contractors.

AngloGold Ashanti competes with mining and other companies for key human resources and its inability to retain key personnel could have an adverse effect on its business.

AngloGold Ashanti competes on a global basis with mining and other companies, to attract and retain key human resources at all levels with the appropriate technical skills and operating and managerial experience necessary to operate and supervise its business. This is further exacerbated in the current environment of increased mining activity across the globe, combined with the global shortage of key mining skills, including geologists, mining engineers, metallurgists and skilled artisans.

The retention of staff is particularly challenging in South Africa, where, in addition to the impacts of global industry shortages of skilled labor, AngloGold Ashanti is required to achieve employment equity targets of participation by HDSAs in management and other positions. AngloGold Ashanti competes with all companies in South Africa to attract and retain a small but growing pool of HDSAs with the necessary skills and experience. AngloGold Ashanti has historically faced difficulty recruiting and retaining young graduates and qualified mid-level management in South Africa. Recruitment of skilled personnel has been challenging in Continental Africa due to university offerings that are often not well-suited to the specific needs of the mining industry, as well as other factors such as language barriers and low literacy skills.

The recruitment of skilled workers is also highly competitive in South America as a result of a shortage of skills and intense competition between mining companies.

The company may not be able to retain and attract sufficient skilled and experienced employees in all areas of the business. Should it fail to do so or lose any of its key personnel, business and growth prospects may be harmed and this could have an adverse impact on AngloGold Ashanti s results of operations and financial condition.

AngloGold Ashanti s inability to retain its senior management may have an adverse effect on its business.

The company s success depends largely upon the continued service of its senior management, including its chief executive officer, chief financial officer and the executive officers at each of its business divisions and general managers at its mines. The loss of one or more members of senior management, such as the recently announced departure of AngloGold Ashanti Chief Executive Officer, Mark Cutifani, to take the same position at Anglo American PLC as of April 3, 2013, could lead to other members of the management team leaving, disrupt the company s operations, and have a material adverse impact on the company s business, results of operations and financial condition.

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The prevalence of occupational health diseases and the potential costs and liabilities related thereto may have an adverse effect on the business and results of operations of AngloGold Ashanti.

The primary areas of focus in respect of occupational health of employees within the company s operations are noise-induced hearing loss and occupational lung diseases (OLD), which include pulmonary diseases such as tuberculosis from various causes and silicosis in individuals exposed to silica dust. These require active dust management strategies in underground operations, particularly in South Africa where a significant number of silicosis cases by current and former employees alleging past exposures are still reported each year to the board for statutory compensation. AngloGold Ashanti provides occupational health services to its employees at its occupational health centers and clinics and continues to improve preventative occupational hygiene initiatives, such as implementing various dust control measures and supplying its employees with respiratory protection equipment. If the costs associated with providing such occupational health services, implementing such dust control measures or supplying such equipment increase significantly beyond anticipated or budgeted amounts, this could have an adverse effect on AngloGold Ashanti s results of operations and financial condition. Actual and alleged health and safety incidents or breaches of standards may also adversely impact the company s reputation.

AngloGold Ashanti is currently subject to class action litigation with respect to alleged occupational lung diseases (see AngloGold Ashanti is subject to the risk of litigation, the causes and costs of which are not always known). AngloGold Ashanti is calling for the industry to engage with government (and other stakeholders) to seek an appropriate industry-wide solution. An industry-wide solution may not be reached or the terms thereof may have a material adverse effect on AngloGold Ashanti s financial condition.

In response to the effects of silicosis in labor-sending communities, a number of mining companies (under the auspices of the Chamber of Mines of South Africa) together with the NUM, which is the largest union in the mining sector in South Africa, and the national and regional departments of health, have embarked on a project to assist in delivering compensation and relief by mining companies under the Occupational Diseases in Mines and Works Act (ODMWA) to affected communities.

AngloGold Ashanti faces certain risks in dealing with HIV/AIDS, particularly at its South African operations and with tropical disease outbreaks such as malaria, and other diseases which may have an adverse effect on the company s results of operations and financial condition.

AIDS and associated diseases remain one of the major health care challenges faced by AngloGold Ashanti s South African operations. Workforce prevalence studies indicate that HIV prevalence rates among AngloGold Ashanti s South African workforce may be as high as 30 percent.

Malaria and other tropical diseases pose significant health risks at all of the company s operations in central, west and east Africa where such diseases may assume epidemic proportions because of ineffective national control programs. Malaria is a major cause of death in young children and pregnant women but also gives rise to fatalities and absenteeism in adult men. Other conditions such as heart disease, chronic diseases, and obesity are of increasing incidence and concern.

Such diseases impair the health of workers and negatively affect productivity and profitability as a result of workers diminished focus or skill, absenteeism, treatment costs and allocated resources. Any current or future medical program may not be successful in preventing or reducing the infection rate among AngloGold Ashanti s employees or in affecting consequent illness or mortality rates. AngloGold Ashanti may incur significant costs in addressing this issue in the future, which could also adversely impact the company s results of operations and financial condition.

The costs and impacts associated with the pumping of water inflows from closed mines adjacent to the company s operations could have an adverse effect on its results of operations.

Certain of AngloGold Ashanti s mining operations are located adjacent to the mining operations of other mining companies. The closure of a mining operation may have an impact upon continued operations at the adjacent mine if appropriate preventative steps are not taken. In particular, this can include the ingress of underground water where pumping operations at the adjacent closed mine are suspended. Such ingress could have an adverse effect on any one of the company s mining operations as a result of property damage, disruption to operations, additional pollution liabilities and pumping costs and consequently could have an adverse impact on its results of operations and financial condition.

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The potential costs associated with the remediation and prevention of groundwater contamination from the company s operations or due to flooding from closed mines adjacent to the company s operations could have a material adverse effect on AngloGold Ashanti s results of operations and financial condition.

AngloGold Ashanti has identified groundwater contamination plumes at certain of its operations that have occurred primarily as a result of seepage from surface operations and facilities including tailings storage facilities and waste rock.

Deep groundwater contamination is a significant issue in South Africa, where groundwater in some older mining regions has infiltrated mined-out workings. Potential contamination risk to shallow ground and surface water resources can occur when water is exposed to sulfide-bearing rock in such situations. AngloGold Ashanti has identified a flooding and future pollution risk posed by deep groundwater in the Klerksdorp and Far West Rand goldfields. AngloGold Ashanti s Vaal River operations are part of the Klerksdorp goldfields and its West Wits operations are part of the Far West Rand goldfields. As a result of the interconnected nature of underground mining operations in South Africa, any proposed solution needs to be a combined one supported by all the companies owning mines located in these goldfields.

In view of the limitation of current information for the accurate estimation of liabilities, no reliable estimate can be made for these obligations. The potential costs of remediation and prevention of groundwater contamination at AngloGold Ashanti s operations could be significant and may have a material adverse impact on AngloGold Ashanti s results of operations and financial condition.

The occurrence of events for which AngloGold Ashanti is not insured or for which its insurance is inadequate may adversely affect cash flows and overall profitability.

AngloGold Ashanti maintains insurance to protect only against catastrophic events which could have a significant adverse effect on its operations and profitability. This insurance is maintained in amounts that the company believes to be reasonable depending upon the circumstances surrounding each identified risk. However, damage and third-party claims arising from catastrophic events may exceed the limit of liability on insurance policies the company has in place. Furthermore, AngloGold Ashanti s insurance does not cover all potential risks associated with its business and may exclude certain parts of its business. AngloGold Ashanti may elect not to insure certain risks due to the high premiums or for various other reasons, including an assessment that the risks are remote.

The company may not be able to obtain insurance coverage at acceptable premiums. The company believes negotiations with insurance providers have become more difficult for a number of reasons, including prevailing macroeconomic conditions and the risk profile of the mining industry. Insurance for certain risks in particular, such as loss of title to mineral property, political risks in certain jurisdictions, environmental pollution, or other hazards resulting from exploration and production, is not generally available to mining companies on acceptable terms. The availability and cost of insurance coverage can vary considerably from year to year as a result of events beyond the company s control or from claims, and this can result in higher premiums and periodically being unable to maintain the levels or types of insurance the company typically carries.

The failure to obtain adequate insurance could impair the company s ability to continue to operate in the normal course or could result in the occurrence of events for which AngloGold Ashanti is not insured, either of which could adversely impact its cash flows, results of operations and financial condition.

AngloGold Ashanti is subject to the risk of litigation, the causes and costs of which are not always known.

AngloGold Ashanti is subject to litigation, arbitration and other legal proceedings arising in the normal course of business and may be involved in disputes that may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental and health and safety concerns, share price volatility or failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty but could include costly damage awards or settlements, fines, and the loss of licenses, concessions, or rights, among other things.

In the event of a dispute AngloGold Ashanti may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in South Africa or the United States.

AngloGold Ashanti is subject to numerous claims, including class actions or similar group claims relating to silicosis and other OLD, and could be subject to similar claims in the future.

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AngloGold Ashanti has received notice of two applications for class certification relating to silicosis in which the company is a respondent. It has also received notice of individual claims. For further information, please refer to Item 8.: Financial Information Legal Proceedings South Africa Silicosis litigation .

It is possible that additional class actions and/or individual claims relating to silicosis and/or other OLD will be filed against AngloGold Ashanti in the future. AngloGold Ashanti will defend all and any subsequent claims as filed on their merits. Should AngloGold Ashanti be unsuccessful in defending any such claims, or in otherwise favorably resolving perceived deficiencies in the national occupational disease compensation framework that were identified in an earlier decision by the Constitutional Court of South Africa, such matters would have an adverse effect on its financial position, which could be material.

In Colombia, the company is also involved in five class action lawsuits in relation to AGAC Santa Maria-Montecristo and La Colosa projects. One of these class action lawsuits led to a preliminary injunction suspending the mining concession contracts of the Santa Maria-Montecristo project in September 2011. Additionally, in Colombia, AGAC is involved in an action in the Administrative Superior Court of the Cundinamarca District against the Department of the Environment, Housing and Territorial Development (DoE) following its issuance of a fine against AGAC on the basis that AGAC was in breach of its mining terms of reference.

Should the company be unable to resolve disputes favorably or to enforce its rights, this may have a material adverse impact on the company s financial performance, cash flow and results of operations.

The implementation of an integrated Enterprise Resource Planning (ERP) system could have an adverse effect on AngloGold Ashanti s results of operations and financial condition.

AngloGold Ashanti is implementing a single, global ERP system to support all the operations managed by AngloGold Ashanti. The ERP system is being implemented over a three-and-a-half-year period which commenced in August 2011. The contemplated implementation of an ERP system on a global basis is inherently a high-risk initiative due to the potential for implementation cost and time overruns. In addition, such implementation could affect the ability of AngloGold Ashanti to report and manage technical and financial information if difficulties in the implementation and operation of the system are experienced, which could have an adverse effect on AngloGold Ashanti s results of operations and financial condition. The first sites went live during February 2013.

Sales of large quantities of AngloGold Ashanti s ordinary shares and American Depository Shares (ADSs), and the perception that these sales may occur or other dilution of the company s equity, could adversely affect the prevailing market price of the company s securities.

The bulk of AngloGold Ashanti s shares are held by a relatively small number of investors. According to information available to the company, AngloGold Ashanti s four largest shareholders beneficially owned approximately 23.29 percent of AngloGold Ashanti s ordinary shares as at December 31, 2012.

Poor returns, soaring costs, higher capital expenditure, ill-conceived corporate activity, rising geopolitical and labor risk and low dividend yields over the past few years have resulted in a change in market sentiment towards gold equities. The market price of the company s securities could fall if large quantities of ordinary shares or ADSs are sold in the public market, if there is divestment by certain types or groupings of investors, or if there is the perception in the marketplace that such sales could occur. Subject to applicable securities laws, holders of the company s ordinary shares or ADSs may decide to sell them at any time. The market price of the company s ordinary shares or ADSs could also fall as a result of any future offerings AngloGold Ashanti makes of its ordinary shares, ADSs, or securities exchangeable or exercisable for the company s ordinary shares or ADSs, or the perception in the market place that these offerings might occur. AngloGold Ashanti may make such offerings, including offerings of additional ADS rights, share rights or similar securities, at any time or from time to time in the future.

Fluctuations in the exchange rate of currencies may reduce the market value of AngloGold Ashanti s securities, as well as the market value of any dividends or distributions paid by the company.

AngloGold Ashanti has historically declared all dividends in South African rands. As a result, exchange rate movements may have affected and may continue to affect the Australian dollar, the British pound, the Ghanaian cedi and the US dollar value of these dividends, as well as of any other distributions paid by the relevant depositary to investors that hold the company s securities. This may reduce the value of these securities to investors.

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AngloGold Ashanti s memorandum and articles of association allow for dividends and distributions to be declared in any currency at the discretion of the board of directors, or the company s shareholders at a general meeting. If and to the extent that AngloGold Ashanti opts to declare dividends and distributions in US dollars, exchange rate movements will not affect the US dollar value of any dividends or distributions. Nevertheless, the value of any dividend or distribution in Australian dollars, British pounds, Ghanaian cedis or South African rands will continue to be affected. If and to the extent that dividends and distributions are declared in South African rands, exchange rate movements will continue to affect the Australian dollar, British pound, Ghanaian cedi and US dollar value of these dividends and distributions. Furthermore, the market value of AngloGold Ashanti s securities as expressed in Australian dollars, British pounds, Ghanaian cedis, US dollars and South African rands will continue to fluctuate in part as a result of foreign exchange fluctuations.

AngloGold Ashanti may not pay dividends or make similar payments to shareholders in the future.

AngloGold Ashanti pays cash dividends only if there are sufficient funds available for that purpose. Fund availability depends upon many factors that include the amount of cash available in relation to AngloGold Ashanti s capital expenditure on existing infrastructure and exploration and other projects.

Under South African law, companies are entitled to pay a dividend or similar payment to its shareholders only if the company meets the solvency and liquidity tests set out in legislation, and the company s founding documents.

Given these factors, including the capital and investment needs of the company, and the board of directors discretion to declare a dividend that includes the amount and timing thereof, cash dividends may not be paid in the future.

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ITEM 4: INFORMATION ON THE COMPANY

4A. HISTORY AND DEVELOPMENT OF THE COMPANY

GROUP INFORMATION

AngloGold Limited was formed in June 1998 with the consolidation of the gold mining interests of Anglo American plc. AngloGold Ashanti Limited, as the company exists today, was formed on April 26, 2004 following the business combination between AngloGold and Ashanti Goldfields Company Limited.

CURRENT PROFILE

AngloGold Ashanti Limited is headquartered in Johannesburg, South Africa. The company (Registration number 1944/017354/06) was incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and operates under the South African Companies Act 71 of 2008 (Companies Act), as amended.

Its registered office is at 76 Jeppe Street, Newtown, Johannesburg, South Africa, 2001. Telephone: +27 11 6376000.

While AngloGold Ashanti s primary listing is on the Johannesburg Stock Exchange (JSE), the company is also listed on the London Stock Exchange (LSE), the New York Stock Exchange (NYSE), the Ghana Stock Exchange (GhSE) and the Australian Securities Exchange (ASX).

HISTORY AND SIGNIFICANT DEVELOPMENTS

Below are highlights of key corporate activities from 1998:

1998

Formation of AngloGold Limited through the consolidation of East Rand Gold and Uranium Company Limited; Eastvaal Gold Holdings Limited; Southvaal Holdings Limited; Free State Consolidated Gold Mines Limited; Elandsrand Gold Mining Company Limited; H.J. Joel Gold Mining Company Limited and Western Deep Levels Limited into a single, focused, independent, gold mining company. Vaal Reefs Exploration and Mining Company Limited (Vaal Reefs), the vehicle for the consolidation, changed its name to AngloGold Limited and increased its authorized share capital, effective March 30, 1998.

1998-2004

Expansion of AngloGold Limited s operations outside of South Africa.

2004

Concluded the business combination with Ashanti Goldfields Company Limited, at which time the company changed its name to AngloGold Ashanti Limited.

2007

Anglo American plc sold 69,100,000 ordinary shares of AngloGold Ashanti, thereby reducing Anglo American s shareholding in AngloGold Ashanti from 41.7 percent to 16.6 percent.

2009

Anglo American plc sold its remaining shareholding to Paulson & Co. Inc.

2010

AngloGold Ashanti eliminated its hedge book, thereby gaining full exposure to spot gold prices.

2012

AngloGold Ashanti acquired the remaining 50 percent interest in Serra Grande in Brazil for $215 million.
The company acquired 100 percent of First Uranium (Proprietary) Limited for $335 million.

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4B. BUSINESS OVERVIEW

AngloGold Ashanti, one of the world s major gold exploration, mining and marketing companies, holds a portfolio of operations and projects on four continents, and has a worldwide exploration program. The company works across the full spectrum of the mining value chain.

PRODUCTS

AngloGold Ashanti s main product is gold. In the course of processing the ore mined, by-products such as silver, uranium oxide and sulfuric acid are produced at the Argentinian, South African and Brazilian operations.

OPERATIONS

AngloGold Ashanti s 21 operations are located in 10 countries (Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States). These include six deep-level mines and surface operations in South Africa as well as a combination of surface and underground mining operations in the Americas, Australia and elsewhere on the African continent.

EXPLORATION

The group s exploration program, covers greenfield, brownfield, and, more recently, marine exploration. Major development projects are Tropicana in Australia, Kibali in the Democratic Republic of the Congo (DRC) and La Colosa in Colombia. Our extensive brownfield, greenfield and marine exploration programs extend to 14 countries, in both established and new gold-producing regions through managed and non-managed joint ventures, strategic alliances and wholly owned ground holdings.

DEVELOPMENT

AngloGold Ashanti utilizes its exploration team to build on its record of new gold discoveries and to grow its gold endowment. The company has increased its capacity to fund a significant project pipeline by incurring longer-term debt, while maintaining capital discipline and improving returns.

MARKETING

Once processed to the doré (unrefined gold bar) stage at AngloGold Ashanti s operations, this product is dispatched to various precious metal refineries where the gold is refined to a purity of at least 99.5 percent, in accordance with the standards of good delivery as determined by the London Bullion Market Association. It is then sold to bullion banks or refiners. Gold has been a much sought after source of wealth over the centuries, be it as an investment, a store of value or as jewellery. AngloGold Ashanti campaigns actively to promote the demand for gold.

GOLD MARKET

AngloGold Ashanti s gold is refined at various precious metal refineries. In refined and marketable form, gold normally takes the shape of bars, varying in size from 12.5 kilogram to smaller bars weighing some 1 kilogram or less, all of which contain 99.5 percent gold. Through the refineries the gold is sold directly to bullion banks. Bullion banks are registered commercial banks which deal in gold, distributing bullion bought from mining companies and refineries to markets worldwide. These banks hold consignment stocks in all major physical markets and finance these inventories from the margins they charge physical buyers.

The physical gold market is dominated by the jewellery and investment sectors, which together account for 78 percent of total demand. The balance of gold demand is from the electronics and dentistry industry, as well as the uptake from central banks. While the quantity of gold used in jewellery consumption has decreased over the last decade with the steadily rising gold price, the investment market has largely absorbed available supply. Investment in physical gold involves bar and coin hoarding, medals and other retail investment instruments, as well as the now significant market for exchange traded funds (ETFs).

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The gold price averaged $1,668 per ounce for 2012, marking the eleventh consecutive year of average annual price increases. After reaching a record of $1,921 per ounce in September 2011, the gold price failed to reach the same level during 2012.

Although gold has traditional safe haven status among financial assets, it did not benefit significantly in 2012. This was largely on account of the continued negative correlation between the dollar gold price and the dollar, in which a stronger dollar tended to cap appreciation in the gold price. This pattern was exacerbated by the fact that investors often sold profitable gold positions.

The announcement by the US Federal Reserve of a further round of quantitative easing in mid-September correlated with a boost in the gold price, however, having averaged $1,651 per ounce over the first three quarters of 2012, the announcement of the third round of quantitative easing (QE3) corresponding with an increase in the gold price average to $1,717 per ounce for the final quarter. As of April 19, 2013, the gold price was $1,404 per ounce.

Investment market

Holdings within the ETF universe showed reasonable growth. Although growth in total gold holdings was lower than that experienced in 2009 and 2010, it was an improvement over 2011. ETF holdings grew by 6.4 million ounces in 2011 which represents growth of 9 percent over the year. In 2012, ETF holdings grew by almost 9.4 million ounces or 12 percent.

Among ETFs, which now include some 32 different funds, the NYSE-listed SPDR Gold Shares (GLD) remained the largest at 43.4 million ounces, or almost half of combined holdings of 88.8 million ounces (as at end 2012). This fund grew by 3.1 million ounces in 2012 and alone accounted for over a third of overall growth in holdings during 2012.

The official sector continued to be a significant source of demand through 2012 with estimates of around 17.2 million ounces (net) bought by various central banks across the globe. The most dominant sources of demand from this sector remain those countries which are not members of the Organization for Economic Co-operation and Development (OECD), such as Brazil, Mexico and South Korea, which added to their gold reserves. In contrast, the third year of the Central Bank Gold Agreement ended at the end of September and total sales of 5 tonnes by its signatories were recorded. This represents the lowest annual sales in any of the agreements.

Bar and coin demand for 2012 failed to match the levels of 2011, declining by 260 tonnes year-on-year. Demand experienced from Europe in 2011 did not materialize again in 2012. However, after a slow start to the first half of the year, Indian demand for bars and coins began to emerge and amounted some 25 percent of total demand for 2012. Demand from China, another important source of demand, was flat at 265 tonnes, primarily due to the slowing of the Chinese economy.

Jewellery markets

A jewellers strike and doubling of import duties meant that the first half of the year witnessed very poor demand out of India relative to 2011, down by 24 percent. Sentiment improved in the latter half of the year and India remained the strongest performing market for gold jewellery and, in 2012, accounted for 29 percent of global jewellery fabrication.

Slowing fortunes of the Chinese economy had an impact on jewellery demand from this region, down 4.5 tonnes year-on-year, as consumers cut back on their discretionary spending. Hong Kong maintained its levels of jewellery demand year-on-year at 27 tonnes.

European jewellery demand was similarly affected by economic woes and austerity measures.

The outlook for the gold price remains broadly supportive given the continuation of loose monetary policies in both the United States and Europe. However, there is growing confidence that monetary authorities may have managed the worst of these crises. Austerity measures may continue across Europe and this may weigh on European jewellery demand while further measures by the Indian authorities to curb gold imports mean that jewellery demand from this region will also likely decrease in the short term.

RAW MATERIALS

AngloGold Ashanti uses chemicals including cyanide and lime in the production of gold. These chemicals are available from a large number of suppliers.

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COMPETITION

As gold mining is a mature and regulated industry, and very significant volumes of gold and gold derivatives trade in the world markets independent of gold mine supply, AngloGold Ashanti does not consider that competition for sales plays any role in its operations as a gold producer. However, gold producers do compete against each other for acquisition of mining assets, exploration opportunities and human resources.

INTELLECTUAL PROPERTY

AngloGold Ashanti, as a group, is not dependent on intellectual property for the conduct of its business as a whole.

SEASONALITY

AngloGold Ashanti s business is not generally seasonal.

STRATEGY

To achieve its vision to be the leading mining company, AngloGold Ashanti must fulfill its mission to create value for shareholders, employees and business and social partners by safely and responsibly exploring for, mining and marketing its products. Although the primary focus is gold, AngloGold Ashanti will pursue value-creating opportunities in other minerals where it can leverage existing assets, skills and experience to enhance the delivery of value.

Strategic focus areas

AngloGold Ashanti s five strategic focus areas are set out below:

People are the business, providing the leadership and the supporting management processes to ensure that the right people are in the right roles, doing the right work to deliver against the goals.
Maximize margins, managing revenues to ensure that full value is realized from its products by delivering a quality product and managing costs to protect margins and returns on capital employed.
Manage the business as an asset portfolio, optimizing asset and project portfolios to meet or exceed specified rates of returns. To achieve this, each asset is regularly reviewed and ranked in both absolute terms and relative to its peer group.
Grow the business, developing a range of options for growth, including greenfield and brownfield exploration, new opportunities for promoting organic growth, value-accretive merger and acquisition opportunities, and maximizing the value of commodities other than gold within its portfolio.
Embrace sustainability principles, developing business and social partnerships based on mutual value creation while maintaining a focus on ensuring the safety and well-being of employees, and managing environmental and other impacts.

Management framework

AngloGold Ashanti s internally developed Project ONE management framework is being implemented throughout the business to support the achievement of its broader strategic objectives. The framework is designed to reduce variability in performance and support a seamless flow from strategy to delivery. This framework prescribes strong leadership, considered role description, appropriate resourcing to the task at hand, well-defined and documented business processes in all areas, clear accountability and consistent analysis of improvement of work undertaken.

Managing performance

The five strategic focus areas are reflected in the role descriptions of each executive and senior manager in the group and form the basis for evaluating and rewarding their performance.

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THE REGULATORY ENVIRONMENT ENABLING ANGLOGOLD ASHANTI TO MINE

AngloGold Ashanti s rights to own and exploit mineral reserves and deposits are governed by the laws and regulations of the jurisdictions in which these mineral properties lie.

AngloGold Ashanti is subject to a wide range of laws and regulations governing all aspects of its operations, including such areas as environmental protection, reclamation, exploration, development, production, taxes, immigration, labor standards and employment issues, occupational health, mine safety, toxic substances, securities and foreign corrupt practices. AngloGold Ashanti has made, and expects to, among other things, make in the future, significant expenditures to comply with these laws and regulations. Non-compliance can result in violations and legal claims, as well as substantial fines, penalties and delays in day-to-day operations. Pending or proposed changes to existing laws and regulations, as well as any proposed or contemplated new laws or regulations could also have significant impacts on AngloGold Ashanti s business and results of operations, the extent of which cannot be predicted.

There are in some cases certain restrictions on AngloGold Ashanti s ability to independently move assets out of certain countries in which it has operations, or transfer assets within the group, without the prior consent of the local government or minority shareholders involved. See Item 10D.: Exchange controls for details.

For more information on the risks and uncertainties associated with AngloGold Ashanti s mining rights, see Item 3D.: Risk factors , in particular the risk factors entitled AngloGold Ashanti s mining rights in the countries in which it operates could be altered, suspended or cancelled for a variety of reasons, including breaches in its obligations in respect of its mining rights , Failure to comply with laws, regulations, standards, contractual obligations whether following a breach or breaches in governance processes or fraud, bribery and corruption may lead to regulatory penalties, loss of licenses or permits, and loss of reputation , Title to AngloGold Ashanti s properties may be uncertain and subject to challenge , AngloGold Ashanti s Mineral Reserve, deposits and mining operations are located in countries where political, tax and economic laws and policies may change rapidly and unpredictably and such changes and policies may adversely affect both the terms of its mining concessions, as well as its ability to conduct operations in certain countries and AngloGold Ashanti s Mineral Reserve, deposits and mining operations are located in countries that face instability and security risks that may adversely affect both the terms of its mining concessions, as well as its ability to conduct operations in certain countries .

South Africa

The MPRDA and the Revised Mining Charter

The Mineral and Petroleum Resources Development Act (MPRDA) came into effect on May 1, 2004. The objectives of the MPRDA are, among other things, to allow for state sovereignty over all mineral and petroleum resources in the country, to promote economic growth and the development of these resources and to expand opportunities for the historically disadvantaged. Another objective of the MPRDA is to ensure security of tenure for the respective operations concerning prospecting, exploration, mining and production. By virtue of the provisions of the MPRDA, the state ensures that holders of mining and prospecting rights contribute to the socioeconomic development of the areas in which they operate.

The Mineral and Petroleum Resources Development Amendment Act (MPRDAA) was passed by Parliament in 2008 and has been signed by the State President and published, but is not yet in effect. Its purpose is to amend the MPRDA in order to, among other things:

- make the Minister of Mineral Resources (Minister) the responsible authority for implementing the requirements of the National Environmental Management Act, 1998 (NEMA) and specific environmental legislation as they relate to prospecting, mining, exploration, production and related activities incidental thereto on the prospecting, mining, exploration or production area;
- align the MPRDA with the NEMA in order to provide for one environmental management system;
- remove ambiguities in certain definitions;
- add functions to the Regional Mining Development and Environmental Committee;
- amend transitional arrangements so as to further afford statutory protection to certain existing old order rights; and
- provide for matters connected therewith.

On December 27, 2012, the Minister published the Draft Mineral and Petroleum Resources Development Bill, 2012 (Bill) and invited the mining industry and interested and affected parties to comment on it. The Bill seeks to amend the MPRDAA, which itself has not yet come into effect, as described above. It is unclear when the MPRDAA will come into force or to what extent the Bill will amend the MPRDAA.

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The Bill, as currently drafted, contains, among others, the following provisions:

- Residue stockpiles: The MPRDAA proposed including residue deposits and residue stockpiles in the definition of land, creating a statutory accession of movable dumps back to the land. The Bill extends this definition to include historic mines and dumps created before the implementation of the MPRDA.
- Partitioning of rights and transfers of interests in companies: Section 11 of the MPRDA requires that a controlling interest in an unlisted company be consented to by the Minister. The MPRDAA amended this section so that consent by the Minister must also be obtained for the transfer of a controlling interest in a listed company. The Bill as drafted would amend Section 11 of the MPRDA so that a transfer of any interest in a listed company must be consented to by the Minister before such transfer, raising the possibility that the trading of shares of listed companies could be prohibited.
- Mine closure: The Bill makes provision for two major changes to mine closure under the MPRDA. Firstly, the MPRDA would be amended so that a mining company could still incur environmental liability even after a closure certificate relative to a mine is obtained. Secondly, the financial provision paid to the Minister in terms of section 41 of the MPRDA will be retained for 20 years after the granting of the closure certificate.
- Penalties: The Bill would also provide for revised penalties for violations of the MPRDA by making provision for both an administrative fine not exceeding 10 per cent of the person or holder s annual turnover and exports during the preceding year, and imprisonment not exceeding four years.

The Bill is subject to change and any changes to it could be significant.

The Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (Mining Charter) sprang from the MPRDA and also took effect on May 1, 2004. The Mining Charter committed all stakeholders in the mining industry to transfer ownership of 26 percent of their assets to black or historically disadvantaged South Africans (HDSAs) within 10 years. The Charter also sets targets for, among other things, the advancement of HDSAs into management positions, the employment of women, procurement of goods and services from HDSA-owned companies, training, community development and the upgrading of mine housing. Mining companies are required to devise plans to achieve these targets, must identify current levels of beneficiation and must indicate opportunities for growth.

The objectives of the Mining Charter are to:

- promote equitable access to the nation s mineral resources by all the people of South Africa;
- substantially and meaningfully expand opportunities for HDSAs, including women, to enter the mining and minerals industry and to benefit from the exploitation of the nation s mineral resources;
- use the industry s existing skills base for the empowerment of HDSAs;
- expand the skills base of HDSAs in order to serve the community;
- promote employment and advance the social and economic welfare of mining communities and the major labor-sending areas; and
- promote beneficiation of South Africa s mineral commodities.

The Mining Charter envisages measuring progress on transformation of ownership by:

- taking into account, among other things, attributable units of production controlled by HDSAs;
- allowing flexibility by credits or offsets, so that, for example, where HDSA participation exceeds any set target in a particular operation, the excess may be offset against shortfalls in another operation;
- taking into account previous empowerment deals in determining credits and offsets; and
- considering special incentives to encourage the retention by HDSAs of newly acquired equity for a reasonable period.

Under the Charter, the mining industry as a whole agreed to assist HDSA companies in securing finance to fund participation in an amount of Rand 100 billion ($10.9 billion) over the first five years. Beyond the Rand 100 billion commitment, HDSA participation will be increased on a willing seller, willing buyer basis, at fair market value, where the mining companies are not at risk.

Following a review, the Department of Mineral Resources (DMR) amended the Mining Charter and the Revised Mining Charter was released on September 13, 2010. The requirement under the Mining Charter for mining entities to achieve a 26 percent HDSA ownership of mining assets by the year 2014 was retained. Amendments to the Mining Charter in the Revised Mining Charter require mining companies to:

- facilitate local beneficiation of mineral commodities;
- procure a minimum of 40 percent of capital goods, 70 percent of services and 50 percent of consumer goods from HDSA suppliers (i.e., suppliers in which a minimum of 25 percent + 1 vote of share capital is owned by HDSAs) by 2014, these targets being, however, exclusive of non-discretionary procurement expenditure;

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ensure that multinational suppliers of capital goods put a minimum of 0.5 percent of their annual income generated from South African mining companies into a social development fund beginning in 2010, to contribute to the socioeconomic development of South African communities;
achieve a minimum of 40 percent HDSA demographic representation by 2014 at executive management (board) level, senior management (EXCO) as well as in those positions requiring core and critical skills, middle management level and junior management level;
invest up to 5 percent of annual payroll in essential skills development activities; and
implement measures to improve the standards of housing and living conditions for mineworkers by converting or upgrading mineworkers hostels into family units, attaining an occupancy rate of one person per room and facilitating home ownership options for all mineworkers in consultation with organized labor, all of which must be achieved by April 30, 2014.

In addition, mining companies are required to monitor and evaluate their compliance with the Revised Mining Charter, and must submit annual compliance reports to the DMR.

The government takes a Scorecard approach to the different facets of promoting the objectives of the Charter. It uses the Scorecard when considering applications for the conversion of existing old order rights into new order rights. The Scorecard sets out the requirements of the Charter in tabular form which allows the DMR to tick off areas where a mining company is in compliance. It covers the following areas:

human resource development;
employment equity;
migrant labor;
mine community and rural development;
housing and living conditions;
ownership and joint ventures;
beneficiation; and
reporting.

The new Scorecard attached to the Revised Mining Charter makes provision for a phased-in approach for compliance with the above targets over the 5-year period ending on April 30, 2014. For measurement purposes, the Scorecard allocates various weightings to the different elements of the Revised Mining Charter. Failure to comply with the provisions of the Revised Mining Charter will amount to a breach of the MPRDA, may result in the cancellation or suspension of a mining company s existing mining rights and may prevent AngloGold Ashanti s South African operations from obtaining any new mining rights.

On April 29, 2009, as required by section 100(1)(b) of the MPRDA, the Minister published the Code of Good Practice for the South African Mineral Industry (Code). The purpose of the Code was to set out administrative principles to enhance implementation of the Mining Charter and the MPRDA. The Code is to be read in combination with the Mining Charter and other legislation relating to measurement of socio-economic transformation in the South African mining industry.

A mining right will be granted to a successful applicant for a period not exceeding 30 years. Mining rights may be renewed for additional periods not exceeding 30 years at a time. A mining right can be cancelled if the mineral to which such mining right relates is not mined at an optimal rate.

AngloGold Ashanti holds seven mining rights in South Africa which have been successfully converted, executed and registered as new order mining rights at the Mineral and Petroleum Resources Titles Office (MPRTO).

A prospecting right will be granted to a successful applicant for a period not exceeding five years, and may only be renewed once for three years. The MPRDA also provides for a retention period of up to three years after prospecting, with one renewal up to two years, subject to certain conditions.

AngloGold Ashanti holds four prospecting rights, one of which is in the process of being converted into a mining right. Six new prospecting right applications have been submitted to the DMR since the end of March 2011, after the moratorium on the issuing of rights was lifted.

AngloGold Ashanti also holds a mining permit for the recovery of sand and clay, which is in the process of being renewed.

AngloGold Ashanti applied for and has been granted a refining license and an import and export permit by the South African Diamond and Precious Metals Regulator.

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The BBBEE Amendment Bill

In December 2011, the Department of Trade and Industry (DTI) published the Broad-based Black Empowerment Amendment Bill, 2011 (2011 BBBEE Amendment Bill) for public comment. The BBBEE Amendment Bill sought to amend the Broad-based Black Economic Empowerment Act 53 of 2003 (BBBEE Act) to provide a framework of principles, strategies and guidelines aimed at promoting the broad-based socio-economic empowerment of HDSAs across the South African economy and society in the form of ownership, management, employment equity, skills development, preferential procurement, enterprise development and socio-economic development. The public comment period expired in February 2012. Following this public participation process, the 2011 BBBEE bill was revised and a new bill published in November 2012 (2012 BBBEE Amended Bill). As of April 19, 2013, the 2012 BBBEE Amendment Bill was still pending in parliament. The 2012 BBBEE Amendment Bill includes a number of changes to the current framework under the BBBEE Act, including:

- amending and clarifying the definition of the intended beneficiaries of such framework;
- amending the definition of Broad-Based Black Economic Empowerment , or BBBEE, to introduce the concept of viable BBBEE and providing standards for that preferential procurement;
- expanding the scope of the Codes of Good Practice, and the related transformation charters, on BBBEE matters that the Minister of Trade and Industry can issue under the BBBEE Act for specific sectors of the South African economy and making it compulsory for public authorities, governmental agencies and other public entities to apply such codes;
- introducing into the BBBEE Act itself the definition of fronting BBBEE practices, which to date has been developed outside of the BBBEE Act and has now been expanded to capture the more sophisticated and unsuspecting fronting transactions, making fronting a criminal offense that is punishable with imprisonment and fines under certain circumstances, reasserting in the BBBEE Act the common law remedies for misrepresentation and more generally enhancing the enforcement mechanism against fronting;
- establishing a BBBEE Commission responsible for overseeing, supervising and promoting compliance with the BBBEE Act, as well as receiving and investigating BBBEE-related complaints; and
- providing that DTI may impose special requirements for specific industries.

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The Royalty Act

The Mineral and Petroleum Resources Royalty Act, 2008, or the Royalty Act, was promulgated on November 24, 2008 and came into operation on March 1, 2010. The Royalty Act imposes a royalty on refined and unrefined minerals payable to the state.

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing earnings before interest and taxes, or EBIT, as calculated under IFRS, by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5 percent. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5 percent of revenue has been introduced for refined minerals.

The royalty in respect of unrefined minerals (which include uranium) is calculated by dividing EBIT by the product of nine times gross revenue calculated as a percentage, plus an additional 0.5 percent. A maximum royalty of 7 percent of revenue was introduced for unrefined minerals. Where unrefined mineral resources (such as uranium) constitute less than 10 percent in value of the total composite mineral resources, the royalty rate in respect of refined mineral resources may be used for all gross sales and a separate calculation of EBIT for each class of mineral resources is not required. For AngloGold Ashanti, this means that currently the company will pay a royalty based on refined mineral resources (as the unrefined mineral resources (such as uranium) for AngloGold Ashanti for 2012 constituted less than 10 percent in value of the total composite mineral resources). The rate of royalty tax payable for 2012 was 1.3 percent of revenue of the company s South African operations.

CONTINENTAL AFRICA

Democratic Republic of the Congo

The mining industry in the Democratic Republic of the Congo (DRC) is regulated primarily by the Mining Code enacted in July 2002 and its ancillary Mining Regulations, promulgated in March 2003 (DRC Mining Code). The DRC Mining Code vests the Minister of Mines with the authority to grant, refuse, suspend and terminate mineral rights. Mineral rights may be granted in the form of exploration permits for an initial period of four years or in the form of mining permits which are granted for an initial period of 30 years. An exploration permit may, at any time before expiry, be transformed partially into a mining license or a small-scale mining permit. Mining permits are granted upon successful completion of exploration and satisfaction of certain requirements, including approval of an environmental impact study and an environmental management plan.

The holder of a mining permit is required to commence development and mine construction within three years of the award of such permit. Failure to do so may lead to forfeiture of the mining permit. A permit holder must comply with specific rules relating to, among others, protection of the environment, cultural heritage, health and safety, construction and infrastructure planning. Mining and exploration activities are required to be undertaken so as to affect as little as possible the interests of lawful occupants of land and surface rights holders, including their customary rights. The exercise of mineral rights by title holders which effectively deprives or interferes with the rights of occupants and surface rights holders, requires payment of fair compensation by the mineral title holder.

To protect and enforce rights acquired under an exploration or mining permit, the DRC Mining Code provides, depending on the nature of a dispute or threat, administrative, judicial and national or international arbitral recourses.

The DRC Mining Code sets out taxes, charges, royalties and other fees payable to the treasury by a mining title holder in respect of its activities. It also provides for a level of fiscal stability, in that existing tax, customs, exchange and benefits applicable to mining activities are guaranteed to remain unchanged for a period of 10 years in favor of a mining title holder in the event that amendments to the DRC Mining Code would result in less favorable payment obligations.

On January 1, 2012, a value added tax (VAT) replaced the previously applicable sales tax. The standard rate of VAT is 16 percent and is applicable to mining companies.

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On January 1, 2013, a withholding tax of 14 percent became effective. The tax is applicable to services fees payable to a non-resident service provider by a resident of the DRC.

On July 18, 2012 the Convention between the Government of the Republic of South Africa and the Government of the Democratic Republic of Congo for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (Convention) came into effect, and is applicable to:

- withholding taxes on amounts paid or credited on or after 1 January 2013; and
- other income taxes, levied in respect of taxable periods beginning on or after 1 January 2013.

The Convention reduces the withholding tax on dividends paid by companies resident in the DRC to companies resident in South Africa from 20 percent to 5 percent and on interest paid by companies resident in the DRC to companies resident in South Africa from 20 percent to 10 percent. A South African company must own at least 25 percent of a relevant DRC entity s outstanding shares in order to take advantage of the reduced rates.

In October 2012, the DRC Minister of Mines announced a proposed overhaul of the DRC Mining Code. An informal review process has commenced. The proposals seek to, among others, increase the government stake to 35 percent from the existing 5 percent, increase the royalty rates from 2.5 percent to 6 percent on some minerals, and introduce a windfall tax of 50 percent levy on certain super profits . No formal timeframe or process has been announced for this review.

AngloGold Ashanti holds the majority stake and is the operator of Ashanti Goldfields Kilo (86.22 percent), an exploration and mining joint venture with Société Minière de Kilo-Moto (SOKIMO) (13.78 percent), a state-owned gold company.

AngloGold Ashanti also holds a stake in the Kibali gold project located in northeastern DRC. The project is operated by Randgold Resources and is owned by Randgold Resources (45 percent), AngloGold Ashanti (45 percent) and SOKIMO (10 percent), which latter share represents the interest of the DRC government in the Kibali gold project.

Ghana

The Constitution of Ghana as well as the Minerals and Mining Act, 2006 (Act 703) (GMM Act) provide that all minerals in Ghana in their natural state are the property of the State and title to them is vested in the President on behalf of and in trust for the people of Ghana, with rights of prospecting, recovery and associated land usage being granted under license or lease.

The grant of a mining lease by the Ghana Minister of Mines is normally subject to parliamentary ratification unless the mining lease falls into a class of transactions exempted by Parliament.

Control of mining companies

The Ghana Minister of Mines has the power to object to a person becoming or remaining a shareholder controller, a majority shareholder controller or an indirect controller of a company which has been granted a mining lease if the Minister believes the public interest would be prejudiced by the person concerned becoming or remaining such a controller.

Stability agreement

The GMM Act provides for stability agreements as a mechanism to ensure that the incentives and protection afforded by laws in force at the time of the stability agreement are guaranteed for a period of 15 years. A stability agreement is subject to ratification by Parliament.

Prior to the business combination between AngloGold and Ashanti in April 2004, AngloGold and the government of Ghana agreed on the terms of a stability agreement (the Ghana Stability Agreement) to govern certain aspects of the fiscal and regulatory framework under which AngloGold Ashanti would operate in Ghana following the implementation of the business combination. The Ghana Stability Agreement necessitated the amendment of the Obuasi mining lease which had been ratified by Parliament.

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Under the Ghana Stability Agreement, the government of Ghana agreed:

- to extend the term of the mining lease relating to the Obuasi mine until 2054 on terms existing prior to the business combination;
- to maintain, for a period of 15 years, the royalties payable by AngloGold Ashanti with respect to its mining operations in Ghana at a rate of 3 percent per annum of the total revenue from minerals obtained by AngloGold Ashanti from such mining operations;
- to ensure the income tax rate would be 30 percent for a period of 15 years. The agreement was amended in December 2006 to make the tax rate equal to the prevailing corporate rate for listed companies; and
- to permit AngloGold Ashanti and any or all of its subsidiaries in Ghana to retain up to 80 percent of export proceeds in foreign currencies offshore, or if such foreign currency is held in Ghana, to guarantee the availability of such foreign currency.

The Ghana Stability Agreement also stipulates that a sale of AngloGold Ashanti s or any of its subsidiaries assets located in Ghana remains subject to the government s approval. Furthermore, the government retains its special rights (Golden Share) under the provisions of the GMM Act pertaining to the control of a mining company, in respect of its assets and operations in Ghana.

The government of Ghana agreed that AngloGold Ashanti s Ghanaian operations will not be adversely affected by any new enactments or orders, or by changes to the level of payments of any customs or other duties relating to mining operations, taxes, fees and other fiscal imports or laws relating to exchange control, transfer of capital and dividend remittance for a period of 15 years after the completion of the business combination.

The government of Ghana has constituted a review committee to review and renegotiate stability agreements with the mining companies. Within the committee s powers of review are the redrafting of such stability agreements, the determination of whether stability agreements comply with the mining laws of Ghana and the Ghanaian legal regime for mining (fiscal requirements, foreign exchange regulations and the provisions of the tax laws), and the preparation of guidelines to govern the granting of stability agreements in the mining industry. We are currently participating in negotiations with the Ghanaian review committee.

In March 2012 the tax laws of Ghana were amended. Changes to the tax laws include:

- An increase in the income tax rate applicable to mining businesses from 25 percent to 35 percent. AngloGold Ashanti is currently protected until 2019 from any increase of its income tax rate to greater than the rate provided for under the Ghana Stability Agreement.
- Introduction of a new capital allowance regime for class 3 assets (which include mineral and petroleum exploration and production rights, buildings, structures and works of a permanent nature used in mineral and petroleum exploration and production and plant and machinery used in mining and petroleum operations) that provides for a 20 percent straight line rate for a period of five years. Pursuant to the Ghana Stability Agreement, this change will not affect AngloGold Ashanti until 2019.
- Elimination of the 5 percent allowance on prior year additions. Prior to the 2012 amendment, the tax code granted an additional 5 percent of the value of assets acquired and qualified to be classified as class 3 assets for the purpose of granting capital allowances. Capital allowance is now 20 percent each year on the total value of the assets. Pursuant to the Ghana Stability Agreement, this change will not affect AngloGold Ashanti until 2019.
- A ring fencing rule to prevent mining businesses from deducting or setting off costs from one mining area with another s income. Pursuant to the Ghana Stability Agreement, this change will not affect AngloGold Ashanti until 2019.

While the Stability Agreement protects AngloGold Ashanti from any new enactments that would impose obligations upon AngloGold Ashanti or any of its Ghanaian subsidiaries, the Government of Ghana has constituted a team to renegotiate stability agreements with mining companies. A government committee has invited AngloGold Ashanti for discussions and requested certain information. The government may intend to review the Ghana Stability Agreement.

Retention of foreign earnings

AngloGold Ashanti s operations in Ghana are permitted to retain 80 percent of their foreign exchange earnings in an offshore foreign exchange account. In addition, the company has permission from the Bank of Ghana to retain and use US dollars, outside of Ghana, required to meet payments to the company s hedge counterparties which cannot be met from the cash resources of its treasury company.

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Localization policy

Mining companies must submit a detailed program for the recruitment and training of Ghanaians with a view to achieving localization , which is the replacement of expatriate personnel in a company s Ghanaian operations by Ghanaian personnel. In addition, mining companies must give preference to Ghanaian products and personnel, to the maximum extent possible, consistent with safety, efficiency and economies. Recently passed Minerals and Mining (General) Regulations, 2012 (L.I. 2173) give further details on the localization policy.

Except as otherwise provided in a specific mining lease, all immovable assets of the holder of the mining lease vest in the State upon termination, as does all moveable property that is fully depreciated for tax purposes. Moveable property that is not fully depreciated is to be offered to the state at the depreciated cost. The holder must exercise his rights subject to such limitations relating to surface rights as the Minister of Mines may prescribe.

Mining properties

The company is required to pay ground rent to the government of Ghana and such other fees as are prescribed by legislation, including royalties on timber felled within the lease area.

Obuasi

The current mining lease for the Obuasi area was granted by the government of Ghana on March 5, 1994. It grants mining rights to land with an area of approximately 334 square kilometers in the Amansie East and Adansi West districts of the Ashanti region for a term of 30 years from the date of the agreement. In addition, a mining lease over an adjacent 140 square kilometers was also granted, resulting in the total area under the mining lease increasing to 474 square kilometers.

The Government of Ghana agreed to extend the term of the mining lease relating to the Obuasi mine until 2054. The mining lease was formally ratified by Parliament on October 23, 2008.

Iduapriem

Iduapriem has title to a 33 square kilometer mining lease granted on April 19, 1989 for a period of 30 years. In January 2009 Iduapriem obtained a new mining lease, the Ajopa Concession, for a period of 10 years. The concession covers an area of 48.34 square kilometers. In December 2011 the Minister of Lands and Natural Resources gave his consent for Teberebie s title to a 25.83 square kilometer mining lease, granted in June 1992 for a period of 30 years, to be assigned to Iduapriem. While ownership of the lease has passed to Iduapriem, the registration of the transfer of the lease is still in process.

Guinea

In Guinea, all mineral substances are the property of the state. The right to undertake mining operations can only be acquired by virtue of one of the following mining titles: surveying permit, small-scale mining license, mining prospecting license, mining license or mining concession. The holders of mining titles are guaranteed the right to dispose freely of their assets, to organize their enterprises as they wish, to engage and discharge staff in accordance with the regulations in force, to freely move their staff and their products throughout Guinea and to dispose of their products in international markets.

The group s Guinea subsidiary, Société AngloGold Ashanti de Guinée SA (SAG), has title to the Siguiri mining concession area which was granted on November 11, 1993 for a period of 25 years. The agreement provides for an eventual extension/renegotiation after 23 years for such periods as may be required to exhaust the economic Ore Reserve.

At Siguiri, the original area granted of 8,384 square kilometers was reduced to a concession area of four blocks totaling 1,495 square kilometers.

SAG has the exclusive right to explore and mine in the remaining Siguiri concession area for an additional 22-year period from November 11, 1996 under conditions detailed in a Convention de Base which predates the Guinea Mining Code (described below).

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Key elements of the Convention de Base are that:

- The Republic of Guinea (Guinea) holds a 15 percent free-carried or non-contributory interest; is entitled to a royalty of 3 percent based on a spot gold price of less than $475 per ounce; and is owed 5 percent of the value of gold exported, based on a spot gold price above $475 per ounce, as fixed on the London Gold Bullion Market;
- A local development tax of 0.4 percent is payable on gross sales revenue;
- Salaries of expatriate employees are subject to a 10 percent income tax;
- Mining goods imported into Guinea are exempt from all import taxes and duties for the first two years of commercial production; and
- SAG is committed to adopting and progressively implementing a plan for the effective rehabilitation of the mining areas disturbed or affected by operations.

The Convention de Base is subject to early termination if both parties formally and expressly agree to it, if all project activities are voluntarily suspended for a continuous period of eight months or are permanently abandoned by SAG or if SAG goes into voluntary liquidation or is placed into liquidation by a court of competent jurisdiction.

Guinea Mining Code

The government enacted a mining code in September 2011 (Guinea Mining Code). However, the government suspended the application of the Guinea Mining Code pending the finalization of certain further amendments. In November 2012, a draft bill modifying certain provisions of the Guinea Mining Code was circulated for comment (Draft Bill). The revised Guinea Mining Code has not yet been finalized.

Pursuant to the Guinea Mining Code, existing mining titles in effect on the date on which the Guinea Mining Code comes into force remain valid for their duration and for the substances for which they have been issued.

The Guinea Mining Code provides for the establishment of a State mining company which will hold the interests that Guinea has in all the mining companies present in Guinea. The granting of a mining title by Guinea gives rise to a State shareholding of 15 percent in the mining company, which may not be diluted. This interest is acquired upon signing of the mining title and no financial contribution may be requested from Guinea in return. Guinea further reserves the right to acquire an additional share of 20 percent in cash in accordance with the terms established with each company concerned, which could bring the total shareholding of Guinea to 35 percent.

The provisions contained in the Guinea Mining Code concerning mining tax, customs duties, transparency, anti-corruption and labor (Mandatory Provisions) shall apply within 60 days following the effective date of the Guinea Mining Code to all mining companies having reached the exploitation phase. The Guinea Mining Code does not provide for transitional, stability or harmonization provisions concerning these Mandatory Provisions. To the extent that non-mandatory provisions of the Guinea Mining Code are inconsistent with the Convention de Base, the Government of Guinea and AGA are required to work together as soon as possible after the Guinea Mining Code comes into force to harmonize the Convention de Base with the Guinea Mining Code. The Mandatory Provisions may be applicable to AngloGold Ashanti as it is currently in exploitation phase.

The Guinea Mining Code also contains a formal commitment to the principles of the Extractive Industries Transparency Initiative (EITI). The EITI sets a global standard for oil, gas and mining companies to publish what they pay and for governments to disclose what they receive. In addition to binding the government to EITI, the code requires all mining companies working in Guinea even those from countries that have not committed to EITI to respect the initiative s principles and processes.

Currently, the government holds a stake of 15 percent in the Siguiri gold mine. Following the adoption of the Guinea Mining Code, the Guinean government also announced its intention to carry out a review of the mining conventions currently in force in Guinea (including the Convention de Base). According to the Guinean government s description of the review, the review will focus, among other things, on the financial model of each mining convention, the discrepancies between the content of each existing convention and the new mining code, the legal status of each convention, and the specific challenges associated with the development of each project.

The Government has established a technical committee (the Technical Committee) tasked with negotiating amendments to mining conventions currently in place between the Government and the mining companies, to ensure the progressive implementation of the provisions of the Guinea Mining Code. The Draft Bill provides that the amendment agreements need to be finalized at the latest 24 months following the publication of the Guinea Mining Code. To date, SAG has not received any formal communication from the Government of Guinea relating to the renegotiation of its Convention de Base, but it expects that it may be invited by the Technical Committee to renegotiate its Convention de Base during the course of 2013 or 2014.

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Mali

Mineral rights in Mali are governed by Ordinance No. 99-32/P-RM of August 19, 1999 enacting the mining code, as amended by No. 013/2000/P-RM of February 10, 2000 and ratified by Law No. 00-011 of May 30, 2000 (the Mali Mining Code), and Decree No. 99-255/P-RM of September 15, 1999 implementing the Mali Mining Code.

Prospecting activities are carried out under prospecting authorizations (*authorization de prospection*). The authorizations give an individual or corporate entity the exclusive right to carry out prospecting activities over a given area for a period of three years renewable once for a period of 3 years without a reduction in the area covered by the authorization. Exploration activities may be carried out under exploration permits (*permis de recherche*). The latter are granted to corporate entities only by order of the Minister of Mines. Exploration permits are granted for a period of three years, renewable twice for additional three-year periods. Each renewal requires the permit holder to relinquish 50 percent of the area covered by such permit. The entity applying for such a permit must provide proof of technical and financial capabilities.

An exploitation permit (*permis d exploitation*) is required to mine a deposit located within the area of a prospecting authorization or an exploration permit. The exploitation permit grants an exclusive right to prospect, explore and exploit the named substances for a maximum period of 30 years renewable three times for an additional 10 years. The exploitation permit is granted only to the holder of an exploration permit or of a prospecting authorization and covers only the area governed by the exploration permit or the prospecting authorization. An application must be submitted to the Minister of Mines and to the National Director of Mines.

As soon as the exploitation permit is granted, the permit holder must incorporate a company under the law of Mali. The permit holder will assign the permit for free to this company. Mali will have a 10 percent free carried interest in the company. This interest will be converted into priority shares and Mali s participation will not be diluted in case of an increase in capital.

Applications for exploitation permits must contain various documents attesting to the financial and technical capacity of the applicant, a detailed environmental study in respect of the impact of the project on the environment, a feasibility study and a bank deposit. The permit is granted by decree of the Head of Government. Refusal to grant a permit may only be based on two grounds: insufficient evidence to support the exploitation of the deposit or the failure of the environmental study.

Applications for prospecting authorizations and exploration permits must contain various documents attesting to the financial and technical capacity of the applicant, a detailed works and costs program, a map defining the area which is being requested and providing geographical coordinates, the exact details relating to the identity of the applicant and evidence of the authority of the signatory of the application. Such titles are granted by ministerial order. Any refusal to grant such titles shall be notified by letter from the Minister of Mines to the applicant.

All mining titles mentioned above require an establishment convention (convention d etablissement) to be signed by Mali and the titleholder defining their rights and obligations. A standard form of such establishment convention has been approved by decree of the Head of Government.

AngloGold Ashanti has interests in Morila, Sadiola and Yatela, all of which are governed by establishment conventions covering exploration, mining, treatment and marketing in a comprehensive document. These documents include general provisions regarding exploration (work program, fiscal and customs framework) and exploitation (formation of a local limited liability mining company, State interest, fiscal and customs framework governing construction and exploitation phases, exchange controls, marketing of the product, accounting regime, training programs for local labor, protection of the environment, reclamation, safety, hygiene and dispute settlement).

As the establishment conventions contain stabilization clauses, the mining operations carried out by the AngloGold Ashanti entities in Mali are subject to the provisions of the previous mining codes of 1970 and 1991 but also, for residual matters, to the provisions of the Mining Code of 1999.

AngloGold Ashanti has complied with all applicable requirements and the relevant permits have been issued. Morila, Sadiola and Yatela have 30-year permits which expire in 2024, 2020 and 2024, respectively.

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Namibia

The Minerals (Prospecting and Mining) Act 33 of 1992 (MPM Act) provides that all rights to minerals in the Republic of Namibia vest in the state. The Mining Rights and Mineral Resources division of the Directorate of Mining handles all applications for and allocation of rights in relation to minerals in the Republic of Namibia.

Prospecting and mining activities are regulated by the MPM Act which, among others, provides for the granting, refusal, suspension and termination of rights in relation to minerals. The right to undertake prospecting and mining operations can only be acquired by virtue of one of the following mining titles:

- Non-exclusive Prospecting Licenses;
- Reconnaissance Licenses;
- Mining Claims;
- Exclusive Prospecting Licenses;
- Mineral Deposit Retention Licenses; and
- Mining Licenses.

To enable a company to prospect for minerals, the Ministry of Mines and Energy may grant an Exclusive Prospecting License or a Non-exclusive Prospecting License. Upon application and presentation of a feasibility study, the Ministry then grants a Mining License. Alternatively, the holder of a Non-Exclusive Prospecting License may peg and register a Mining Claim. Licensing decisions take into account the abilities of the company (including its mining, financial and technical capabilities), projected rehabilitation programs and the payment of royalties. Mining Licenses are only awarded to Namibian citizens and companies registered in Namibia, which includes foreign companies registered with the Namibian registrar of companies. A Mining Claim, on the other hand, may only be pegged by Namibian citizens or companies whose articles of association limits shareholding in those companies to Namibian citizens.

In 2011, the government adopted the New Equitable Economic Empowerment Framework (NEEEF). The objectives of the NEEEF are aimed at redressing past inequalities and providing measures for empowerment. No legislation implementing the NEEEF has to date been enacted. In addition, the Chamber of Mines is in the process of negotiating its own charter with the government.

AngloGold Namibia (Pty) Ltd was granted the necessary licenses in respect of its mining and prospecting activities in Namibia. Its current 15-year Mining License expires in October 2018. An application has been presented to the Ministry of Mines and Energy for the extension of the aforementioned Mining License to 2030. This application includes the mining area known as the Anomaly 16.

Taxes

The Namibian Government appears to have withdrawn or deferred the mining tax proposals that it made in 2011. These proposals included, among others, a requirement for mines to pay a value added tax of 15 percent on the export value of unprocessed minerals, a 5 percent export duty and an increased corporate tax rate of 44 percent, up from 37.5 percent. The minimum historic corporate tax rate on mining companies is 25 percent. Most mining companies currently pay between 25 and 40 percent, with diamond mines taxed at 55 percent. A corporate tax of 40 percent applies to profits from non-mining activities. There is a 10 percent withholding tax on interest earned by foreigners on their deposits held with Namibian banks or unit trust schemes. There is also a 25 percent withholding tax on certain services, management and consultancy fees rendered by foreigners.

An amount received from the sale or other disposal of a mineral license or the shares in a company holding a mineral license is deemed to be an income source in Namibia for purposes of calculating income tax, regardless of where the

transaction takes place.

Royalties

In 2008, the Government confirmed a royalty schedule that originally had been introduced in 2004. Since then all mining companies, at the discretion of the Minister of Mines and Energy, pay a royalty of between 3 percent and 10 percent on the market value of base, precious, and rare metals and non-nuclear mineral fuels. AngloGold Namibia (Pty) Ltd currently pays a royalty of 3 percent. The government also introduced a windfall royalty, (now in effect), which is payable at the discretion of the Minister, and a new type of royalty in respect of all minerals other than precious stones and dimension stones, which might function as a penalty royalty. For example, this penalty may be imposed on minerals that are not in their most refined state that have been or are about to be exported and are of such a nature that their value can be increased by way of a practical and economical refining process that is available in Namibia.

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Tanzania

Mineral rights in the United Republic of Tanzania are principally governed by the Mining Act of 2010 (Tanzania Mining Act), and the Mining Regulations, 2010 (Tanzania Mining Regulations), which include: Mining (Mineral Rights) Regulations 2010; Mining (Environmental Protection For Small Scale Mining) Regulations 2010; Mining (Mineral Beneficiation) Regulations 2010; Mining (Mineral Trading) Regulations 2010; Mining (Safety, Occupational Health and Environmental Protection) Regulations 2010; and the Mining (Radioactive Mineral) Regulations 2010.

The Tanzania Mining Act and the Tanzania Mining Regulations came into force in November 2010. Ownership of and control over minerals on, in or under the land vest in the President of the United Republic of Tanzania. No person is allowed to prospect for minerals or carry on mining operations except pursuant to the authority of a mineral right license granted, or deemed to have been granted, under the Tanzania Mining Act or its predecessor acts.

To enable a company to prospect or mine, the Ministry of Energy and Minerals (MEM) initially grants an exclusive prospecting license. Upon presentation of a feasibility study, together with certain other environmental, social and financial assurances, the MEM may then grant a form of license for mining. Licensing decisions take into account the abilities of the company (including its mining, financial and technical capabilities), projected rehabilitation programs, environmental compliance and the payment of royalties.

The following licenses can be applied for under the Tanzania Mining Act:

Licenses for Exploration:

- prospecting license;
- gemstone prospecting license; and
- retention license.

Licenses for Mining:

- special mining license (if the proposed capital investment is equal to at least US$100 million);
- mining license (if the proposed capital investment is equal to between US$100,000 and US$100 million); and
- primary mining license (reserved for Tanzanian citizens).

Licenses for Ancillary Activities:

- processing license;
- smelting license; and
- refining license.

For purpose of AngloGold Ashanti s Geita Gold Mine, only prospecting, retention and special mining licenses are relevant.

A prospecting license grants the holder the exclusive right to prospect in the area covered by the license for all minerals within the class of minerals applied for. The classes that can be applied for include (amongst others):

- metallic minerals;
- energy minerals;
- gemstones other than kimberlitic diamonds; and
- kimberlitic diamonds.

An application for a prospecting license is made to the Commissioner for Minerals and the license is valid for a period of four years. Thereafter, the license is renewable for three further periods the first period being for three years and the second and third periods being for two years each. Upon each renewal, 50 percent of the area covered by the license must be relinquished. A company applying for a prospecting license must, among other things, state the financial and technical resources available to it.

If the holder of a prospecting license has identified a mineral deposit within the prospecting area that is potentially of commercial significance but that cannot be developed immediately because of technical constraints, adverse market conditions or other economic factors of a temporary character, it can apply for a retention license. A retention license can also be requested from the Minister after the expiry of a prospecting license period, for reasons ranging from financial to technical considerations. A retention license is valid for a period not exceeding five years and is thereafter renewable for a single period of five years. The advantage of converting a prospecting license into a retention license is that the MEM may not revoke a retention license if the license holder fails to meet its obligations within the time frame agreed on application for the license (as would be the case with a prospecting license).

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Holders of prospecting or retention licenses over a tenement will not automatically have first right to any mining license granted over that tenement. However, in practice, they will be best positioned to meet the requirements to be granted a form of license for mining.

Mining is mainly carried out through either a mining license or a special mining license, both of which confer on their holder the exclusive right to conduct mining operations in or on the area covered by the license. A special mining license is granted for the shorter of either the estimated life of the ore body indicated in the feasibility study report or such period as the applicant may request. It is renewable for a further period not exceeding the estimated life of the remaining ore body.

Except in the case of a special mining license, a mineral right may be freely transferred by its holder (in whole or in part) to another person or entity without requiring consent from the MEM. However, the Commissioner for Minerals must be notified of any transfer of a prospecting or retention license and will refuse to register the transfer unless the transferee proves that it meets the financial and technical capability criteria required to apply for such licenses. The assignment of a special mining license generally requires the prior consent of the MEM, such consent not to be unreasonably withheld or delayed. There are limited exceptions to the requirement for the Minister s consent (such as transfers to an affiliate company of the license holder or to a financial institution or bank as security for any loan or guarantee in respect of mining operations).

Special mining licenses have certain fiscal and other advantages over mining licenses, as the holder of a special mining license may enter into a mining development agreement with the government of Tanzania to guarantee the fiscal stability of a long-term mining project and make special provision for the payment of royalties, taxes, fees and other fiscal imposts and a special mining license holder may, in certain circumstances, unilaterally amend the program of the mining operations agreed with the MEM.

AngloGold Ashanti has concluded a development agreement with the Ministry and was issued a mining license for a period of 25 years, which expires in 2023.

The Finance Act 2012 which was passed on October 11, 2012 introduced some important changes to the fiscal regime with effect from July 1, 2012 that impact upon AngloGold Ashanti, in particular:

- Introduction of a 30 percent capital gains tax on the sale of shares by an off-shore parent company. Changes were also made to the procedure for payment of capital gains tax by the seller of shares. Tax at the rate of 30 percent is payable by way of an initial installment of 20 percent on the transfer, based on the notional gain that the seller would make where after a further installment of the remaining 10 percent is due.
- Prior to 2012 budgetary changes under the VAT Act 1997, mining companies were entitled to 100 percent VAT relief. This implied that no VAT was applicable on purchases made by mining companies. Following amendments to the VAT Act through the Finance Act 2012, the provision providing VAT relief to mining companies was repealed. As a result mining companies are no longer eligible for VAT relief.

AUSTRALASIA

Australia

In Australia, with a few exceptions, all onshore minerals are owned by the Crown. The respective Minister for each state and territory is responsible for administering the relevant mining legislation enacted by the states and territories.

Native Title legislation applies to certain mining tenures within Australia. Australia recognizes and protects a form of Native Title that reflects the entitlement of Aboriginal people to their traditional lands in accordance with their traditional custom and laws. Should Native Title claims or determinations exist, certain Native Title processes and procedures will apply under the Native Title Act 1993 (Cth) before the tenure is granted. Tenure may be granted subject to conditions relating to Native Title rights. In the mining context, Native Title matters are managed as part of the tenement grant process. If disputes arise in relation to the grant of a particular tenement, they can be referred to the National Native Title Tribunal, established under the Native Title Act, for resolution.

Other federal and state Aboriginal heritage laws operate in parallel to the Native Title legislation. They exist predominantly for the purposes of protecting Aboriginal sites and areas of significance from disturbance. To date, there has not been any significant impact on any of AngloGold Ashanti s tenure due to Native Title or Aboriginal Heritage legislation.

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AngloGold Ashanti s operating properties are located in the state of Western Australia where tenure is issued under, and mining operations are governed by, the Mining Act 1978 (WA). The most common forms of tenure are exploration and prospecting licenses, mining leases, miscellaneous licenses and general purpose leases. In most Australian states, if the holder of an exploration license establishes indications of an economic mineral deposit in the area covered by the exploration license and complies with the conditions of the grant, the holder of the exploration license has a priority right against all others to be granted a mining lease which gives the holder exclusive mining rights with respect to minerals on the property. A general purpose lease may also be granted for one or more of a number of permitted purposes. These purposes include erecting, placing and operating machinery and plants in connection with mining operations, depositing or treating minerals or tailings and using the land for any other specified purpose directly connected with mining operations.

Mining tenures will be granted with conditions relating to protection of the environment. Exploration and mining operations may also require separate approval from the state, territory or federal environment minister, which may require completion of an environmental impact assessment pursuant to applicable protection legislation prior to commencement. Further, an operating license under the relevant environmental protection legislation in the state or territory may also be required for certain mine processing or mining-related operations.

It is possible for an individual or entity to own an area of land and for another individual or entity to be granted the right to explore for or mine any minerals located on or under the surface of the same area. Typically, the maximum initial term of a mining lease is 21 years and the holder has the right to renew the lease for an additional 21 years. Subsequent renewals are granted at the discretion of the respective state or territory s minister responsible for mining rights. In Western Australia, mining leases can only be assigned with the prior written consent of the minister.

Government royalties are payable by the holder of mining tenure in respect of minerals obtained from the relevant area of land, at the rates specified in the relevant legislation in each state or territory. The royalty on gold production in Western Australia is payable quarterly at a fixed rate of 2.5 percent of the royalty value of gold metal produced and sold. The royalty value is calculated by multiplying the amount of gold produced during a given month by the average gold spot price for that month. In addition, the holder of mining tenure may be required to pay annual rent in respect of the tenure. In Western Australia there is a minimum annual expenditure requirement for prospecting and exploration licenses and mining leases. Exemptions from the expenditure requirement can be obtained if certain conditions are satisfied.

AngloGold Ashanti has been granted 21-year term mining leases with rights of renewal to all of its mining areas in Australia, including its proportionate share of joint venture operations and accordingly it has, together with its joint venture partners where applicable, the exclusive right to mine in those areas. Both the group and its joint venture partners are fully authorized to conduct operations in accordance with relevant laws and regulations. The mining leases and rights of renewal cover the current life-of-mine at AngloGold Ashanti s operations in Australia.

AMERICAS

Argentina

Land ownership & mining rights

The Argentinean Mining Code governs mining activity in the country. Special regimes exist for hydrocarbons and nuclear minerals. In the case of most minerals, the Argentinean Mining Code establishes that the owner of the land is not the owner of the mineral rights; these are held by the national or provincial governments (depending on the location of the minerals). The national or provincial government, as applicable, is required by the Argentinean Mining Code to grant whomever discovers a new mine title to the mining concession.

The Argentinean Mining Code regulates exploration permits and mining concessions. Exploration permits grant their holders exclusivity rights to any mineral discoveries, including those made by a third party within the exploration area covered by the permit. Exploration permits are limited in time and as to the extent of the exploration area, are subject to the payment of a single-time fee, and also require a minimum exploration work program and schedule to keep the permit in force.

The Argentinean Mining Code also regulates mining concessions, or exploitation rights. Priority for receiving a mining concession is given to the registered discoverer of the mine, which holds the exploration permit. Once the application for a mine has been submitted, the applicant may commence works and must submit a legal survey of the units

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requested for the new mine. The application and the legal survey may be opposed by third parties following specific proceedings set forth in the Argentinean Mining Code. Approval and registration of the legal survey by the Provincial mining authority constitutes formal title to the mining concession.

Any mining company wishing to commence or modify any mining-related activity, as defined by the Argentinean Mining Code, including prospecting, exploration, exploitation, development, preparation, extraction, and storage of mineral substances, as well as property abandonment or mine closure activity, is required to prepare and submit to the competent Provincial environmental authority an Environmental Impact Assessment (EIA) prior to commencing the work. Each EIA is required to describe the nature of the proposed work, its potential risk to the environment, and the measures that will be taken to mitigate that risk. If accepted by the competent authority, the EIA is used as the basis to create a Declaration of Environmental Impact (DEI) to which the mining company is required to adhere during the mining-related activity at issue. The DEI is required to be updated at least on a biannual basis. Sanctions and penalties for non-compliance with the DEI are outlined in the Environmental Protection section of the Argentinean Mining Code, and may include warnings, fines, suspension of quality certifications, restoration of the environment, temporary or permanent closure of activities, and withdrawal of authorization to conduct mining-related activities.

Holders of mining concessions must comply with three main conditions: payment of an annual fee, investment of a minimum amount of capital, and the carrying out of a reasonable level of exploitation. Failure to do so could lead to forfeiture of the mining concession, which would then revert back to the Province.

In the case of Cerro Vanguardia, AngloGold Ashanti s operation in Argentina, the mining concession holder is AngloGold Ashanti s partner, Fomento Minero de Santa Cruz S.A. (Fomicruz). On December 27, 1996, Fomicruz entered into a usufruct agreement whereby Cerro Vanguardia S.A. was granted an irrevocable right to exploit the Cerro Vanguardia deposit for a 40-year period, which expires on December 27, 2036. Cerro Vanguardia S.A. is an Argentinean company controlled by AngloGold Ashanti, with Fomicruz as minority shareholder.

In addition to the Argentinean Mining Code, between 1993 and 1995, Argentina implemented several federal laws to offer foreign companies attractive incentives for exploration and mining in Argentina, the Mining Investment Law (Law No. 24, 196, as amended, and related legal provisions) being the most important one. Such incentives include, among others, import duty exemptions, accelerated depreciation of fixed assets, a 3 percent cap on Provincial royalties, value added tax refunds for exploration-related expenses incurred by companies registered under the Mining Investment Law, and, subject to the filing of a feasibility study for the relevant mining project, a 30-year stability as to tax, customs and foreign exchange duties. Cerro Vanguardia S.A. obtained its tax, customs and foreign exchange stability certificate in 1996.

Recent and potential regulatory changes

On September 30, 2010, the National Law on Minimum Requirements for the Protection of Glaciers was enacted in Argentina, banning new mining exploration and exploitation activities on glaciers and peri-glacial areas. The law also subjects the ongoing mining activities to an environmental audit. If such audit results in material impacts on glaciers and peri-glacial areas, the relevant authority is empowered to take action, including suspension or relocation of the activity. The law establishes a broad definition of peri-glacial areas that, together with glacial areas, must yet be surveyed by an existing national Government Agency specifically appointed to this end. The constitutionality of the law has been challenged by the Province of San Juan (which hosts large mining projects), resulting in the granting of injunctions that have suspended the application of the law in that Province. The National Supreme Court of Justice of Argentina presides over the case, which is in its early stages.

On October 26, 2011, Decree 1722/2011 (Repatriation Decree) was issued, which imposes on oil, gas and mining companies operating in Argentina the obligation to repatriate all the proceeds of their exports from Argentina and to exchange such proceeds for Argentinean legal currency in the domestic banking system. All exporters, other than oil, gas and mining companies, have been operating under such regime since late 2001. Mining companies, on the other hand, were entitled to two exceptions: (i) a decree of 2003 applicable to mining companies with tax, customs and foreign exchange stability certificates obtained prior to the date on which such a decree was enacted (which is the case of Cerro Vanguardia S.A.); and (ii) a decree of 2004 applicable to mining companies with tax, customs and foreign exchange stability certificates obtained after the date on which such decree was enacted. Both exceptions have not been formally superseded by the Repatriation Decree, but appear to conflict with it, and such conflict may result, in some cases, in a violation of mining companies rights under the Mining Investment Law.

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On December 27, 2011, the Argentinean National Congress passed Law 26,737 which implemented a set of rules restricting the ownership of rural land by foreigners (including foreign individuals or any kind of legal entity controlled by foreign individuals or legal entities). The main restrictions are as follows: (i) foreigners cannot own in the aggregate more than 15 percent of the entire rural land of Argentina, the same cap being applicable to each province and municipality; (ii) foreigners will not be allowed to purchase more than 1,000 hectares in the so-called zona nùcleo , which comprises the main agricultural areas of central Argentina or an equivalent surface depending on the location of the land and its productive potential; and (iii) foreigners will not be allowed to buy land that contains, or is adjacent to, relevant and permanent water bodies (such as rivers and lakes). Although exploration permits and mining concessions are not the subject matter of the restrictions placed by this law, certain rights granted to foreign mining companies under the Argentinean Mining Code may be restricted by this new law. For example, the right that holders of mining concessions currently have to force the surface owner to sell the land to the holder of the mining concession might be restricted if the concession holder is a foreign individual or a legal entity controlled by foreigners.

Ten provinces in whose territories the main mining projects of Argentina are located, signed a document with the Federal Government entitled Federal Mining Agreement, (FMA). The purpose of the FMA is, among other things, to increase provincial revenues from the mining industry by creating legal entities owned by provincial governments that would work in association with private mining companies. This scheme is not new in Argentina and it has been used by some provincial governments, among them Santa Cruz Province (through Fomicruz), in the Cerro Vanguardia project. The FMA also contemplates other forms of revenues such as the formation of special trusts to be funded by mining companies in order to finance education, health and other programs. Increase in royalty rates is not specifically contemplated in the FMA. The Provinces that signed the FMA had previously formed a special association of provinces, supported by the National Government.

In Argentina, the current regulatory regime of royalty payments is expected to change and several different options and payment thresholds have been discussed. The Santa Cruz Province has changed the mining royalty from 1 percent to 3 percent.

Brazil

Land ownership and mining rights

General legal aspects

The Brazilian Constitution of 1934 states that, for purposes of exploration and exploitation, deposits and other mineral resources constitute property separate from the soil and belong to the Federal Union. Exploration and exploitation of such mineral resources may take place only with the Federal Union s concession and in such a way as to protect the national interest. Federal law sets out penal and administrative sanctions for conduct and activities deemed harmful to the environment.

In Brazil, the National Department of Mineral Production (DNPM) is the state body within the Mines and Energy Ministry (the MME) that is responsible for: (i) the registration of mining titles, (ii) the grant of authorizations and concessions, (iii) the supervision of mining activities and mining titleholders, and (iv) the issuance of supplementary rules in relation to mining activity.

Under the current Mining Code, there are two kinds of mines: (i) claimstake mines (Minas Manifestadas), for which rights were acquired before 1934 and exist independently of any mining license or authorization from the Federal Government and for which the mineral resources constitute property of the landowner and (ii) granted mines, which are those that rely on grants from the Federal Government for mineral exploration or exploitation (pursuant to the Constitution). AngloGold Ashanti s operations in Brazil consist of both claimstake mines and granted mines.

Mining activities in granted mines must be performed in two defined stages: (i) exploration, which entails defining and evaluating the deposit and determining the feasibility of exploitation, and (ii) exploitation, which involves coordinating operations aimed at the industrial exploitation of the mineral deposit, from the extraction of useful minerals to their processing. Exploration authorizations issued by DNPM are valid for one to three years. Extensions can be obtained if necessary. In contrast, exploitation rights, once granted, are valid for the lifetime of the deposit, provided the mining titleholder complies with all legal requirements. Pursuant to these requirements, for example, titleholders must (i) start work on mineral exploitation within six (6) months from the date of publication of the Exploitation Concession, (ii) continue their mining activities until the mineral deposit has been exhausted, in accordance with the Economic Exploitation Plan (Plano de Aproveitamento Econômico) approved by DNPM and (iii) refrain from suspending mining activities without prior notice to DNPM.

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During the exploration period, the mining titleholder has to pay an Annual Rate per Hectare (TAH Taxa Anual por Hectare), subject to a maximum value set by law. In the exploitation period, regardless of the legal regime governing the project (whether claimstake or granted mines), the mining titleholder has to pay the Financial Compensation for Exploiting Mineral Resources (CFEM Compensação Financeira pela Exploração Mineral). The CFEM is currently calculated based on revenues, minus some deductions authorized by mining law.

At the end of 2011 and the beginning of 2012 the states of Minas Gerais, Pará, Amapá and Mato Grosso do Sul each created a new tax (duty) on research, extraction and exploration activities as well as on the use of mineral resources carried out in those states. This tax could range from BRL3.00 to BRL6.50 per ton. In the state of Minas Gerais, however, gold ore was exempted from the collection of this new duty.

Potential regulatory changes

The Federal Government is contemplating changes to the mining legislation. Its goals would be to (i) strengthen the role of the Federal Government in regulating the mining industry, (ii) attract more and better investments to the mineral sector, (iii) encourage maximal use of mineral reserves and (iv) encourage members of the industry to add value to mineral products.

The government s proposals have institutional, legal and financial facets. Institutionally, the proposals would create a National Council of Mineral Policy to advise the Presidency of Brazil and the MME on, and develop guidelines and directives for, the mining sector. They would also transform the DNPM into a regulatory agency with negotiation and inspection powers.

Legally, the proposals would change the rules governing access to mining titles. While exploration authorizations would be effective for a longer period of five (5) years, they would be renewable for only one extra year, at the discretion of authorities.

Companies would also have to demonstrate that they are investing in exploration activities on a yearly basis. Exploitation rights would be limited to 35- or 40-year grants renewable at the discretion of authorities. The granting of rights would become a more discretionary process and would result in a Formal Adhesion Contract for Exploitation rather than in an open-ended concession.

The proposals would raise CFEM rates for trade in gold ore from 1 percent on net invoicing to 2 percent on gross invoicing. They would also create new calculation methods and incidence hypotheses, notably with regard to transactions between related parties.

The MME has suspended the granting of new mining concessions until it promulgates changes to the mining legislation.

Colombia

Land ownership and mining rights

In Colombia, all mineral substances are the property of the state of Colombia. The underlying principle of Colombian mining legislation is first-in-time, first-in-right.

Mining activities are regulated by the Mining Code, Act 685, 2001. Amendments to the Mining Code enacted in 2010 pursuant to Act 1382 were found unconstitutional. The Constitutional Court stayed its ruling for two years to give the government the opportunity to present a new law. The government was expected to make new changes to the Mining Code public in the second half of 2012, but has not yet presented any project of law yet to Congress.

The filing of an exploration and exploitation proposal triggers a right of preference to obtain rights over the targeted area, provided it is available. Such area cannot exceed 10,000 hectares. Upon receipt of a proposal, the relevant government agency determines whether another proposal or contract already governs the area. If there are no pre-existing claims, the government agency grants the applicant a free zone .

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The concession contract

The government agency grants exclusive concession contracts for exploration and exploitation. Such concessions allow concessionaires to conduct the studies, works and installations necessary to establish the existence of minerals and to organize their exploitation. Upon being awarded a mining concession, a company must take out an insurance policy to cover any possible environmental damage as well as breaches of its mining obligations. It may then proceed with exploration activities. Once the exploration phase is complete, the concessionaire files a new plan regarding works and installations. An environmental impact study must also be filed and approved in order for the concessionaire to receive an environmental license prior to beginning construction and development.

The initial term of concessions is 30 years. To receive an extension, a concessionaire must file a request two years before the termination of the initial term, and must substantiate the application with economic, environmental and technical information. Because the extension is not automatic, the concessionaire must renegotiate the conditions of the grant. The term of a concession and all the contractual obligations that arise from it are deemed to take effect as of the date of registration of the contract at the National Mining Register.

AngloGold Ashanti s core mining concession contracts at the La Colosa project provide that Agencia Nacional Minera (ANM), the new Colombian regulatory agency for mining activities, has the discretion to declare the underlying concession void if AngloGold Ashanti Colombia S.A. (AGAC) breaches applicable environmental laws or regulations. If ANM were to exercise such discretion against AGAC, AGAC would be required to abandon the La Colosa project and all of its other existing mining concession contracts. Pending proposals for new mining concession contracts would also be cancelled and AGAC would be banned from doing business with the Colombian government for a period of five years. As a result, AGAC would be unable to conduct any mining exploration or development activities during such period. However, this would not affect other AngloGold Ashanti subsidiaries operating in Colombia, which hold singularly or in concert with joint venture partners the majority of the company s concession contracts in Colombia.

There are some areas where mining activity is prohibited. These areas are:

- National parks;
- Regional parks;
- Protected forest reserves;
- Paramus (included in Act 1382, introduced in 2010); and
- Wetlands, pursuant to the Ramsar Convention.

Some forest reserves are not protected , but are set aside for active forestry purposes. Such forest reserves must be extracted after initial prospection, meaning that the concessionaire must obtain a specific permit to partially and temporarily change the use of the soil before pursuing exploration activities.

Cannon fees and royalties

Cannon fees are due from the moment the area is declared available for the company (rather than from the time the concession contract is signed). Such fees change based on the number of years that the company has been a concessionaire, as follows:

- From 1 to 5 years: approximately $9.00 per hectare per year.
- For years 6 and after, approximately $11.00 per hectare per year.

Once exploration is complete and the mining infrastructure is in place, the concessionaire must begin paying royalties. Royalties paid to the Colombian government consist of a percentage of the primary product and sub-products being exploited. For gold, the percentage to be paid is 4 percent.

Potential regulatory changes

In 2013, the government is expected to modify the process for obtaining a mining concession. Instead of using a first-in-time, first-in-right approach in all cases, the government plans on subjecting some areas to a bidding process open to any qualified entity.

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United States of America

Land ownership & mining rights

Mineral and surface rights in the United States are owned by private parties, state governments or the federal government. Although not the case at Cripple Creek & Victor Gold Mining Company s (CC&V) Cresson Project, the majority of land utilized for precious metals exploration, development and mining in the western United States is owned by the federal government. The right to mine on such land is governed by the General Mining Law of 1872, as amended (General Mining Law). The General Mining Law allows mining claims on certain federal lands upon the discovery of a valuable mineral deposit and proper compliance with claim location and maintenance requirements. Until 1993, unpatented mining claim holders could apply for patents to their claims from the federal government, and, if granted, those patented mining claims became private lands owned by the mining claimant, limited only by reservations and restrictions contained in the patent from the federal government, and subject to the same permitting, environmental and reclamation laws and regulations as other private lands.

Individual states, including Colorado, typically follow a leasing system for state-owned minerals. Private parties have the right to sell, lease or enter into other agreements, such as joint ventures, with respect to minerals that they own or control. CC&V s Cresson Project covers approximately 7,100 acres, the vast majority of which consists of owned, patented mining claims from former public lands, with a small percentage of private and state lands, some of which are critical to the Cresson Project, being leased. All of the Cresson Project s current reserves are within the patented claims.

Permitting and reclamation

CC&V s Cresson Project is subject to a number of state and local permitting requirements, including permitting requirements imposed by the Colorado Mined Land Reclamation Act (MLRA) and Teller County. Under the MLRA, the Colorado Mined Land Reclamation Board (MLRB) issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal or private lands. In carrying out the statutory requirements of the MLRA, the MLRB (i) reviews mine permit applications and amendments and related matters, (ii) inspects active mine sites and prospecting sites and (iii) ensures financial warranties are posted for the actual cost of reclamation.

CC&V s Cresson Project is currently operating under a permit generally referred to as mine life extension one (MLE1) issued by the MLRB and Teller County. Among other things, MLE1 permits CC&V to continue active mining at the Cresson Project through 2016 and imposes reclamation and other requirements on CC&V, including requiring (i) the stabilization and re-vegetation of disturbed lands, (ii) the control of storm water and drainage from overburden storage areas, (iii) the removal of roads and structures, (iv) the treatment and the elimination of process solutions, (v) the treatment of mine water prior to discharge into the environment and (vi) visual mitigation. In September 2012, CC&V s permit application for mine life extension two (MLE2) was approved by both the MRLB and Teller County.

Potential regulatory changes

Over the years, the U.S. Congress has considered a number of proposed amendments to the General Mining Law. Among the significant features contained in previously proposed legislation were a production royalty obligation, new and more stringent environmental standards and conditions, additional reclamation requirements, extensive new procedural steps which would likely result in delays in permitting, and granting counties the ability to petition the Secretary of the Interior to make certain areas unavailable for the location of unpatented mining claims. The ultimate content of future proposed legislation, if enacted, is uncertain. If any of the above-referenced provisions were imposed, CC&V s operations could be adversely affected. Although no such legislation has been adopted to date, there can be no assurance that such legislation will not be adopted in the future.

MINE SITE REHABILITATION AND CLOSURE

Closure, an integral part of operations

All mining operations eventually cease. An integral aspect of operating our mines is on-going planning for closure, together with an estimate of associated liability costs and the placement of adequate financial provisions and assurances to cover these costs.

AngloGold Ashanti completed a group closure and rehabilitation management standard in 2009 and all of our operations were required to comply with the standard by December 2011. The Continental Africa operations were granted an extension to December 2012.

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Closure planning is an activity that starts at the exploration and mine design stage and continues throughout the life of mine:

- The evaluation of new projects includes a conceptual closure plan, which takes into account future closure and associated costs.
- Our standard requires that an interim closure plan be prepared within three years of commissioning an operation, or earlier if required by legislation.
- This plan is reviewed and updated every three years (annually in the final three years of a mine s life) or whenever significant changes are made, and takes into account operational conditions, planning and legislative requirements, international protocols, technological developments and advances in practice.

For many of the older mines, closure planning and the evaluation of environmental liabilities is a complex process. This is particularly so in Brazil, Ghana and South Africa, where many of the long-life operations present environmental legacies that may have developed over a century or more.

A particular challenge is concurrent rehabilitation, which is carried out while a mine is still operational. This practice serves to decrease the current liability and reduces the final rehabilitation and closure work that must be undertaken, but has the potential to sterilize mineral reserves, which the company might wish to exploit should conditions, such as the gold price, change.

Our closure standard stipulates that closure planning must be undertaken in consultation with the community. In the course of these consultations, different issues are raised which require site-specific solutions. Livelihood preservation and infrastructure are often key requirements. Local people, who were previously employed at the mine, may receive education and training so as to seek viable employment alternatives. Communities also require information on the Company s rehabilitation of the landscape and on any lasting environmental impacts.

In addition, long-term remediation obligations including decommissioning and restoration liabilities relating to past operations are based on our environmental management plans and comply with current environmental and regulatory requirements.

Provisions for remediation costs are made when there is a present obligation, it is probable that expenditure on remediation work will be required and the cost can be estimated within a reasonable range of possible outcomes. These costs are based on currently available facts, technology expected to be available at the time of the clean-up, laws and regulations presently or virtually certain to be enacted, and previous experience in the remediation of contaminated sites.

Decommissioning costs and restoration costs are provided at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. Estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money.

Discounted closure liabilities (excluding joint ventures) increased from $653 million in 2011 to $758 million in 2012. This change is largely attributable to a change in mine plans resulting in accelerated cash flows, change in economic assumptions and discount rates.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

In addition to post-mining land reclamation and closure requirements, AngloGold Ashanti is subject to extensive environmental, health and safety (EHS) laws and regulations in the various jurisdictions in which the company operates. These requirements govern, among other things, extraction, use, conservation and discharge of water; air emissions (including dust control); regulatory and community reporting; clean-up of contamination; worker health and safety and community health; and the generation, transportation, storage and disposal of solid and hazardous wastes, such as acids, radioactive materials, and mine tailings. In addition, environmental laws and regulations, including the requirements contained in environmental permits, are generally becoming more restrictive or more strictly enforced. Significant EHS requirements, risks and trends affecting our mining and processing operations are described below. For additional discussion of EHS performance on a mine-by-mine basis, see Item 4B.: Business overview Operating performance.

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Regulatory Compliance

Capital and operating costs to comply with EHS laws and regulations have been, and are expected to continue to be, significant to AngloGold Ashanti. In addition, AngloGold Ashanti could incur fines, penalties and other sanctions, environmental clean-up costs, and third-party claims for personal injury or property or natural resources damages; suffer reputational damages; and be required to install costly pollution control equipment or to modify or suspend operations, as a result of actual or alleged violations or liabilities under EHS laws and regulations. Failure to comply with applicable EHS laws and regulations may also result in the suspension or revocation of permits. AngloGold Ashanti s ability to obtain and maintain permits and to successfully operate in particular communities may be adversely impacted by real or perceived effects on the environment or human health and safety associated with AngloGold Ashanti s or other mining companies activities.

Water Management

AngloGold Ashanti s mining and processing operations are heavily dependent upon access to substantial volumes of water required for such operations. Typically, water-use permits or water rights in each country impose limits on the quantity of water that can be extracted from certain sources and require, among other things, that wastewater from mining operations meet certain water quality criteria upon discharge. Water quality and usage are areas of concern globally, but are particularly significant for operations in Ghana and South Africa, and for exploration projects in Colombia, where there is significant potential environmental and social impact and a high level of stakeholder scrutiny. Any failure to secure access to suitable water supplies, or achieve and maintain compliance with the requirements of the permits or licenses, could result in curtailment or suspension of production at the affected operation. Incidents of water pollution or shortage can, in extreme cases, lead to community protest and ultimately result in the withdrawal of community and government support for our operations.

Where feasible, we operate a closed loop system which recycles the water used in our operations without discharging it to the environment. In some areas, however, such as Ghana, high levels of rainfall and surface water runoff mean that a closed loop system is not feasible and that discharges, after water treatment, must take place. During 2011, we commissioned a reverse osmosis plant in the northern section of the Obuasi mine which functions in conjunction with complementary water treatment technologies to ensure that water released is compliant with Ghana s water quality standards. At the southern section of the mine, a 250m^3/hour water treatment plant was commissioned in early 2012 and another 500 m^3/hour plant is under construction. At the Iduapriem mine, a water treatment plant was commissioned in 2010 to ensure that the operation can release excess water while meeting effluent discharge standards.

Waste Management

Mining and mineral processing operations generate waste rock and tailings.

During open-pit mining, large volumes of soil and/or rock (overburden) are generated to expose the ore body. Similarly, waste rock is generated during drilling and developing access to underground ore bodies. Overburden and waste rock typically contain sub-economic levels of gold and are deposited as large waste rock dumps. Mine tailings are the process waste generated once grinding and extraction of gold from the ore is completed in the milling process and are deposited as slurry in large storage facilities specifically designed for this purpose.

The impact of a breach, leak or other failure of a tailings storage facility can be significant, and the company therefore monitors such facilities closely in accordance with national regulatory requirements and commitments made to local communities. The occasional well-publicized failure of a tailings facility and the potential impact of such failure also mean that these facilities are generally tightly regulated. An incident at our operations could result, among other things, in enforcement, obligations to remediate environmental contamination, and claims for property or natural resources damages and personal injury and negative press coverage. Even an incident at another company s operations has potential to result in governments tightening regulatory requirements and restricting other mine operators in response.

Groundwater Impacts and Environmental Remediation

AngloGold Ashanti has identified groundwater contamination plumes at certain of its operations. Numerous scientific, technical and legal studies have been undertaken to assist in determining the magnitude of the impact and to find sustainable remediation solutions. Based on those studies as well as discussion with regulators, the company has taken steps, including monitored natural attenuation and phyto-technologies, to address soil and groundwater

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contamination. Subject to the completion of trials and the technology being a proven remediation technique, no reliable estimate can be made for the obligation. Should these costs be significant, this could have a material adverse impact upon AngloGold Ashanti s results of operations and its financial condition.

As AngloGold Ashanti or its predecessors has a long history of mining operations in certain regions, issues may arise regarding historical as well as potential future environmental impacts to those areas. For example, certain parties, including NGOs, community groups and institutional investors, have raised concerns about surface and groundwater quality, among other issues, in the area surrounding the company s Obuasi and Iduapriem mines in Ghana, including potential impacts to local rivers and wells used for water from heavy metals, arsenic and cyanide as well as sediment and mine rock waste. Following temporary shutdowns at both mines in 2010, the company has made improvements in effluent quality management and constructed a new tailings impoundment at Iduapriem as well as three additional water treatment plants at Obuasi to reduce the risk of incidents that have the potential to degrade local water sources. AngloGold Ashanti is continuing to investigate allegations of impacts by the company s operations on water quality in mining areas and to consider, as appropriate, potential additional responsive actions, such as remediation, engineering and operational changes at the mine sites and community outreach programs.

In addition, AngloGold Ashanti has identified a flooding and future pollution risk to deep groundwater in the Klerksdorp and Far West Rand goldfields in South Africa. AngloGold Ashanti s Vaal River operations are part of the Klerksdorp goldfields and its West Wits operations are part of the Far West Rand goldfields. Various studies have been undertaken by AngloGold Ashanti since 1999 to better understand groundwater conditions in mined-out workings, including potential groundwater infiltration and acidification concerns. Due to the interconnected nature of underground mining operations in South Africa, any proposed solution needs to be a combined one supported by all the companies owning mines located in these goldfields. As a result, the South African Department of Mineral Resources and affected mining companies are now involved in the development of a Regional Mine Closure Strategy . In view of the limited information currently available, no reliable estimate can be made for the obligation at this time. If material, obligations for this matter could have an adverse impact on AngloGold Ashanti s financial condition.

Climate Change and Greenhouse Gas Regulation

Greenhouse gases, or GHGs , are emitted directly by AngloGold Ashanti s operations, as well as by external utilities from which AngloGold Ashanti purchases power. Currently, a number of international and national measures to address or limit GHG emissions, including the Kyoto Protocol, the Copenhagen Accord and the Durban Platform, are in various phases of discussion or implementation in the countries in which the company operates.

The outcome of the climate change negotiations may, in due time, have the effect of requiring AngloGold Ashanti to reduce its direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes including through costs passed on by electricity utilities which supply the company. AngloGold Ashanti also could incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements. The most likely source of these company-level obligations is unlikely to be by operation of international law but more likely to come through domestic implementation of state obligations pursuant to evolving climate change legal regimes.

For example, the Australian government implemented a carbon trading scheme commencing in July 2012. Under the applicable requirements, approximately 500 of Australia s biggest emitters, including AngloGold Ashanti, started to pay A$23 per tonne of carbon dioxide generated or equivalent from July 2012. The charge will increase by approximately 5 percent each year until 2015, when it will be set by the market under a trading scheme, similar to the existing Emissions Trading Scheme in the European Union.

Also, in 2011, the South African government released a climate change response white paper. In February 2013, the South African Minister of Finance announced his intention to introduce a carbon tax in 2015. AngloGold Ashanti already pays a levy of ZAR0.035 per kilowatt hour of electricity that it purchases and is generated from fossil fuels.

The 2013 Budget Review provides an indication of the expected levels of the carbon tax rate as being ZAR 120 (approximately US$13) per tonne of CO_2e emitted above certain thresholds. Under the proposal, the tax rate would increase by 10 percent a year, reaching ZAR 193 (approximately US$21) per tonne by 2020. The end of the decade also marks the end of the first phase of the carbon tax. Depending on the nature of the emitter, a basic tax-free threshold of up to 60 percent of the tax liability will apply.

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It is probable that the tax will be levied on sectors that comprise elements of the AngloGold Ashanti supply chain. Consequently, it is likely that the costs associated with those elements of the supply chain will increase for the medium- and long-term.

In 2010, Brazil launched sector-specific plans to meet a voluntary reduction target of 1.2 billion tonnes of CO_2 by 2020. Amongst other plans, it is intended to reduce de-forestation in the Cerrado biome, where AngloGold Ashanti operates, by 40 percent and expand renewable energy production and energy efficiency programs. The decree also provided for a Brazilian GHG trading scheme, which is yet to be designed. While Brazil is not yet formally regulating GHG emissions at the national level, some state environmental agencies have requested companies to voluntarily submit GHG emissions management plans.

In addition, potential physical risks to our operations as a result of climate change include changes in rainfall rates or reduced water availability, rising sea levels, higher temperatures and extreme weather events. Events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, could create resource shortages and could damage the company s property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on the company s workforce and on the communities in the area around our mines, such as an increased risk of food insecurity, water scarcity and prevalence of disease.

Occupational and Community Safety and Health and Tropical Diseases

AngloGold Ashanti s operations are subject to a variety of laws and regulations designed to protect and improve the safety and health of employees. In some of the jurisdictions in which we operate, the government enforces compulsory shutdowns of operations to enable investigations into the cause of accidents at those operations. Certain of the company s operations have been temporarily suspended for safety reasons in the past. In South Africa, in particular, so-called Section 54 safety stoppages have become a significant issue for mining companies. In 2012, stoppages occurred as follows:

Moab Khotsong	9
Savuka	3
Great Noligwa	9
Mponeng	6
TauTona	2

This had a material impact on production at these mines. Each directive resulted in suspending operations either fully or partially in order to comply with the inspector s recommendations on safety. A working group comprising the inspectorate, the mining industry and organized labor has been formed to address the trend of increasing safety stoppages. AngloGold Ashanti is also enhancing safety programs, in line with the overall ONE initiative and industry Best Practice, which could result in significant additional costs for the company.

In addition, AngloGold Ashanti is subject to health and safety regulations relating to occupational disease. The primary areas of focus in respect of occupational health of employees within the company s operations are noise-induced hearing loss (NIHL) and occupational lung diseases (OLD), which include pulmonary tuberculosis (TB) from various causes and silicosis in individuals exposed to silica dust. This issue has been particularly prevalent in South Africa and has also arisen at the company s Continental Africa and Brazilian operations, albeit to a lesser extent. AngloGold Ashanti provides occupational health services to its employees at its occupational health centers and clinics, and continues to improve preventative occupational hygiene initiatives, such as implementing various dust control measures and supplying its employees with respiratory protective equipment. If the costs associated with providing such occupational health services, implementing such dust control measures or supplying such equipment increase significantly beyond anticipated or budgeted amounts, this could have an adverse effect on AngloGold Ashanti s results of operations and its financial condition. Actual and alleged health and safety incidents or breaches of standards may also adversely impact the company s reputation.

The South African government, by way of a cabinet resolution in 1999, proposed a possible combination and alignment of benefits of the Occupational Diseases in Mines and Works Act (ODMWA) that provides for compensation to miners who have OLD, and the Compensation for Occupational Injuries and Diseases Act (COIDA), that provides for compensation in respect of job related injuries and compensation of non-miners who have OLD. It appears less likely that the proposed combination of the two acts will occur in the short to medium term, but some alignment of benefits may be considered in the future. COIDA provides for compensation payments to workers suffering permanent

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disabilities from OLD, which are classified as pension liabilities if the permanent disability is above a certain threshold, or a lump sum compensation payment if the permanent disability is below a certain threshold. ODMWA only provides for a lump sum compensation payment to workers suffering from OLD as well as the payment of medical expenses over the claimant s lifetime. If the proposed combination of COIDA and ODMWA were to occur, this could further increase the amount of statutory compensation that miners employed by AngloGold Ashanti could claim, which consequently could have an adverse effect on AngloGold Ashanti s financial condition.

On November 23, 2010, the Chamber of Mines of South Africa applied to the North Gauteng High Court for a declaratory order as to whether or not the Compensation Commissioner may include in the levy to be paid by any specific mine under ODMWA any amount that is intended to be used for funding benefits payable to: (1) ex-mine workers who had never worked at that mine; or (2) ex-mine workers who used to work at the mine, but no longer work at the mine. On April 29, 2011, the Honorable Judge Zondo dismissed the Chamber s application with costs. The judge concluded that the Compensation Commissioner has authority under ODMWA to address an historical or actuarial deficit in the Compensation Fund by increasing the levy payable by current mines and works to cover the shortfall in respect of all ex-mine workers. The Chamber lodged an appeal to the Supreme Court of Appeal. The appeal was dismissed with costs. The effect of the judgment is that ODMWA levies may be increased in respect of the category of former employees referred to above.

AngloGold Ashanti is subject to numerous claims, including class actions or similar group claims related to silicosis and other OLD, and could be subject to similar claims in the future. AngloGold Ashanti has received notice of two applications for class certification relating to silicosis in which the company is a respondent. It has also received notice of individual claims. Please refer to Item 8: Financial Information Legal Proceedings South Africa Silicosis litigation.

In addition to OLD, AIDS and associated diseases remain major health care challenges faced by AngloGold Ashanti s South African operations. Workforce prevalence studies indicate that HIV prevalence rates among AngloGold Ashanti s South African workforce may be as high as 30 percent. AngloGold Ashanti continues to develop and implement programs to help those infected with HIV and prevent new infections from spreading. Since 2001, the company has offered a voluntary counseling and HIV testing program for employees in South Africa and, since 2003, has offered anti-retroviral therapy to HIV positive employees who met the current medical criteria and who desire this treatment.

Malaria and other tropical diseases also pose significant health risks at all of the company s operations in Central, West and East Africa where such diseases may assume epidemic proportions because of ineffective national control programs. Malaria is a major cause of death in young children and pregnant women but also gives rise to fatalities and absenteeism in adult men. Other conditions such as heart disease, chronic diseases and obesity are of increasing incidence and concern.

Such diseases impair the health of workers and negatively affect productivity and profitability as a result of workers diminished focus or skill, absenteeism, treatment costs and allocated resources. AngloGold Ashanti cannot guarantee that any current or future medical program will be successful in preventing or reducing the injury and illness rates amongst its employees or in affecting consequent morbidity or mortality rates. AngloGold Ashanti may incur significant costs in addressing this issue in the future, which could also adversely impact the company s results of operations and financial condition.

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ANGLOGOLD ASHANTI GLOBAL OPERATIONS: 2012

Operations

1. **Argentina**
   Cerro Vanguardia (92.5%)
2. **Australia**
   Sunrise Dam
3. **Brazil**
   Serra Grande[(1)]
   AGA Mineração
4. **Ghana**
   Iduapriem
   Obuasi
5. **Guinea**
   Siguiri (85%)
6. **Mali**
   Morila (40%)
   Sadiola (41%)
   Yatela (40%)
7. **Namibia**
   Navachab
8. **South Africa**
   Vaal River
   Great Noligwa
   Kopanang
   Moab Khotsong
   Surface operations
   Mine Waste Solutions
   West Wits
   Mponeng
   Savuka
   TauTona
9. **Tanzania**
   Geita
10. **United States**
    Cripple Creek & Victor (CC&V)

(1) Effective July 1, 2012, AngloGold Ashanti increased its shareholding in Serra Grande from 50 percent to 100 percent.

Major Projects

11. **Colombia**
    Gramalote (51%)
    La Colosa
12. **DRC**
    Kibali (45%)
    Mongbwalu (86.2%)
13. **Australia**
    Tropicana (70%)

Percentages indicate the ownership interest of AngloGold Ashanti, whether held directly or indirectly. All operations and projects are 100%-owned unless otherwise indicated.

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OPERATING PERFORMANCE

Group description

Headquartered in Johannesburg, South Africa, AngloGold Ashanti has 21 operations in 10 countries. Major development projects are Tropicana in Australia, Kibali in the Democratic Republic of the Congo (DRC) and La Colosa in Colombia. Our extensive brownfield, greenfield and marine exploration programs extend to 14 countries, in both established and new gold-producing regions through managed and non- managed joint ventures, strategic alliances and wholly owned ground holdings. We have an equity interest in Rand Refinery, a gold refining and smelting complex in South Africa, and own and operate the Queiroz refinery in Brazil.

The group is managed according to four geographic regions, namely:

- South Africa, which comprises two mining areas and associated infrastructure namely West Wits and Vaal River, which together comprise six deep-level mining operations and surface operations. In July 2012, AngloGold Ashanti concluded the acquisition of First Uranium (Pty) Limited, the owner of Mine Waste Solutions (MWS), which operates in the same area of South Africa.
- Continental Africa, which comprises the operations in Ghana, Guinea, Mali, Namibia and Tanzania, as well as projects in the DRC.
- Americas, comprising operations in Argentina, Brazil and the United States, as well as projects in Colombia. AngloGold Ashanti concluded the acquisition of the remaining 50 percent interest in Serra Grande in Brazil during the year.
- Australasia, which currently focuses on a mine and project in Australia.

The group also has a pipeline of greenfield, brownfield and marine exploration programs.

AngloGold Ashanti s operations and joint ventures employed, on average, 65,822 people (including contractors) in 2012 (2011: 61,242).

Performance

In 2012, AngloGold Ashanti produced 3.94 million ounces of gold (2011: 4.33 million ounces) as well as 1.21 million pounds of uranium, 2.36 million ounces of silver and 186.37 tonnes of sulfuric acid as by-products.

AngloGold Ashanti invested significantly in capital expenditure as the group is building and developing new projects in Continental Africa (Kibali and Mongwbalu in the DRC), Australia (Tropicana), Americas (Cripple Creek & Victor expansion in the US and other projects in Brazil) and South Africa (most notably Mponeng). Capital expenditure, including equity accounted joint ventures, in 2012 amounted to $2,154 million (2011: $1,527 million).

Safety

Regrettably, there were 18 fatalities across the group s operations in 2012. The all injury frequency rate improved to 7.72 per million hours worked compared to 9.76 in 2011 and 11.50 in 2010.

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OPERATIONS AT A GLANCE for the years ended December 31

	Attributable tonnes treated/milled (Mt)			Average grade recovered (g/t)			Attributable gold production (000oz)			Total cash costs ($ per ounce)			Attributable capital expenditure ($m)		
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
SOUTH AFRICA															
Vaal River															
Great Noligwa	0.5	0.5	0.7	5.72	5.58	5.99	84	94	132	1,226	1,191	894	27	29	24
Kopanang	0.9	1.5	1.6	5.40	6.47	6.13	164	307	305	1,018	684	613	93	92	61
Moab Khotsong	0.6	0.9	1.0	8.16	9.39	9.03	162	266	292	1,043	688	586	159	147	120
Tau Lekoa[1]	-	-	0.6	-	-	3.32	-	-	63	-	-	905	-	-	10
Surface operations	10.8	10.7	10.2	0.42	0.48	0.54	144	164	179	833	665	486	8	5	3
Mine Waste Solutions[2]	7.2	-	-	0.12	-	-	28	-	-	1,036	-	-	7	-	-
West Wits															
Mponeng	1.3	1.6	1.7	9.40	9.71	9.48	405	500	532	640	547	452	194	172	122
Savuka	0.2	0.2	0.1	6.09	6.69	5.30	37	49	22	1,027	857	1,136	20	8	9
TauTona[3]	0.8	1.0	1.1	7.63	7.55	7.01	189	244	259	921	816	699	73	79	75
CONTINENTAL AFRICA															
Ghana															
Iduapriem	4.6	4.3	3.4	1.22	1.44	1.70	180	199	185	922	839	778	95	73	17
Obuasi[3]	2.1	2.0	2.6	4.79	4.82	5.16	280	313	317	1,189	859	760	185	132	109
Guinea															
Siguiri (85 percent)	10.1	9.7	8.8	0.76	0.79	0.97	247	249	273	935	871	656	28	15	10
Mali															
Morila (40 percent)[5]	1.8	1.8	1.7	1.41	1.70	1.70	81	99	95	765	818	716	1	1	1
Sadiola (41 percent)[5]	1.9	2.0	1.8	1.64	1.90	2.04	100	121	118	1,220	835	686	37	14	8
Yatela (40 percent)[4][5]	1.1	1.1	1.2	1.06	1.04	1.23	29	29	60	1,793	1,483	817	2	1	2
Namibia															
Navachab	1.4	1.4	1.5	1.59	1.46	1.80	74	66	86	1,014	939	721	15	48	14
Tanzania															
Geita	4.8	3.9	4.7	3.47	3.98	2.36	531	494	357	652	488	697	81	58	38
AUSTRALASIA															
Australia															
Sunrise Dam	3.4	3.6	3.6	2.39	2.16	3.22	258	246	396	1,178	1,362	692	35	27	29
AMERICAS															
Argentina															
Cerro Vanguardia (92.5 percent)	1.7	1.0	1.0	6.48	6.23	6.11	219	196	194	644	403	366	70	73	38
Brazil															
AGA Mineração[3]	2.2	1.7	1.6	6.07	7.43	7.21	388	361	338	711	571	444	162	259	142
Serra Grande [6]	0.9	0.6	0.6	3.36	3.59	4.05	98	67	77	827	851	481	33	22	26
United States of America															
Cripple Creek & Victor[4]	20.9	20.3	20.6	0.40	0.39	0.43	247	267	233	640	569	500	100	67	73

(1) Sold effective August 1, 2010.
(2) Effective July 20, 2012, AngloGold Ashanti acquired 100 percent of First Uranium (Pty) Limited which, owns MWS.
(3) The yields of TauTona, Obuasi and AGA Mineração represent underground operations.
(4) The yields of Yatela and Cripple Creek & Victor reflect recoverable gold placed/tonnes placed from heap leach operations.
(5) Equity-accounted investments.
(6) Effective July 1, 2012 AngloGold Ashanti increased its holding from 50 percent to 100 percent.
Rounding of figures may result in computational discrepancies.

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SOUTH AFRICA

AngloGold Ashanti s South African operations comprise six deep-level mines and surface operations including MWS. They are:

The Vaal River operations	Great Noligwa, Kopanang, Moab Khotsong and the surface operations; and
The West Wits operations	Mponeng, Savuka and TauTona.

	Gold production (000oz)	Average number of employees
Operations		
1. **South Africa**		
Vaal River		
Great Noligwa	84	3,063
Kopanang	164	6,014
Moab Khotsong	162	6,645
Surface operations	144	1,147
Mine Waste Solutions[(1)]	28	727
West Wits		
Mponeng	405	6,262
Savuka	37	1,157
TauTona	189	4,472

(1) On July 20, 2012, AngloGold Ashanti acquired First Uranium (Pty) Limited, which owns MWS. MWS is a recently commissioned retreatment operation in South Africa s Vaal River area in the immediate vicinity of AngloGold Ashanti s other tailings facilities.

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South Africa Key Statistics

	Unit	2012	2011	2010
Operation				
Tonnes treated/milled	Mt	22.3	16.4	17.0
Pay limit	oz/t	0.40	0.54	0.53
	g/t	12.41	11.98	12.02
Recovered grade	oz/t	0.219	0.232	0.212
	g/t	7.50	7.95	7.28
Gold production	000oz	1,213	1,624	1,784
Total cash costs[(1)]	$/oz	873	695	598
Total production costs[(1)]	$/oz	1,101	920	819
Capital expenditure	$m	619	549	430
Safety				
Number of fatalities		11	9	10
AIFR	Per million hours worked	13.24	15.57	16.69
People				
Average no of employees: Total		34,186	32,082	35,660
Permanent employees		29,740	28,176	31,723
Contractors		4,446	3,906	3,937

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A Operating Results Total cash costs and total production costs .

Performance in the South Africa Region in 2012

Safety and health

Regrettably, in the South Africa region, there were 11 fatalities in 2012 (2011: 9). The number of fatalities remains of serious concern to the company. TauTona achieved 4 million fall-of-ground fatality free shifts in November and Kopanang achieved 1 million fatality free shifts in December, both notable achievements. For the region as a whole, an all injury frequency rate of 13.24 per million hours worked was reported as compared to 15.57 in 2011.

Production

The South Africa Region milled 22.3 million tonnes of ore in 2012, up by 36 percent on the previous year, primarily due to the acquisition of MWS effective July 20, 2012. The Vaal River operations accounted for 582,000 ounces (48 percent) of the South Africa Region s production and the West Wits operations for 631,000 ounces (52 percent). Combined, this was equivalent to 31 percent of group production. In addition, the Vaal River operations produced 1.21 million pounds of uranium as a by-product.

Total cash costs for the South Africa region were $873 per ounce, compared with $695 per ounce in 2012. Mponeng, with a cash cost of $640 per ounce, was the lowest cost producer in the region with Great Noligwa, which is approaching the end of its operating life, being the highest at $1,226 per ounce. Unit cost increases were largely influenced by reduced production, and higher wages and input prices (energy and fuel). The primary cost components in 2012 were: labor $363 per ounce; consumables $253 per ounce; services $68 per ounce; and other inputs $189 per ounce.

The operating environment in South Africa remained challenging, with safety-related stoppages continuing to be disruptive, especially in the first half of the year. An industry-wide strike which started in the third quarter and continued into the fourth quarter, halted all mines and plants in South Africa for about six weeks. The total loss of production as a result of the strike and the slow ramp-up to full production, necessitated by geotechnical concerns resulting from the stoppage, was about 235,000 ounces. Seismic activity at the West Wits operations was also problematic and geological limitations, coupled with lower mining grades at the Vaal River operations and above-inflation cost pressure, presented an ongoing challenge.

Capital expenditure

Capital expenditure in the South Africa Region totalled $619 million, an increase of 12.7 percent on the $549 million spent in 2011. The bulk of this was spent at Mponeng ($194 million), Moab Khotsong ($159 million), Kopanang ($93 million) and TauTona ($73 million).

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People

The South Africa operations employed an average of 34,186 people during the year (2011: 32,082), of whom 4,446 (13 percent) were contractors and 29,740 (87 percent) permanent employees. This was equivalent to 52 percent of the group s total workforce. Productivity per employee for the year was 4.19 ounces/total employees costed (2011: 5.85 ounces/total employees costed) the lowest in the group a function of work stoppages, decreasing grades and the increasing labor intensity of deep level underground mining operations in South Africa.

Environment

The reduction in reportable environmental incidents in 2010 and 2011 was maintained in 2012, with most of these incidents in 2012 taking place at the newly acquired MWS operations. Since taking ownership of MWS in July 2012, considerable resources have been dedicated to ensuring this asset meets AngloGold Ashanti s environmental operating standards. The potential for inter-mine flooding and water legacy issues continued to be environmental challenges.

Ore reserve

At December 31, 2012, South Africa had a total attributable Ore Reserve of 31.57 million ounces (2011: 32.43 million ounces), equivalent to 43 percent of the group s Ore Reserve.

Growth

Notable progress was made with the Mponeng deepening below 120 level project, which will extend Mponeng s life of mine. The first phase of this project, which accesses the VCR, is on track to begin production in April 2014. Phase 2, which will access the CLR below the 120 level, was approved by the AngloGold Ashanti board in March 2012. Infrastructure development is under way with production from the second phase scheduled to begin in 2016.

The Moab Khotsong business plan, without growth projects, is expected to produce some 3 million ounces of gold. Zaaiplaats will provide additional ounces and serve as a gateway for opportunities beyond the initial target block. Phase 1 of the Zaaiplaats project, approved in July 2010 and currently in implementation, is dedicated to establishing the infrastructure for Phase 2, which will create a drilling platform to increase geological confidence within the greater Zaaiplaats orebody while providing some initial gold production. Phase 3 is currently in prefeasibility study phase. A full study, to begin in the first quarter of 2013 and to run for about a year, includes various options of accessing the orebody through either Moab Khotsong or Kopanang, while accessing other mining blocks adjacent and contiguous to Project Zaaiplaats.

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CONTINENTAL AFRICA

AngloGold Ashanti has eight mining operations in its Continental Africa region:

- Iduapriem and Obuasi in Ghana;
- Siguiri in Guinea;
- Morila, Sadiola and Yatela in Mali;
- Navachab in Namibia; and
- Geita in Tanzania.

	Gold production (000oz)	Average number of employees
Operations		
1. **Ghana**		
Iduapriem	180	1,549
Obuasi	280	5,373
2. **Guinea**		
Siguiri	247	3,643
3. **Mali**		
Morila	81	319
Sadiola	100	783
Yatela	29	407
4. **Namibia**		
Navachab	74	953
5. **Tanzania**		
Geita	531	3,594

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Continental Africa - Key Statistics

	Unit	2012	2011	2010
Operation				
Tonnes treated/milled	Mt	27.8	26.3	25.7
Pay limit	oz/t	0.041	0.036	0.040
	g/t	1.273	1.235	1.371
Recovered grade	oz/t	0.055	0.055	0.052
	g/t	1.70	1.87	1.79
Gold production	000oz	1,522	1,570	1,491
Total cash costs[(1)]	$/oz	911	752	720
Total production costs[(1)]	$/oz	1,093	960	872
Capital expenditure	$m	712	418	232
Safety				
Number of fatalities		5	3	5
AIFR	Per million hours worked	2.26	3.03	5.26
People				
Average no of employees: Total		16,621	16,539	15,761
Permanent employees		10,014	9,783	9,684
Contractors		6,607	6,756	6,077

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A Operating Results Total cash costs and total production costs .

Safety

Regrettably, in the Continental Africa Region, there were five fatalities in 2012 (2011: 3), at Obuasi (2) and Iduapriem (1) in Ghana, at Geita (1) in Tanzania and at Mongbwalu (1) in the DRC. The all injury frequency rate for the region improved to 2.26 per million hours worked in 2012 from 3.03 in 2011. Full investigations into the fatal accidents have been conducted and steps taken to mitigate their re-occurrence.

Production

Combined gold production from these operations decreased to 1.52 million ounces in 2012 (2011: 1.57 million ounces), equivalent to 39 percent of group production. The most significant contributors to the region s production were Geita (35 percent), Obuasi (18 percent), Siguiri (16 percent) and Iduapriem (12 percent).

Total cash costs rose by 21 percent to $911 per ounce, (2011: $752 per ounce), largely as a result of poor performance at Obuasi, where the development contractor was replaced during the fourth quarter; and rising costs at Sadiola, where recoveries have suffered as mining moves from oxide to sulfide ore.

Capital expenditure

Total capital expenditure for the region was $712 million (2011: $418 million), an increase of 70 percent. The bulk of this was spent at Obuasi ($185 million) and Kibali ($263 million).

People

The region employed an average of 16,621 people in 2012 (2011: 16,539 people) made up of 10,014 (60 percent) permanent employees and 6,607 (40 percent) contractors. The average level of productivity for the region was 10.97 ounce per total employees costed, with productivity the highest at Morila (35.72 ounces per total employees costed) and Geita (19.20 ounces per total employees costed) mines.

Environment

One of the most significant challenges in this region in recent years has been the management of water, particularly in respect of legacy issues. The completion of a new tailings dam at Iduapriem and commissioning of two water treatment plants at Obuasi in Ghana have significantly improved water management, and enabled the mine to comply with permitting frameworks.

Ore Reserve

The total attributable Continental Africa Region Ore Reserve is 27.60 million ounces (2011: 28.02 million ounces). This amounts to 37 percent of the group s Ore Reserve.

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Growth

Work on a decline access to reach a number of active mining blocks is currently expected to start in 2013 and should start delivering production within about 12 months. In addition, investigations have begun into a new surface decline down to the 50 level to access Obuasi Deeps. Open-pit mining has already started at the Sibi pit. Again some economies of scale are expected from the use of the existing tailings storage facility (TSF), which is stable and has adequate capacity up to 2018.

The Sadiola Sulphide Project (SSP) was delayed by the coup in Mali during the year. Critical to its progress was the conclusion of a power purchase agreement in November. The SSP is designed to provide the operation with access to deeper more conformable sulfide material and will also absorb some skills and expertise from the Yatela operation, as it reaches the end of its life.

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AUSTRALASIA

	Gold production (000oz)	Average number of employees
Operations		
1. **Australia**		
Sunrise Dam	258	494

AngloGold Ashanti s Australaisian assets comprise the wholly owned Sunrise Dam and the 70 percent-owned Tropicana Gold Project which was under construction during 2012.

Australasia - Key Statistics

	Unit	2012	2011	2010
Operation				
Tonnes treated/milled	Mt	3.4	3.6	3.6
Pay limit	oz/t	0.08	0.10	0.14
	g/t	2.42	3.00	4.32
Recovered grade	oz/t	0.070	0.063	0.099
	g/t	2.39	2.16	3.40
Gold production	000oz	258	246	396
Total cash costs[(1)]	$/oz	1,178	1,362	692
Total production costs[(1)]	$/oz	1,310	1,528	773
Capital expenditure (including Tropicana)	$m	355	102	40
Safety				
Number of fatalities				
AIFR (including Tropicana)	Per million hours worked	6.33	18.11	13.10
People				
Average no of employees: Total		494	509	494
Permanent employees		110	101	93
Contractors		384	408	401

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A Operating Results Total cash costs and total production costs .

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Safety and health

Safety performance continued to be an area of focus with no fatalities reported. The AIFR improved to 6.33 per million hours worked (2011:18.11).

Production

Production from Australasia rose by 5 percent to 258,000 ounces in 2012 as operations at Sunrise Dam recovered from flood-related disruption (excessive rainfall, pit flooding and pit-wall failure) the previous year. Total cash costs decreased by 14 percent to $1,178 per ounce (2011: $1,362 per ounce) as volumes rose. An insurance payout of A$30 million related to the 2011 pit wall failure was offset against cash costs in 2012. Cash costs during the year were also positively impacted by improved grades from the North Wall Cutback area of the pit. The region contributed 6 percent to group production in 2012.

Capital expenditure

Total capital expenditure at Sunrise Dam was $35 million. This amount excludes expenditure at Tropicana of $315 million.

People

A total of 494 people (2011: 509 people), 110 (22 percent) permanent employees and 384 contractors (78 percent) were employed at Sunrise Dam in 2012. Productivity continued to be high, reporting 43.46 ounces per total employees costed in 2012 (2011: 38.93 ounces per total employees costed), the highest level in the group.

Skills shortages remain an area of concern in the region and are a driver of high employee turnover and costs. Efforts have been made to extend employment to local indigenous people and the community engagement team works closely with the human resources department to generate training and employment opportunities, address employee retention, mentor and support, and to provide supervision and leadership.

Environment

Energy is becoming a challenging global factor and Sunrise Dam is participating in a regional plan to integrate renewable energy sources such as gas, wind, solar thermal, biomass and solar panels, thereby reducing its reliance on non-renewable energy and lessening AngloGold Ashanti s carbon footprint. Australia has taken a firm stance on environmental legislation and has imposed stricter emission limits and carbon pricing mechanisms. The Clean Energy Future Scheme, which came into effect from July 2012, introduced a carbon pricing scheme to regulate carbon emissions. AngloGold Ashanti will be required to pay A$23 per tonne of CO_2 generated. This is due to increase by A$2.5 per tonne annually until 2015, from when it will be controlled by a market trading scheme. AngloGold Ashanti is actively engaging with the Australian government on the balancing of profitable business practices with responsible environmental strategies to overcome these adverse factors.

Ore reserve

At the end of 2012, the total attributable Ore Reserve for the Australasia Region was 3.92 million ounces (2011: 4.26 million ounces). This makes up around 5 percent of the group s Ore Reserve.

Growth

Attributable production for the region will increase by the end of 2013 as Tropicana comes on stream. Mining of the Crown Pillar from the base of the Sunrise Dam pit will contribute high- grade ore to mill feed as the operation focuses on lifting underground ore production rates over 2 million tonnes per annum. Brownfields drilling at Sunrise Dam is targeting extensions to the Vogue discovery located below the currently mined Cosmo and adjacent Dolly underground domains. Vogue remains open along strike and at depth and offers an opportunity for either extensive bulk or selective mining close to existing underground mine infrastructure. At Tropicana a prefeasibility study to examine the potential open pit and underground development options at Havana Deeps is expected to be completed in the second half of 2013. At this time the Ore Reserve for the mine will be updated.

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THE AMERICAS

The Americas is an important growth area for AngloGold Ashanti with operations in Argentina, Brazil and the United States.

	Gold production (000oz)	Average number of employees
Operations		
1. **Argentina**		
Cerro Vanguardia	219	1,884
2. **Brazil**		
AGA Mineração	388	4,239
Serra Grande	98	1,081
3. **United States**		
Cripple Creek & Victor	247	692

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Americas - Key Statistics

	Unit	2012	2011	2010
Operation				
Tonnes treated/milled	Mt	25.7	23.6	23.8
Pay limit	oz/t	0.024	0.026	0.025
	g/t	0.822	0.891	0.843
Recovered grade	oz/t	0.034	0.034	0.034
	g/t	1.16	1.15	1.17
Gold production	000oz	952	891	842
Total cash costs[(1)]	$/oz	759	601	501
Total production costs[(1)]	$/oz	1,017	841	707
Capital expenditure	$m	382	452	309
Safety				
Number of fatalities		1	2	
AIFR	Per million hours worked	4.34	6.33	5.66
People				
Average no of employees: Total		7,896	7,389	6,582
Permanent employees		5,509	5,273	4,737
Contractors		2,387	2,116	1,845

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A Operating Results Total cash costs and total production costs .

Safety and health

Regrettably, there was a fatal accident at the Cerro Vanguardia mine in January 2012, the first fatal accident at the mine since July 2002. The all injury frequency rate for the region improved to 4.34 per million hours worked.

Production

Combined production from the operations in this region increased by 7 percent to 952,000 ounces (2011: 891,000 ounces) in 2011. These operations now contribute about 24 percent towards group production (2011: 21 percent).

The increase in total cash costs was largely a result of inflationary effects in all countries, especially Argentina; lower by-product credits in Argentina and Brazil; higher costs for equipment maintenance and some contract and technical services in Argentina and the United States; and higher labor and operational development costs in Brazil. The Americas Region had the lowest regional cost within AngloGold Ashanti with CC&V ($640 per ounce) and Cerro Vanguardia ($644 per ounce) being the lowest and third lowest, respectively, of all group operations.

Capital expenditure

Capital expenditure was largely invested in the implementation of various projects such as the Córrego do Sítio Sulphide project in Brazil (14 percent), the MLE/MLE2 projects in the United States (22 percent), and the heap leaching project in Argentina (5 percent). Other mine development in Argentina and Brazil (19 percent), and other capital expenditure (38 percent) complete the balance of the capital investments in the region.

People

An average of 7,896 people in total were employed in the region during the year, 7 percent more than the 7,389 people employed in 2011. This number was made up of 5,509 (70 percent) permanent employees and 2,387 (30 percent) contractors. This figure excludes the more than 1,200 people employed in Colombia and at the greenfield operations in the region. The Americas Region employs around 12 percent of group employees.

Productivity at these operations is relatively high, at 17.47 ounces per total employees costed in 2012 (2011: 20.70 ounces per total employees costed).

Environment

AGA Mineração won the Environmental Management Award presented by the state of Minas Gerais. Severe drought again had a significant impact on production at CC&V during the year.

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Ore reserve

At the end of 2012, the total attributable Ore Reserve for the Americas Region, was 11.01 million ounces (2011: 10.89 million ounces). This makes up around 15 percent of the group s Ore Reserve.

Growth

Plans are under way to increase production from the Americas Region. At the Brazilian operations, the Córregio do Sítio sulfide project at AGA Mineração is scheduled to reach full production in 2013, with optimization programs to be introduced at the Cuiabá and Lamego operations. In the United States at CC&V, following approval of the second mine life extension project, development has begun.

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REVIEW OF PROJECTS

In addition to the Mponeng Below 120 project and the Zaaiplaats project in Moab Khotsong, both the South Africa, other growth projects not yet in production are:

Projects

Continental Africa: Democratic Republic of the Congo (DRC)

1 Kibali
2 Mongbwalu

Australasia: Australia

3 Tropicana

Americas: Colombia

4 Gramalote
5 La Colosa

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Continental Africa: Kibali, DRC

Description

The Kibali greenfields project is currently in the development and construction phase, after receiving board approval in May 2012. Pre-development work began in early 2011 and first gold production is anticipated in late 2013. The Kibali mine will comprise an integrated open-pit and underground mining operation, feeding a larger 6 million tonnes per annum processing plant which will include a full flotation section for treating sulfide ore. The complex will ultimately be supplied by four hydropower stations supported by thermal power during low rainfall periods and as back-up. The development and construction of Kibali has been divided into two phases:

- Phase 1 includes the initial open-pit operations, metallurgical plant, the first phase of the tailings storage facility, the first of the hydropower stations, the back-up power plant and all shared infrastructure.
- Phase 2 extends over the entire four-year period, and focuses mainly on the development of the underground mine, including a twin decline and vertical shaft system.

Location

Kibali lies in the northeastern area of the DRC, adjacent to the town of Doko, a staging point for the project and some 9 kilometers from the town of Watsa and 180 kilometers by road from Arua, on the Ugandan border.

Ownership structure

Joint venture between AngloGold Ashanti (45 percent), Randgold Resources Limited (45 percent) with Société des Mines d Or de Kilo-Moto (SOKIMO), a state-owned gold company owning the balance. Randgold Resources is the operator and project manager.

Kibali performance in 2012

Safety and health

Lost-time injuries are receiving continued focus with continuous safety training and awareness initiatives in place. A transport management plan has been implemented to address vehicle safety, speeding and dust suppression. The Congolese Safety Officers will be utilized to help monitor and enforce vehicle safety.

Malaria incidence remains high, with 2,951 cases reported for the project to date. The Malaria Vector Control program has been updated to include bush clearing and bi-monthly spraying of all accommodation and work sites. A medical outpost facility has been established and is operating at the remote Nzoro camp.

Mining and processing developments

2012 was key in the development of Kibali, and was marked by a significant ramp- up in construction activity. Mining in the open-pit began in July 2012 and the boxcut for the project s underground twin-decline section is nearing completion. The mill and hydro-turbine manufacture is complete. The development of twin-declines and the sinking of the vertical shaft for the underground mine is tracking behind schedule, while the additional open-cut satellite ore source potential could offset the risk of delays. Two 7 megawatt mills were delivered to the Kibali mine in November 2012. In parallel with the construction of the metallurgical plant which began in August 2012, construction of the steelwork for the CIL plant and the primary crusher and conveyor facilities is progressing. Additional earthwork capability has been mobilized to address delays in site establishment. Capital expenditure was $263 million (45 percent attributable) during the year and increased significantly in the fourth quarter with the start of decline activities and mobilization of the shaft and metallurgical infrastructure.

Exploration developments

Grade control drilling program continued during the year at the KCD deposit, with 91,734 meters completed. Drilling results confirmed areas of high grade shoots.

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Continental Africa: Mongbwalu, DRC

Description

Preparatory work at this greenfield project has been completed. Belgian mining companies operated on a relatively small scale in the area for about 50 years before leaving in 1961, while SOKIMO began mining in 1966. The venture held 18 mining licenses which was reduced to 15 licenses totalling 3,784km² after the retrocession to SOKIMO of a total of 1,823km². The Akwé Exploration Licence (399km²) is being transferred to Ashanti Goldfields Kilo (AGK). The initial project will be designed and built with a view to increasing its size as the aggressive regional exploration program identifies new sources of ore. Further exploration was authorized in early 2013 along with a study to optimize the Mongbwalu project.

Location

Located in northeastern DRC, near to the town of Bunia and to the southeast of the group s Kibali joint venture project. The concession area is in the highly prospective Kilo gold belt.

Ownership structure

Operated by AGK, a joint venture between AngloGold Ashanti Limited (86.22 percent) and SOKIMO, a state-owned gold mining company.

Mongbwalu performance in 2012

Safety and health

Safety remains an area of concern and the development of a safety culture is an important area of focus. Among the initiatives undertaken during the year were: daily toolbox talks; inspections; weekly focus topics; helicopter hoist training; hazard and risk management training; gap analysis of all company and contractor vehicles; intermediate incident investigation program; vehicle driving training; and a fit-for-work medical examination process was put in place for all employees and all contractors.

A contractor lost his life, following an incident during 2012.

Indoor residual spraying to combat malaria was started in the camps in July 2012. The Malaria Vector Control program has been updated to include bush clearing and bi-monthly spraying of all accommodation and work sites, and may be extended to communities within the project target area.

Exploration progress and developments

The drilling program has confirmed the prospectivity in the region. Several intersections were encountered with gold grades of more than 7 grams per tonne and four deposits identified within two to three kilometers of the proposed mine. Further drilling is required to ascertain the extent of the orebody and the best means of accessing it. Common plant and infrastructure for a second operation could demonstrate the economies of scale which could precipitate a more profitable operation than was originally planned.

A novel development on site has been the application of portable drill rigs, transported across the concession by helicopter. In terms of environmental impact, this is a positive development, reducing the need for access roads and their rehabilitation, while also improving the effectiveness of the drill rigs, with more meters drilled per rig. Given the topography of the area, along with the dense vegetation, this practice has rendered the area far more accessible than conventional methods.

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Australasia: Tropicana, Australia

Description

The Tropicana project is at an advanced stage of construction and development. Mining operations will be conducted from open pit mining of the Tropicana and Havanna deposits while surface infrastructure includes a processing plant, accommodation facilities and telecommunications services. The group s exploration program in the area is vast, covering 13,500km^{2}along a strike length of 600 kilometers.

Location

Situated in the highly prospective Western Australia, the Tropicana project lies some 330 kilometers north north-east of Kalgoorlie and is 200 kilometers east of Sunrise Dam.

Ownership structure

70 percent owned by AngloGold Ashanti, with the balance held by joint venture partner in the project, Independence Group NL.

Tropicana performance in 2012

Safety and health

AIFR at Tropicana further improved to 3.03 per million hours worked in 2012 from 5.55 in 2011. The high lost-time injury frequency rate (LTIFR) incidence in the production area remains a concern and an area of focus in spite of the improvement for the year, with the LTIFR reducing from 5.31 in 2011 to 1.01 in 2012. Further concerted effort is needed in this area to achieve the group s safety strategy and AIFR objective of less than nine per million hours worked. Continuous safety training and awareness initiatives are in place to drive the required high safety standards throughout the project.

Mining and processing developments

The Tropicana gold project progressed well during 2012, despite external challenges from the competitive construction sector in Western Australia and the pressure this placed on skills. The 220 kilometers-long site access road to site was completed in the first half of the year, as was the sealing and approval for the airstrip. This was followed later in the year by completion of the village. The power station contract was also awarded. The mining contractor was mobilized on site and mining started early in the second half of the year. By the end of the year, all remaining tender contracts had been awarded, all within capital forecast estimates. Capital expenditure was $315 million during the year.

Americas: Gramalote, Colombia

Description

This advanced exploration project is expected to be the first major gold mine development in Colombia, and the group s first operating gold mine there.

Location

110 kilometers northeast of Medellin in the municipality of San Roque, in the department of Antioquia.

Ownership structure

Joint venture between AngloGold Ashanti (51 percent) and Vancouver-based B2Gold Corporation (49 percent).

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Gramalote performance in 2012

Safety and health

There was a significant improvement in safety performance at Gramalote with the implementation of an array of strategies focused on safe work practices. An AIFR was recorded of 5.65 per million hours worked, a dramatic improvement on the AIFR of 16.14 recorded in 2011. The development of occupational health surveillance systems in Colombia was undertaken in the fourth quarter of 2011.

Mining and processing development

The project prefeasibility study was concluded in the fourth quarter of 2012. While the results of this work demonstrated the social, environment and technical viability of the project, several identified optimizations regarding capital and operating aspects of the project remain to be validated. Accordingly, the project team launched an enhanced engineering phase which continues to validate project enhancement opportunities.

Exploration progress and developments

A total of 23,000 meters of drilling has been completed. This has focused on geotechnical, condemnation and resource conversion. The exploration potential in the district is likely high, with a large tenement position that has only been explored in less than 10 percent of its area. CGL is advancing a comprehensive exploration program led by geophysical and geochemical surveys to assist on defining exploration targets that is expected to confirm the mining district (and project) estimated endowment.

Americas: La Colosa, Colombia

Description

La Colosa, which lies in steep terrain in Colombia s central Cordillera region, is the largest greenfield discovery made by AngloGold Ashanti. The project is at the prefeasibility stage, currently evaluating alternative mining methods, plant locations and related infrastructure. The drilling program is progressing to define the size and extent of the Mineral Resource that has not been constrained in the northwest and is partially open at depth.

Location

14 kilometers west of the town of Cajamarca, in the department of Tolima.

Ownership structure

Exploration rights wholly held by AngloGold Ashanti.

La Colosa performance in 2012

Safety and health

There was an improvement in safety performance, with the AIFR declining to 4.19 in 2012 from 19.33 in 2011. Continuous training and leadership involvement will be required to maintain and improve on this success. A health baseline study has been initiated with the goal of ensuring that data is available to design and submit a solid health impact assessment to the authorities, within an environmental impact analysis.

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Mining and processing developments

Technical work has been undertaken to collect and analyze the information required for pit optimization, geotechnical and hydrogeological studies. The results are being used for pit design, pit slope stability, risk analysis, and capital and operational expenditure estimates. Trade-off studies of mining methods are in progress and extensive metallurgical test work was conducted in 2012. Comminution test work included tests for high pressure grinding rolls (HPGRs) and semi-autogenous (SAG) grinding. An economic evaluation of HPGR versus SAG milling was completed and indicated the favoured route to be conventional SAG/ball milling. Recovery test work included tests for gravity separation, whole ore leaching and flotation/concentrate leaching. An economic trade-off study indicated the preferred flow sheet to be whole ore leaching, with limited benefits of gravity separation. The process engineering phase started in the fourth quarter of 2012.

Developments during the year

Project efforts in 2012 continued to be driven by expansion of the Mineral Resource coupled with on-going efforts to address key social issues within the various stakeholder groups. Key decisions related to ore transportation and the relocation of infrastructure facilities out of the forest reserve area have dramatically changed the definition of the project s direct and indirect area of influence, and the scope of the environmental and social studies. Additional trade-off studies were necessary to optimize estimates of capital and operating expenditure.

Technical evaluations also continued with the collection and analysis of geotechnical and hydrogeological information required for mine definition, trade-off studies on mining methods and alternatives, metallurgical test work and process definition, and infrastructure design.

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GLOBAL EXPLORATION

GREENFIELDS EXPLORATION

AngloGold Ashanti holds a total of 69,565km^2 of greenfield tenements over which exploration activities are undertaken through joint ventures, strategic alliances or as wholly-owned ground holdings.

During 2012, exploration activities were conducted in 14 countries with over 364,994 meters of diamond, reverse circulation and aircore drilling completed, compared to 213,441 meters in 2011. Drilling programs aimed to test new high-priority targets in Australia, Brazil, Tanzania, the DRC and the Solomon Islands, and continued to delineate existing discoveries in Guinea, Egypt and Colombia.

In the Americas, the principal area of focus has been to advance exploration on a number of key projects in Colombia, including an advanced-stage diamond drill campaign at the Nuevo Chaquiro target, Quebradona project (AngloGold Ashanti/B2Gold joint venture). The Nuevo Chaquiro target is a newly identified porphyry-related, copper-gold mineralized system located within the Western Cordillera of Colombia.

In 2012, about 20,700 meters of diamond drilling has tested this porphyry copper and gold mineralized stockwork zone. Long intersections of copper mineralization with gold credits indicate good continuity within the zone and it has been intersected at depths from about 400 meters to over 900 meters below surface.

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In Brazil, a joint venture was signed with Graben Mineração to explore its tenement holding in the highly prospective Juruena Belt while generative work continued in Argentina and the United States.

In sub-Saharan Africa, drilling continued to delineate significant mineralization at the Saraya and Kounkoun prospects, both located within 50 kilometers of the Siguiri mine in Guinea. At the Saraya prospect 9,230 meters was drilled to infill and define the extensions of the mineralized zone from which ore-grade mineralization was intersected in several holes. The zone has now been delineated over 1,300 meters in strike and from surface to 200 meters in depth. At Kounkoun about 56,000 meters was drilled with numerous shallow oxide ore-grade gold intersections indicating further good potential. In the DRC and Tanzania, preliminary diamond drill testing of coincident gold-in-soil and geophysical anomalies was completed.

In the Middle East and North Africa, exploration is conducted through a regional strategic alliance with Dubai-based Thani Investments. The alliance has made significant progress in advancing its Hutite orogenic gold discovery in Egypt and has also made further discoveries such as the Pandora epithermal system, in partnership with Stratex International, in Djibouti. Early stage exploration activities continued in both Ethiopia and Eritrea while project generation activities continued in Saudi Arabia where a number of tenement applications have been made.

In the Solomon Islands, the joint venture with XDM Resources Limited has been expanded to include additional projects within the prospective New Georgia Belt, consolidating the island chain. Exploration is now focused on the discovery of large porphyry and epithermal gold deposits. Generative exploration activities were completed at Kele, Mase, Tirua and Paraso while diamond drilling was also completed at Kele, Tirua and Mase.

In Western Australia, the Tropicana joint venture continues to systematically explore the highly prospective Tropicana Belt through auger surface geochemical sampling and follow-up aircore, reverse circulation and diamond drilling. At the wholly owned Viking project, immediately southwest of the Tropicana JV, aircore and diamond drilling at the Beaker prospect has intercepted potentially significant gold mineralisation. In South Australia, diamond drill testing of conceptual iron oxide copper-gold (IOCG) targets was completed at the Coronation Bore prospect, in joint venture with Stellar Resources.

Brownfields exploration

South Africa

A total of 22 surface holes were drilled during the year, six at Moab Khotsong, three at Mponeng (WUDLs) and 12 shallower surface holes were completed to the west of Kopanang, while one is still currently being drilled.

At Moab Khotsong, borehole MGR8 continued advancing its long deflection to the north. It was stopped due to budgetary constraints in the last quarter, but the site was not rehabilitated as the hole will continue as soon as funding is available. The drilling of the long deflection to the south in MGR6 continued. MHH2 advanced to a depth of 2,880 meters and progress was delayed by a series of in-hole technical difficulties. Diamond drilling started at MCY6 and advanced the hole to 1,998 meters. A high speed drilling program started to confirm the structure in the center of the main Zaaiplaats block, borehole MMB6 progressed to 2,541 meters and borehole MMB7 advanced to 1,134 meters.

A new generation, high resolution 3-D seismic survey was completed over the Project Zaaiplaats Phase 3 area.

Three holes are currently being drilled on the WUDLs Mining Rights extension of Mponeng Mine. These holes are all targeting the Ventersdorp Contact Reef. All the holes experienced significant loss of drill fluids and required multiple grouting operations. UD51 by year end had reached a depth of 3,582 meters in the Klipriviersberg lavas. UD59 advanced to 2,446 meters in the Klipriviersberg lavas and UD60 drilled to 1,556 meters.

The drilling of a series of shallow surface holes (500 meters 1,400 meters) to the west of Kopanang continued during the year. A total of six holes targeting the Ventersdorp Contact Reef and six holes targeting the Vaal Reef were completed during the year.

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Argentina

At Cerro Vanguardia, the drilling programs for Mineral Resource expansion and exploration continued during the year. Follow up drilling for vein extensions along strike and at depth was able to expand mill ore. Exploration and Mineral Resource modeling were able to identify opportunities for material to be processed at the heap leach facility. Exploration activities and drilling were completed based on geophysical surveys and target identification studies conducted at the El Volcan project during the year.

Brazil

In the Iron Quadrangle, the Mineral Resource development drilling programs continued at the Cuiabá and Lamego mines with renewed emphasis on support to long-term planning and Mineral Resource definition. The surface drilling programs at the Córrego do Sítio project continued to expand the oxide Mineral Resource, while underground drilling at Córrego do Sítio focused on developing the Sangue do Boi sulfide Mineral Resource for production. Exploration work beyond the production centers included follow up underground drilling at Raposos. Regional exploration programs were conducted at the Pari and Morro da Gloria projects.

At Serra Grande, the second year of fast track exploration program was completed with additional expansion of the Mineral Resource. The program was focused on additions in the Pequizão, Mina Nova, Mina III and Structure NW/Cajueiro targets. Geophysical surveys and soil sampling campaigns continued to be useful methods for target identification in preparation for drilling programs at the Cajueiro, Structure NW and Boa Vista (Votorantim Metais JV) regional targets.

Colombia

Exploration in the Gramalote area was focused on infill drilling to support the update of the Mineral Resource estimation for the Gramalote Central deposit. Drilling programs were also conducted for nearby satellite targets at Monjas West, Trinidad, and El Limon. As part of the prefeasibility study, additional infrastructure and geotechnical drill holes were completed to support highwall design and condemnation drilling for the proposed plant site, waste rock, and tailings storage facilities.

At La Colosa, the Mineral Resource development drilling program continued with four drills operating through most of the year. The geological model was updated during the year to support a significant Mineral Resource addition that came through expansion of the deposit to the northwest and at depth. Other drilling continued as support for site characterization and infrastructure site selection studies.

United States

The Mineral Resource development drilling program continued during the year at CC&V. Work focused on infill drilling to improve the definition of material within the current mine designs that will feed the planned mill facility. Other drilling was directed toward identifying expansion opportunities for the current open pit operations through highwall cutbacks. Selective drilling was also conducted to test deeper targets below or adjacent to planned open pit designs that may provide additional mill feed material potential.

Tanzania

At Geita, Mineral Resource upgrade and extension drilling was completed at the Geita Hill, Nyankanga and Star & Comet operations. Limited pre-resource drilling programs were undertaken to test exploration targets. The infill drilling campaigns aimed at increasing the confidence level of the Mineral Resource base and to allow for Mineral Resource to Ore Reserve conversion. A total of 440 holes for 85,221 meters were completed, with 67,738 samples submitted for gold assay.

As a result of this extensive drilling campaign, positive analytical results were received for holes drilled at Nyankanga Cut 7 OP, Geita Hill East and West, Star & Comet Ridge 8 Gap, Ridge 8, Nyankanga Block 1 & 2, Kukuluma, Matandani and Area 3 West areas. However, poor analytical results were received for the Geita Hill Waste Dump sterilization program.

Drilling of down-dip extensions outside of the existing Nyankanga pit shell continue to support and extend underground potential at Geita.

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Pit-scale structural mapping was completed at Nyankanga, Geita Hill and Star & Comet. This detailed mapping has provided resolution to the understanding of the geological model over the respective areas. Induced polarization (IP), gravity and electromagnetic geophysical surveys were also undertaken during the year and assisted with target generation.

Guinea

At Siguiri, exploration activities focused on the Block 1 license area with a total of 144,908 meters drilled during the year. Infill Mineral Resource drilling of 86,552 meters took place along the main northsouth trending Siguiri mineralized area, as well as an aggressive reconnaissance drilling program of 34,145 meters over soil anomalies and structural targets.

Significant drilling activities took place in the Sintroko-Sokunu, Tailings Facility, Silakoro, Kami- Kossise-Kozan, Sanu Tinti-Eureka-Kalamagna, Balato, and Kintinian areas. Fresh rock drilling centred on the hard rock mineralization potential below the pits of Kami NE, Kozan South, Kalamagna Pit 1, Sanu Tinti and Bidini and confirms the continuation of the mineralized ore zones below the oxide-fresh rock interface. In total, 8,824 meters were drilled for fresh rock exploration purposes.

The target generation program in Block 1 continued to center on IP surveys over selected soil geochemical and structural target areas. IP surveys were completed at Silakoro, Sintroko South and Komatiguiya. Gravity surveys were also completed over Silakoro and Sintroko South target areas. No surface geochemical soil sampling took place.

Ghana

At Obuasi, a total of 12,169 meters was drilled, with 4,805 meters from underground exploration and 7,364 meters from surface exploration activities. Surface exploration focused on the Rusty Monkey target, with 16 holes completed for a total of 5,659 meters.

Underground exploration continued to focus on the BSVS project area below 50 Level, with drilling designed to upgrade the existing Mineral Resource and test the down dip extensions of quartz and sulfide mineralization hosted within the carbonaceous and graphitic shear zones present in the area below Block 10 to -1390RL. Above 50 Level, drilling also commenced in Sansu 3 area during November to upgrade the Mineral Resource in Red Zone 9 area.

Field mapping and sampling to generate drill targets and enhance and refine geological understanding continued throughout the year.

A total of 13,227 meters of drilling was completed at Iduapriem. The focus was on Mineral Resource conversion drilling to facilitate the on-going Iduapriem expansion study, specifically at Block 3W and Blocks 7 and 8. A sterilization drilling program of 3,084 meters was carried out at the proposed location of the Ajopa waste dump from August to October 2012.

The geological modelling of Blocks 1, 2, 3, 3W, 4 and 5 to investigate the potential underground extraction of mineralization below the open pittable Mineral Resource has been completed.

DRC

At Mongbwalu, a total of 30,000 meters of brownfield exploration drilling was carried out. Drilling focused on infill Mineral Resource drilling within the main Adidi-Mongbwalu Mine area. Sterilization drilling was undertaken over both the portal, plant and camp areas. Additionally, over 18,000 meters of greenfield drilling was completed in the year under review. Limited reconnaissance drilling was completed in the Adidi North and Tchangaboli areas.

Total diamond drilling at Kibali was 18,000 meters. At the KCD deposit, a data review identified an area at the down plunge termination of the 5000 lode stope designs that has potential for Mineral Resource conversion and extension. Results to date are encouraging and compare positively with the current interpolated block model values; however, a potential loss was identified in the 3000 lode with some intersections lower than those predicted by the block model. The KCD deposit remains open down plunge and there are further opportunities for the conversion of Inferred Mineral Resource, most notably in the 9000 lode.

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Within a 10 kilometer radius of the main Sessenge-KCD deposit, there are a number of satellite deposits which are considered to have significant upside, either having very limited drilling or drilling only to relatively shallow depths. Kombokolo, Gorumbwa, Pakaka, Agbarabo and Mengu Hill are priority targets which form part of the endowment development plan for near mine site targets.

At Gorumbwa, drilling results confirmed the current model and further defined the depletion of underground Mineral Resource by historic mining activities. The drilling has the potential to allow for the conversion of a significant proportion of the current Mineral Resource into Ore Reserve and suggests further open pit potential.

At Mengu Village and Mengu Hill, an 18-hole shallow pitting program was designed and completed in November to test for the up-plunge continuation of mineralization beyond available drill data. Results received to date have confirmed the presence of a significant mineralized system.

Mali

A total of 119,554 meters of reverse circulation (RC) and diamond drilling were completed at Sadiola and Yatela.

At Sadiola, 48,490 meters of RC drilling was concentrated at Tambali, FE Gap, S12, Sadiola NE and the sub-laterite targets of Mandakoto and Sekokoto. Diamond drilling of the deep sulfide targets below the Sadiola Sulphide Project was conducted. Further core drilling focused on sulfide exploration below FE 3 and 4 and Tambali pits and follow-up drilling for geology and structural interpretation at Tabakoto and S12. Sterilization drilling of 9,854 meters was successfully conducted at Tambali and over the proposed TSF and SSP infrastructure.

The S12 target at Sadiola, west of the FE3 pits, was one of the most prospective areas drilled during the year. Good results have been returned from both oxide and shallow sulfide intersections, with further drilling planned. Follow up drilling at Mandakoto confirmed the extension of northeast-southwest mineralization. At Tambali, drilling around the planned pit areas indicates the potential for extension of the current oxide Mineral Resource and sulfide potential at depth.

Exploration at Yatela consisted of 59,192 meters RC drilling at Yatela NE, KW18, Alamoutala, Yatela Diorite, Badji and Yiri. Diamond drilling totaled 2,608 meters. Approximately 11 percent of the RC drilling was conducted over proposed waste dump areas for sterilization purposes.

An IP geophysical survey at Sadiola-Yatela commenced in June and has been partially completed, with some delays experienced due to logistical factors and weather. Hyperspectral core imaging of 93,000 meters of core was completed and will provide alteration based vectors for exploration targeting and predictive metallurgy.

A comprehensive termite mound sampling program was undertaken over the entire Sadiola concession during 2012. The program has been successful in highlighting prospective areas on the lease along the FE trend and northeast extensions of the Sadiola mineralization. Termite mound sampling was also started at Yatela and will continue next year. Portable XRF analysis of all termite mound samples is ongoing to provide multi-element data and identify potential pathfinder elements for target generation.

A three-year research program by the Centre for Exploration Targeting (CET) from the University of Western Australia commenced in early 2012. The objective of this project is to review and enhance the geological understanding of the Sadiola-Yatela deposit. This will inform further exploration programs within the area.

Namibia

At Navachab, 23,741 meters of drilling was completed over several areas, with the emphasis on the expansion project, Main Pit down-plunge extension area, and the Okahandja targets.

Drilling of the expansion project consisted of 7,105 meters diamond drilling for Mineral Resource upgrades and 4,846 meters RC drilling, mainly for sterilization purposes, over the waste dump area. A total of 7,495 meters of diamond drilling was completed in the lower schist down-plunge target at the Main Pit.

Off-mine exploration focused on the Okahandja target area, with 2,127 meters of drilling to test the geophysical and soil geochemical targets generated at Agagia. Soil geochemical sampling was conducted at the Cox Montis target.

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Australia

At Tropicana, a revised Mineral Resource estimate was prepared. Open Pit Resources are now reported within an A$1,500 per ounce pit shell. The study will consider the trade-off between open pit and underground mining options and will provide recommendations as to the optimal mining approach. Study work has commenced with metallurgical testing underway and a mining and geotechnical review.

Drilling of 38,336 meters for the Havana Deeps prefeasibility study was completed during the year while 14,221 meters of drilling of near-mine targets continued during the year. Drilling completed on the Havana-Tropicana trend, the Springbok/Hat Trick area and Boston Shaker.

Exploration at Sunrise Dam focused on growing the Mineral Resource base so that Sunrise Dam has the platform from which it can deliver its business plan each year. This was achieved through the specific work that includes:

- in-mine exploration (35,739 meters), which extends the known Mineral Resource in areas proximal to existing development; and
- near-mine exploration, which determines an understanding of the potential for Sunrise Dam, through specific geological characterization, and explores the areas around the mine and within enveloping tenure of 2,932 meters. This forms part of the mine life expansion project of 47,569 meters and includes the Vogue Mineral Resource of 28,897 meters.

A total of 115,137 meters was drilled in 420 drill holes. Drilling (66 percent) focused on deep extensions and longer-term Mineral Resource growth of the Vogue, Carey Shear and Astro-Sunrise Shear Lodes, whilst 33 percent of the drilling focused on in-mine exploration and mineral resource extension.

ANGLOGOLD ASHANTI / DE BEERS JOINT VENTURE

In South African Sea Areas (SASA), a drilling program was concluded in February with a total of 87 boreholes drilled. All but 3.5 percent of samples taken over the 260 x 60 kilometers exploration area contained gold. This suggests that the exploration is taking place within a significant gold province but that this search now needs to be narrowed down geologically to target areas of higher potential.

A full review of all data collected to date was conducted by the joint venture around mid-year and a number of work flows were identified for completion prior to a further review.

In Nome, the environmental baseline studies field work was successfully completed and the first draft report issued. Side scan sonar, swath bathymetry and 2D seismics survey were completed (3,997 line kilometers). Interpretation of the geophysical data has been completed and an initial geophysical model developed.

A ship-based sonic core drilling campaign was completed during the summer season and 454 meters of core retrieved. This core was transported to Cape Town where initial logging and sampling has started. A conceptual economic study was completed and indicated that a positive business case was possible.

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4C. ORGANIZATIONAL STRUCTURE
GROUP STRUCTURE

AngloGold Ashanti s operations are divided into the following regions:

South Africa operations in Vaal River and West Wits;

Continental Africa operations in Ghana, Guinea, Namibia and Tanzania and joint venture operations in the DRC and Mali;

Australasia operation in Australia; and

Americas operations in Argentina, Brazil and the United States.

The above four regions also correspond to AngloGold Ashanti s four business segments.

Management of the group is entrusted to AngloGold Ashanti s executive committee which is chaired by the Chief Executive Officer. See Item 6.: Directors, executive management and employees .

Support is provided to the executive committee in managing AngloGold Ashanti s corporate activities at both the central and local levels. Activities managed centrally include strategic and business planning, marketing, corporate finance, treasury, exploration, technology and innovation, corporate secretarial and corporate affairs. Specialized services directed from the center but managed by local operations include mining, engineering, metallurgy, mineral resource management, safety and health, the environment and human resources.

SUBSIDIARIES

AngloGold Ashanti has investments in principal subsidiaries and joint venture interests, see Item 19.: Exhibits Exhibit 19.8 List of AngloGold Ashanti Limited subsidiaries for details.

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4D. PROPERTY, PLANTS AND EQUIPMENT

AngloGold Ashanti s operating mines are all accessible by road.

SOUTH AFRICA - GEOLOGY

The Witwatersrand Basin comprises a six-kilometer thick sequence of inter-bedded argillaceous and arenaceous sediments that extend laterally for some 300 kilometers north-east/south-west and 100 kilometers north-west/south-east on the Kaapvaal Craton. The upper portion of the basin, which contains the orebodies, crops out at its northern extent near Johannesburg. Further west, south and east the basin is overlain by up to four kilometers of Archaean, Proterozoic and Mesozoic volcanic and sedimentary rocks. The Witwatersrand Basin is late Archaean in age and is considered to be in the order of 2.7 to 2.8 billion years old.

Gold occurs in laterally extensive quartz pebble conglomerate horizons or reefs, generally less than two meters thick, which are widely considered to represent laterally extensive braided fluvial deposits. Separate fan systems were developed at different entry points and these are preserved as distinct goldfields. The most fundamental control to the gold distribution in the Basin remains the sedimentary features, such as facies variations and channel directions. Gold generally occurs in native form often associated with pyrite and carbon, with quartz being the main gangue mineral.

Operations in the South Africa region are powered by electricity from Eskom Holdings Limited which supplies 95 percent of the electricity used in South Africa.

Vaal River operations

Description

The Vaal River operations consist of Great Noligwa, Kopanang, Moab Khotsong as well as surface operations.

Geology

In order of importance, the reefs mined at the Vaal River operations are the Vaal Reef, the VCR and the C Reef:

The Vaal Reef contains approximately 85 percent of the reserve tonnage with mining grades between 10 and 20g/t and comprises a series of oligomictic conglomerates and quartzite packages developed on successive unconformities. Several distinct facies have been identified, each with its unique gold distribution and grade characteristic.

The VCR has a lower grade than the Vaal Reef, and contains approximately 15 percent of the estimated reserves. The economic portion is mainly concentrated in the western part of the lease area and can take the form of a massive conglomerate, a pyritic sand unit with intermittent pebble layers or a thin conglomerate horizon. The reef is located at the contact between the overlying Kliprivierberg Lavas of the Ventersdorp SuperGroup and the underlying sediments of the Witwatersrand SuperGroup which creates a distinctive seismic reflector. The VCR is located up to one kilometer above the Vaal Reef.

The C Reef is a thin, small pebble conglomerate with a carbon-rich basal contact, located approximately 270 meters above the Vaal Reef. It has less than 1 percent of the estimated reserves with grades similar to the Vaal Reef, but is more erratic. The most significant structural features are the north-east striking normal faults which dip to the north-west and south-east, resulting in zones of fault loss.

Vaal River Summary of metallurgical operations

	West Gold Plant	East Gold Acid and Float Plant	Noligwa Gold Plant	Mispah Gold Plant	Kopanang Gold Plant
Gold plants					
Capacity (000 tonnes/month)	180	309	263	140	420
Uranium plants					

Capacity (000 tonnes/month)	263

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Vaal River Great Noligwa

Description

Great Noligwa, which began operations in 1972, is a mature operation which adjoins Kopanang and Moab Khotsong and is located close to the town of Orkney, near the Vaal River. The Vaal Reef, the operation s primary reef, and the Crystalkop Reef, a secondary reef, are mined from a twin-shaft system over eight main levels at an average depth of 2,400 meters. Given the geological complexity of the orebody at Great Noligwa, a pillar mining method is employed.

The mine shares a milling and treatment circuit with Moab Khotsong and Kopanang.

Vaal River Kopanang

Description

Kopanang is located in the Free State province, roughly 170 kilometers south-west of Johannesburg and approximately 10 kilometers southeast of the town of Orkney on a lease area of 35km^2. The operation which started in 1984 is west of neighbour Great Noligwa and bound to the south by the Jersey Fault. Gold is the primary output with uranium oxide as a by-product from a single shaft system to a depth of 2,600 meters.

Kopanang almost exclusively exploits the Vaal Reef, although minor amounts of gold are also extracted from the secondary Crystalkop Reef. Given the geologically complex orebody, scattered mining is used.

Vaal River Moab Khotsong

Description

Moab Khotsong started operations in 2003 and is AGA s newest gold mine in South Africa. It is situated near Orkney, Klerksdorp and Viljoenskroon, about 180 kilometers southwest of Johannesburg. Stoping operations began in November 2003, with the mine expected to reach full production in 2013. Given the geological complexity of the Vaal Reef, scattered mining is employed.

The Zaaiplaats orebody in the Moab Khotsong lease area presents a significant growth opportunity and capital has been allocated to support its development in phases.

Surface operations

Description

Surface operations (metallurgy) extract gold from marginal ore dumps and tailings storage facilities on surface at various Vaal River and West Wits operations where there is more metallurgical capacity than reef mined. Uranium is produced as a by-product. In addition, backfill product is used as support in mining operations. The surface operation includes the rail transport infrastructure, the Vaal River and West Wits Laboratories and tailings management facilities. Although there is more than one surface operation they are technically reported as one.

Mine Waste Solutions

Description

MWS is a gold and uranium tailings recovery operation located in the western portion of the Witwatersrand Basin, some 160 kilometers from Johannesburg approximately 8 kilometers from the town of Klerksdorp near Stilfontein in the North West Province. It has been operational since 1964 and was previously owned by First Uranium Corp.

The Project consists of 14 tailings dams, which are made up of deposits from three gold and uranium mines that operated for 50 years.

The tailings dams are scattered over an area that stretches approximately 13.5 kilometers north to south and 14 kilometers east to west. The footprints of the 14 tailings dams cover an area of approximately 1,100 hectares.

The MWS gold plants have the capacity to treat tailings of 1,93 million tonnes per month. The uranium plant has a design capacity of 135,000 tonnes per months and plan construction is expected to be completed by the last quarter of 2013.

Geology

MWS lies within the Witwatersrand Basin, an Archaean sedimentary basin which was deposited over a protracted time period, whose surface expression is an elongate structure that extends longitudinally for approximately 300 kilometers northeast-southwest by 100 kilometers northwest-southeast.

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The tailings dams are comprised of tailings material which originated from the processing of underground ore from Buffelsfontein Gold mine (BGM) and the now defunct Stilfontein Gold Mine (SGM). Both BGM and SGM predominately extracted gold from conglomerate refs of the Witwatersrand Basin. The material contained in the tailings dams is generally fine.

West Wits operations

Description

The Mponeng, Savuka and TauTona mines are situated on the West Wits Line near the town of Carletonville, straddling the border of Gauteng and North West Province. Mponeng has its own gold processing plant, while the Savuka and TauTona operations share a plant.

Geology

Two reef horizons are exploited at the West Wits operations, the Ventersdorp contact Reef (VCR) located at the top of the Central Rand Group and the Carbon Leader Reef (CLR) near the base. The separation between the two reefs increases from east to west from 400 to 900 meters, due to unconformity in the VCR. TauTona and Savuka exploit both reefs, whereas Mponeng only mines the VCR. Faults of greater than 70 meters are rare. The CLR consists of one or more conglomerate units and varies from several centimeters to more than three meters in thickness. Regionally, the VCR dips at approximately 21 degrees but may vary between 5 degrees and 50 degrees, accompanied by changes in thickness of the conglomerate units. Where the conglomerate has the attitude of the regional dip, it tends to be thick, well-developed and accompanied by higher gold accumulations. Where the attitude departs significantly from the regional dip, the reef is thin, varying from several centimeters to more than three meters in thickness.

West Wits Mponeng

Description

Mponeng, in operation since 1986, is located between the towns of Carletonville and Fochville on the border between Gauteng and the North West Province, southwest of Johannesburg. The operation, the world s deepest mine, extracts the Ventersdorp Contact Reef (VCR) at depths between 2,400 meters and 3,900 meters through sequential-grid mining. The Mponeng lease area is constrained to the north by the TauTona and Savuka mines, to the east by Gold Fields Driefontein mine and to the west by Harmony s Kusasalethu mine. Mponeng comprises a twin-shaft system housing two surface shafts and two sub-shafts. Ore is treated and smelted at the mine s gold plant. The plant has a monthly capacity of 165 000 tonnes.

West Wits TauTona

Description

TauTona lies on the West Wits Line, just south of Carletonville in Gauteng, about 70 kilometers southwest of Johannesburg. In operation since 1961, mining takes place at depths of 1,850 meters to 3,450 meters. The mine has a three-shaft system, supported by secondary and tertiary shafts, and is in the process of converting from longwall to scattered-grid mining. The change in mining method was necessitated by the increasingly complex geology being encountered and the unsuitability of the current method for mining through the Pretorius fault. This change is also expected to improve safety.

West Wits Savuka

Description

Savuka is situated on the West Wits line in the province of Gauteng, close to the town of Carletonville and approximately 70 kilometers southwest of Johannesburg. The Carbon Leader Reef (CLR) is mined at depths varying between 3,137 meters and 3,457 meters below surface and the Ventersdorp Contact Reef (VCR) at a depth of 1,808 meters below surface.

Savuka shares a processing plant with neighbouring TauTona and has been operational since 1962. The gold plant has a monthly capacity of 160 000 tonnes.

The West Wits team conducted an investigation into the incorporation of Savuka, which is nearing the end of its working life, into either TauTona or Mponeng. Post year-end, the investigation concluded that the optimal, most efficient solution to accessing Savuka s remaining Ore Reserves would be via TauTona s infrastructure.

From January 1, 2013 Savuka and TauTona operate as a single mine.

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CONTINENTAL AFRICA

GHANA - Summary of metallurgical operations

	Sulfide Treatment Plant	Obuasi Tailings Treatment Plant	Iduapriem Plant
Capacity (000 tonnes/month)	195	180	385

Ghana Iduapriem

Description

Iduapriem, wholly owned by AngloGold Ashanti since September 2007, comprises the Iduapriem and Teberebie properties on a 110km^2 concession. The mine, which began operations in 1992, is situated in the western region of Ghana, some 70 kilometers north of the coastal city of Takoradi and 10 kilometers southwest of Tarkwa.

Iduapriem is an open-pit mine and its processing facilities include a Carbon-in-pulp (CIP) plant.

Geology

The Iduapriem and Teberebie properties are located along the southern end of the Tarkwa basin. The mineralization is contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic age. The outcropping Banket Series of rocks in the mine area form prominent, arcuate ridges extending southwards from Tarkwa, westwards through Iduapriem and northwards towards Teberebie.

Ghana Obuasi

Description

Obuasi, wholly owned by AngloGold Ashanti since 2004, is located in the Ashanti Region of Ghana, approximately 60 kilometers south of Kumasi. Mining operations are primarily underground, to a depth of 1.5 kilometers. However, some surface mining in the form of open pit and tailings reclamation also occurs. Obuasi originally opened in 1897.

Geology

The gold deposits at Obuasi are part of a prominent gold belt of Proterozoic (Birimian) volcano-sedimentary and igneous formations which extend for a distance of approximately 300 kilometers in a north-east/south-west trend in south-western Ghana. Obuasi mineralization is shear-zone related and there are three main structural trends hosting gold mineralization: the Obuasi trend, the Gyabunsu trend and the Binsere trend.

Two main ore types are mined:

- quartz veins which consist mainly of quartz with free gold in association with lesser amounts of various metal sulfides such as iron, zinc, lead and copper. The gold particles are generally fine-grained and occasionally are visible to the naked eye. This ore type is generally non-refractory; and
- sulfide ore which is characterized by the inclusion of gold in the crystal structure of a sulfide material. The gold in these ores is fine-grained and often locked in arsenopyrite. Higher gold grades tend to be associated with finer grained arsenopyrite crystals. Other prominent minerals include quartz, chlorite and sericite. Sulfide ore is generally refractory.

Power is supplied to the mines by the Volta River Authority.

GUINEA

Description

Siguiri, a multiple open-pit oxide gold mine which opened in 1997, is AngloGold Ashanti s sole operation in the Republic of Guinea. It is located in the district of Siguiri, around 850 kilometers northeast of the country s capital Conakry. Conventional mining activities are performed by contractors in multiple open pits using conventional techniques. On surface, Siguiri s gold processing plant treats about 960,000 tonnes per month. Power to the mine is self-generated.

AngloGold Ashanti holds an 85 percent interest in Siguiri and the balance of 15 percent is held by the Government of Guinea.

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Geology

This concession is dominated by Proterozoic Birimian rocks which consist of turbidite facies sedimentary sequences. The two main types of gold deposits which occur in the Siguiri basin and are mined are:

- laterite or CAP mineralization which occurs as aprons of colluvial or as palaeo-channels of alluvial lateritic gravel adjacent to, and immediately above; and
- in-situ quartz-vein related mineralization hosted in meta-sediments with the better mineralization associated with vein stockworks that occurs preferentially in the coarser, brittle siltstones and sandstones.

The mineralized rocks have been deeply weathered to below 100 meters in places to form saprolite or SAP mineralization. With the percentage of available CAP ore decreasing, a carbon-in-pulp (CIP) plant is used to treat predominantly SAP ore.

MALI

AngloGold Ashanti has interests in three gold mining operations in Mali, namely, Sadiola, Yatela and Morila. It manages two of these operations, Sadiola and Yatela.

Mali Morila (attributable 40 percent)

Description

The Morila mine has operated for 13 years and is situated 180 kilometers southeast of Bamako, the capital of Mali. The operation treats low-grade stockpiles while the plant, which incorporates a conventional carbon-in-leach process with an upfront gravity section to extract the free gold, has annual throughput capacity of 4.3 million tonnes. Since mining was concluded in 2009 with the depletion of the orebody, operations at Morila currently involve processing of the stockpile which stood at 5 million tonnes (marginal ore and marginal waste) as at year-end. Power is supplied by a subcontractor.

AngloGold Ashanti has an effective 40 percent stake in Morila, as does Randgold Resources Limited (which manages the mine). The Government of Mali owns the remaining 20 percent.

Geology

Morila is a mesothermal flat lying shear-zone hosted deposit which, apart from rising to the surface in the west against steep faulting, lies flat. The deposit occurs within a sequence Birimian metal-arkoses of amphibolite metamorphic grade. Mineralization is characterized by silica-feldspar alteration and sulfide mineralization consists of arsenopyrite, pyrrhotite, pyrite and chalcopyrite.

Mali Sadiola (attributable 41 percent)

Description

The Sadiola mine is situated in western Mali, some 77 kilometers south-southwest of the regional capital Kayes. The mine is a joint venture between AngloGold Ashanti (41 percent) and IAMGOLD (41 percent) and the government of Mali (18 percent). The mine has been operating under the current ownership structure since 1996. Mining activities take place in five open pits. On-site surface infrastructure includes a 4.9 million tonnes per annum carbon-in-leach gold plant where the ore is eluted and smelted. Sadiola s future lies in the expansion of the Sadiola main pit and a new plant. Power to the Sadiola and Yatela mines is self-generated.

Geology

The Sadiola deposit occurs within an inlier of greenschist facies metamorphosed Birimian rocks known as the Kenieba Window. The specific rocks which host the mineralization are marbles and greywackes which have been intensely weathered to a maximum depth of 200 meters. A series of north-south trending faults occur that are the feeders to the Sadiola mineralization. As a result of an east-west regional compression event, deformation occurs along a north-south striking marble-greywacke contact, increasing the porosity of this zone. North-east striking structures which intersect the north-south contact have introduced mineralization, mainly with the marble where the porosity was greatest. The Sadiola Hill deposit generally consists of two zones, an upper oxidized cap and an underlying sulfide zone. From 1996 until 2002, shallow saprolite oxide ore from the Sadiola Hill pit was the primary ore source. Since 2002, the deeper saprolitic sulfide ore has been mined and in

future will progressively replace the depleting oxide reserves.

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Mali Yatela (attributable 40 percent)

Description

Yatela, operational since 2001, is 80 percent owned by the Sadiola Exploration Company Limited, a joint venture between AngloGold Ashanti and IAMGOLD, giving each a 40 percent stake in Yatela. The balance of 20 percent is owned by the government of Mali.

The Yatela mine is situated in western Mali, some 25 kilometers north of Sadiola and approximately 50 kilometers south-southwest of the regional capital Kayes. Ore extraction has been conducted from a number of pits in which mining in most of these pits has been completed.

For the remaining years of the life of mine, the focus will be on a final cutback in Yatela Main pit as well as a new pit north of the Yatela Main pit. The ore mined is treated on heap-leach pads together with carbon loading. The carbon is then transported to Sadiola for elution and smelting.

Geology

Yatela mineralization occurs as a keel-shaped body in Birimian metacarbonates. The keel is centered on a fault which was the feeder for the original mesothermal mineralization, with an associated weakly mineralized diorite intrusion. Mineralization occurs as a layer along the sides and in the bottom of the keel . The ore dips almost vertically on the west limb and more gently towards the west on the east limb, with tight closure to the south.

NAMIBIA

Namibia Navachab

Description

The Navachab gold mine is situated near the town of Karibib, some 170 kilometers northwest of the capital Windhoek and 171 kilometers inland on the southwest coast of Africa.

Navachab, which began operations in 1989, is an open-pit mine with a processing plant which includes a mill as well as CIP and electro-winning facilities, all with a monthly capacity of 120,000 tonnes.

Geology

The Navachab deposit is hosted by Damaran greenschistam-phibolite facies, calc-silicates, marbles and volcanoclastics. The rocks have been intruded by granites, pegmatites and (quartz-porphyry dykes) aplite and have also been deformed into a series of alternating dome and basin structures. The mineralized zone forms a sheet-like body which plunges at an angle of approximately 20 degrees to the north-west. The mineralization is predominantly hosted in a sheeted vein set (±60 percent) and a replacement skarn body (±40 percent). The gold is very fine-grained and associated with pyrrhotite, and minor to trace amounts of pyrite, chalcopyrite, maldonite and bismuthinite. Approximately 80 percent of the gold is free milling.

TANZANIA

Tanzania Geita

Description

The Geita gold mine is located in the Lake Victoria goldfields of the Mwanza region of Tanzania, about 120 kilometers from Mwanza and 4 kilometers west of the town of Geita.

The Geita gold mine is a multiple open pit operation with underground potential and is currently serviced by a 5.2 million tonnes per annum CIL processing plant.

Geology

Geita is an Archaean mesothermal mainly BIF-hosted deposit. Mineralization is located where auriferous fluids, which are interpreted to have moved along shears often on BIF-diorite contacts, reacted with the BIF. Some lower-grade mineralization can occur in the diorite as well (usually in association with BIF-hosted mineralization), and approximately 20 percent of the gold is hosted in the diorite.

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AUSTRALIA

Australia Sunrise Dam

Description

The Sunrise Dam gold mine is located in the northern goldfields of Western Australia, 220 kilometers northeast of Kalgoorlie and 55 kilometers south of Laverton.

The mine consists of a large open pit which is now in its sixteenth year of operation, and an underground mine which began in 2004. Mining is conducted by contractors and the ore is treated in a conventional gravity and carbon-in-leach (CIL) processing plant, which is managed by AngloGold Ashanti. Power to the mine is self-generated. The CIL processing plant has a nameplate capacity of 2.5 million tonnes per annum.

Geology

Gold ore at Sunrise Dam is structurally and lithologically controlled within gently dipping high strain shear zones (for example, Sunrise Shear) and steeply dipping brittleductile low strain shear zones (for example, Western Shear). Host rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.

THE AMERICAS

UNITED STATES OF AMERICA

United States of America Cripple Creek & Victor

Description

AngloGold Ashanti holds a 100 percent interest in Cripple Creek & Victor (CC&V) Gold Mining Company s Cresson Project, located in the state of Colorado in the United States. A surface mining operation provides ore to a crusher and valley-leach facility, one of the largest in the world. Production here began in 1994. Production from the mine life extension (MLE1) project, which involved expanding capacity at the heap-leach pad, began in 2011. A further life extension and production expansion project (MLE2) was approved in 2012. The power for the mine is purchased from Black Hills Energy. The mine became operational in 1976. The mine has been operated by AngloGold Ashanti since 1999.

Geology

The district of Cripple Creek is centered on an intensely altered alkaline, Tertiary-aged, diatreme-volcanic, intrusive complex, approximately circular in shape covering 18.4 square kilometers and surrounded by Precambrian rocks. The Precambrian rocks consist of biotite gneiss, granodiorite and quartz monzonite and granite.

The intersection of these four units and regional tectonic events formed an area of regional dilation which subsequently facilitated the formation of the volcanic complex. The majority of the complex then in-filled with the eruptive phase Cripple Creek Breccia host rock. This complex was subsequently intruded by a series of intrusive dykes and sills that include syenites, phonolites, phonotephrites and lamprophyres. These intrusives occupy all of the dominant district structural orientations. District structures are generally near vertical and strike north-north-west to north-east. These structures acted as primary conduits for the late-stage gold mineralizing solutions. Higher grade pods of mineralization occur at structural intersections and/or as sheeted veins along zones of strike deflection. High-grade gold mineralization is associated with K-feldspar + pyrite +/- carbonate alteration and occurs adjacent to the major structural and intrusive dyke zones. The broader zones of disseminated mineralization occur primarily as micro-fracture halos around the stronger alteration zones in the more permeable Cripple Creek Breccia wall rocks.

The average depth of oxidation is 120 meters and is also developed along major structural zones to even greater depths. Individual orebodies can be tabular, pipe-like, irregular or massive. Individual gold particles are generally less than 20 microns in size and occur as native gold with pyrite or native gold after gold-silver tellurides. Gold occurs within hydrous iron and manganese oxides and as gold-silver tellurides. Silver is present but is economically unimportant. Gold mineralization can be encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and quartz.

Cripple Creek & Victor **Summary of metallurgical operations**

Gold plants	
Capacity (000 tonnes/month)	
- crushed ore production	1,632
- total ore production	1,814
- solution processed	2,627

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SOUTH AMERICA

ARGENTINA

Argentina Cerro Vanguardia

Description

AngloGold Ashanti has a 92.5 percent interest in Cerro Vanguardia with Fomicruz (the province of Santa Cruz) owning the remaining 7.5 percent. Located to the northwest of Puerto San Julian in the province of Santa Cruz, Cerro Vanguardia consists of multiple small open pits. Shallow underground mining began in 2010 to access high-grade material and accounts for about 19 percent of the mine s production. The orebodies comprise a series of hydrothermal vein deposits containing gold and large quantities of silver, which is mined as a by-product. Ore is processed at the metallurgical plant which has a capacity of 3,000 tonnes per day and includes a cyanide recovery facility. Power for the mine is self-generated but operated by an external contractor. The mine has been operated by AngloGold Ashanti since 1998.

Geology

The oldest rocks in this part of Patagonia are metamorphics of the Precambrian-Cambrian age. These are overlain by Permian and Triassic continental clastic rocks which have been faulted into a series of horsts and grabens and are associated with both limited basaltic sills and dykes and with calc-alkaline granite and granodiorite intrusions. Thick andesite flows of Lower Jurassic age occur above these sedimentary units. A large volume of rhyolitic ignimbrites was emplaced during the Middle and Upper Jurassic age over an area of approximately 100,000km^2. These volcanic rocks include the Chon Aike formation ignimbrite units that host the gold bearing veins at Cerro Vanguardia. Post-mineral units include Cretaceous and Tertiary rocks of both marine and continental origin, the Quaternary La Avenida formation, the Patagonia gravel and the overlying La Angelita basalt flows. These flows do not cover the area of the Cerro Vanguardia veins.

Gold and silver mineralization at Cerro Vanguardia occurs within a vertical range of about 150 meters to 200 meters in a series of narrow, banded quartz veins that occupy structures within the Chon Aike ignimbrites. These veins form a typical structural pattern related to major north-south (Concepcion) and east-west (Vanguardia) shears. Two sets of veins have formed in response to this shearing. One set of veins strikes about N40W and generally dips 65 to 90 degrees to the east; while the other set strikes about N75W and the veins dip 60 degrees to 80 degrees to the south.

The veins are typical of epithermal, low-temperature, adularia-sericite character and consist primarily of quartz in several forms: as massive quartz, banded chalcedonic quartz, and quartz-cemented breccias. Dark bands in the quartz are due to finely disseminated pyrite, now oxidized to limonite. The veins show sharp contacts with the surrounding ignimbrite which hosts narrow stockwork zones that are weakly mineralized and appear to have been cut by a sequence of north-east-trending faults that have southerly movement with no appreciable lateral displacement.

BRAZIL

Brazil AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração)

Description

AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração) comprises two operational units, namely the Cuiabá and the Córrego do Sítio complexes. The Cuiabá complex includes the Cuiabá and Lamego mines and the Cuiabá and Queiroz plants. In operation for 27 years, the Cuiabá mine is principally a cut-and-fill mine accessed by ramp and shaft. Lamego is a new mine developed to mine an underground sulfide ore. The first stage of the processing of the ore from Cuiabá and Lamego mines is in the gold plant at the Cuiabá complex, where concentrate is produced. The material is then transported 15 kilometers by aerial ropeway to the Queiroz plant where milling, flotation, roasting, leaching, precipitation and refining occur. Total capacity of the complete circuit is 1.7 million tonnes per year and recoveries of 93 percent are achieved. Power for the mine is both self-generated and supplied by Cemig a stated owned company. The Cuiaba mine became operational in 1988 and the Lamego mine in 2009. However some of the older mines which are now closed have been operating since 1834.

The Córrego do Sítio operation comprises one surface (oxide) and two underground (sulfide) mines, as well as a heap leach pad and sulfide plant, the latter originally acquired from Eldorado late in 2008 was refurbished and brought into operation in January 2012.

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Geology

The area in which Brasil Mineração is located is known as the Iron Quadrangle and is host to historic and current gold mining operations, as well as a number of open-pit limestone and iron ore operations. The geology of the Iron Quadrangle is composed of Proterozoic and Archaean volcano-sedimentary sequences and Pre-Cambrian granitic complexes. The host to the gold mineralization is the volcano-sedimentary Nova Lima Group (NLG) that occurs at the base of the Rio das Velhas SuperGroup (RDVS). The upper sequence of the RDVS is the meta-sedimentary Maquiné Group. Cuiabá mine, located at Sabara Municipality, has gold mineralization associated with sulfides and quartz veins in Banded Ironstone Formation (BIF) and volcanic sequences. At this mine, structural control and fluids flow ascension are the most important factors for gold mineralization with a common association between large-scale shear zones and their associated structures. Where BIF is mineralized the ore appears strongly stratiform due to the selective sulfidation of the iron rich layers. Steeply plunging shear zones tend to control the ore shoots, which commonly plunge parallel to intersections between the shears and other structures.

The controlling mineralization structures are the apparent intersection of thrust faults with tight isoclinal folds in a ductile environment. The host rocks at Brasil Mineração are BIF, Lapa Seca and mafic volcanics (principally basaltic). Mineralization is due to the interaction of low salinity carbon dioxide rich fluids with the high-iron BIF, basalts and carbonaceous graphitic schists. Sulfide mineralization consists of pyrrhotite and pyrite with subordinate pyrite and chalcopyrite; the latter tends to occur as a late-stage fracture fill and is not associated with gold mineralization. Wallrock alteration is typically carbonate, potassic and silicic.

Brazil Summary of metallurgical operations

	Corrego do Sitio Oxide	Corrego do Sitio Sulfide	AngloGold Ashanti Mineração Cuiabá	AngloGold Ashanti Mineração Raposos	Serra Grande
Gold plants					
Capacity (000 tonnes/month)	38	50	138	28	102

Brazil Serra Grande (100 percent effective July 1, 2012, previously 50 percent)

Description

Serra Grande is located in central Brazil, in the state of Goiás, about 5 kilometers from the city of Crixás. Serra Grande comprises three mechanized underground mines: Mina III, Mina Nova (which includes the Pequizão orebody) and Palmeiras and an open pit on the outcrop of Mina III orebody. One dedicated metallurgical plant treats ore from these different sources. Annual capacity of the processing circuit, which has grinding, leaching, filtration, precipitation and smelting facilities, is 1.22 million tonnes. During the year, AngloGold Ashanti increased its holding in Serra Grande from 50 percent to 100 percent. Power for the mine is supplied and purchased on the open market. The mine became operational in 1989 but has been operated by AngloGold Ashanti since 1999.

Geology

The deposits are in the Rio Vermelho and Ribeirão das Antes Formations of the Archaean Pilar de Goia s Group which together account for a large proportion of the Crixás Greenstone Belt in central Brazil.

The stratigraphy of the belt is dominated by basics and ultrabasics in the lower sequences with volcano sedimentary units forming the upper successions.

The gold deposits are hosted in a sequence of schists, volcanics and carbonates occurring in a typical greenstone belt structural setting. The host rocks are of the Pilar de Goiás Group of the Upper Archaean. Gold mineralization is associated with massive sulfides and vein quartz material associated with graphitic and sericitic schists and dolomites. The oreshoots plunge to the north-west with dips of between 6 and 35 degrees. The stratigraphy is overturned and thrusts towards the east.

The greenstone belt lithologies are surrounded by Archaean tonalitic gneiss and granodiorite. The metamorphosed sediments are primarily composed of quartz, chlorite, sericite, graphitic and garnetiferous schists. The carbonates have been metamorphosed to ferroan dolomite marble with development of siderite and ankerite veining in the surrounding wallrock, usually associated with quartz veining. The basalts are relatively unaltered but do show pronounced stretching with elongation of pillow structures evident.

The Crixás greenstone belt comprises a series of Archaean to Palaeoproterozoic metavulcanics, metasediments and basement granitoids stacked within a series of north to north-east transported thrust sheet. Thrusting (D1) was accompanied by significant F1 folding/foliation development and progressive alteration in a brittle-ductile regime. D1 thrusting developed with irregular thrust ramp geometry, in part controlled by concealed early basin faults. The main

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Crixás orebodies are adjacent to a major north-north-west structural corridor, and up the main fault ramp/corner, to become dispersed to the east and north in zones of foreland thrust flats. Fluid alteration also diminished to the west away from the main fault corner. A series of concealed east-west to north-west-south-east basement block faults may have provided secondary fluid migration, and development of early anti-formal warps in the thrust sheets; these structures probably define the quasi-regular spacing of significant mineralization within the belt. The D1 thrust stack was gently folded by non-cylindrical folds. Gold mineralizing fluids probably migrated during this event, with similar south-south-west to north-north-east migration, and focusing on bedding slip during folding. Gold mineralization became minor and dispersed to the north and east along the formal thrust flat zone. Concentrations of gold along the case of quartz vein may be due to the damming of fluids migrating upward along layering.

ORE RESERVES

The combined Proven and Probable Ore Reserve of the group amounted to 74.1 million ounces as at December 31, 2012.

Ore Reserve estimates are reported in accordance with the requirements of the SEC s Industry Guide 7. Accordingly, as of the date of reporting, all Ore Reserves are planned to be mined out under the life-of-mine plans within the period of AngloGold Ashanti s existing rights to mine, or within the renewal periods of AngloGold Ashanti s rights to mine. In addition, as of the date of reporting, all Ore Reserves are covered by required permits and governmental approvals. See Item 4B.: Business overview The regulatory environment enabling AngloGold Ashanti to mine .

AngloGold Ashanti has standard procedures for the estimation of Ore Reserve. These standard procedures are performed by technical personnel at the mining operations and reviewed by regional and corporate competent persons.

In the case of its underground mines, the procedure is as follows: Firstly, gold content and tonnage are estimated for in-situ mineralized material at a mining operation. This mineralized material is not necessarily economically viable. Exclusions on the grounds of safety (for example, stability pillars and shaft pillars) are then defined. Grade-tonnage curves specific for each of the deposits, in conjunction with parameters such as the cost structure; yield; mine call factor and gold price estimates are used to determine an optimal mining mix. This process facilitates the determination of the average grade to be mined by each operation. This grade is then applied to the grade-tonnage curves, which in turn facilitates the determination of the cut-off grade and Ore Reserve tonnage for the operation. A full mine design is carried out on the blocks of mineralized material, excluding any large mining areas that do not meet the cut-off grade criterion. This mining plan is reviewed to ensure that it satisfies the economic criteria and practical limitations of access and timing. If the review process is positive then the mineralized material (with dilution) included in the mining plan is declared and published as the Ore Reserve for that operation.

In the case of open-pit mines the procedure is as follows: revenue and costs are calculated for each mining block within a three-dimensional model of the ore body using assumed values for gold price, operating costs and metallurgical recoveries. An optimization process is then applied to determine the combination of blocks within the model that make a positive contribution under these assumptions. Block selection is within a shell whose limits are defined by the planned slope angles of the pit. Within this process, a cut-off grade is applied which determines the ore blocks to be treated and included in the Ore Reserve. These blocks are scheduled with consideration being given to practical mining considerations and limitations. Scheduled ore blocks that are classified as Proven or Probable constitute the Ore Reserve.

The gold price and exchange rate used for 2012 and 2011 Reserve is outlined in the following table.

	2012 (3 year average)	2012 (Business Plan)	2011 (3 year average)	Units
Ore Reserve Gold Price	1,488	1,300	1,256	US$ per ounce
Exchange Rate South Africa	7.58	6.94	7.64	ZAR/US$
Ore Reserve Gold Price (South African rand per ounce)	11,345	9,324	9,479	ZAR per ounce

The Ore Reserve has been determined using the company s business plan assumptions - a gold price of $1,300 per ounce and a South African rand exchange rate of 6.94 to the US dollar, which translates to a South African rand gold price of ZAR9,324 per ounce.

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As in prior years, the Ore Reserve determined from the planning process was then tested for economic viability at the three-year historical average gold price and currency exchange rates shown in the above table for determining the SEC compliant Ore Reserve. This did not result in any changes. The resultant SEC compliant Proven and Probable Ore Reserve is shown in the following pages.

In Australia and South Africa, AngloGold Ashanti is legally required to publicly report Ore Reserve and Mineral Resource according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 edition) and the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2007 edition). The SEC s Industry Guide 7 does not recognize Mineral Resources. Accordingly, AngloGold Ashanti does not report estimates of Mineral Resource in this annual report on Form 20-F.

The AngloGold Ashanti Ore Reserve decreased from 75.6 million ounces in 2011 to 74.1 million ounces in December 2012. A year-on-year increase of 3.2 million ounces occurred before the subtraction of 4.7 million ounces for depletion, resulting in a decrease of 1.5 million ounces after the subtraction of depletion. A gold price of $1,300 per ounce (ZAR9,324 per ounce) was used for Ore Reserve estimates (2011: $1,100 per ounce, ZAR8,393 per ounce).

The principal changes in AngloGold Ashanti s Ore Reserves as at December 31, 2012, compared with those published as at December 31, 2011 are as follows:

Ore Reserve		**Million oz**
Ore Reserve as at December 31, 2011		**75.6**
Reductions		
Kopanang	Depletion and minor model revision	(1.4)
Obuasi	Revised mine planning parameters and geotechnical review	(0.9)
Great Noligwa	Economic driven reduction of underground mining footprint	(0.7)
Other	Total of non-significant changes	(2.7)
Additions		
Kibali	Open pit increase due to additional metal defined by grade control drilling	0.4
Geita	Positive economic changes	0.7
Other	Total of non-significant changes	0.3
Acquisitions		
Serra Grande	Purchase of remaining 50 percent of the operation	0.4
Mine Waste Solutions	Purchase of Mine Waste Solutions	2.4
Ore Reserve as at December 31, 2012		**74.1**

Rounding may result in computational differences.

AngloGold Ashanti strives to actively create value by growing its major asset the Ore Reserve. This drive is based on an active, well-defined brownfields exploration program, innovation in both geological modeling and mine planning and optimization of its asset portfolio.

The Ore Reserve estimates in this document include the Ore Reserve below current infrastructure in the case of certain South African, Brazilian and Ghanaian underground mines which are in production.

By-products

Several by-products are recovered as a result of the processing of gold Ore Reserve. These include 162.03 million pounds (73,492 tonnes) of uranium oxide from the South African operations, 0.49 million tons (0.44 million tonnes) of sulfur from Brazil and 40.74 million ounces (1,267 tonnes) of silver from Argentina. Details of the by-product Ore Reserve is are given in the Mineral Resource and Ore Reserve Report 2012, which is available on the corporate website.

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External Audit of Mineral Resource and Ore Reserve Statement

During the course of 2012, the following AngloGold Ashanti operations were subjected to external audits by a number of consulting companies:

- Sadiola
- Vaal River Surface Operations including Mine Waste Solutions
- AGA Mineração - Córrego do Sítio

The company has been informed that the audits identified no material shortcomings in the process by which AngloGold Ashanti s grade models were evaluated. It is the company s intention to continue a process whereby each of its operations will be audited, on average, every three years.

Competent Persons

The information in this report that relates to the Ore Reserve is based on information compiled by the Competent Persons. The Competent Persons consent to the inclusion of Exploration Results and Ore Reserves information in this report, in the form and context in which it appears.

During the past decade, the company has developed and implemented a rigorous system of internal and external reviews of Exploration Results, Mineral Resources and Ore Reserves. A chain of responsibility exists from the Competent Persons at the operations to the company s Mineral Resource and Ore Reserve Steering Committee. Accordingly, the Chairman of the Mineral Resource and Ore Reserve Steering Committee, VA Chamberlain, MSc (Mining Engineering), BSc Hons (Geology), MGSSA, FAusIMM, assumes responsibility for the Mineral Resource and Ore Reserve processes for AngloGold Ashanti and is satisfied that the Competent Persons have fulfilled their responsibilities.

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Ore Reserve: Imperial	At December 31, 2012						
	Proven Ore Reserve [1][2]			Probable Ore Reserve [1][2]			Metallurgical Recovery Factor
	Tons[5] (million)	Grade (oz/ton)	Gold Content [1] (m oz)	Tons [5] (million)	Grade (oz/ton)	Gold Content [1] (m oz)	percent
South Africa							
***Vaal River* (6)**							
Great Noligwa	1.33	0.255	0.34	0.21	0.239	0.05	95.5
Kopanang	0.96	0.229	0.22	5.54	0.211	1.17	96.4
Moab Khotsong [2]	1.80	0.317	0.57	20.81	0.290	6.04	95.8-96.0 [4]
West Wits							
Mponeng [2]	2.55	0.259	0.66	44.31	0.297	13.15	98.1
Savuka	0.29	0.174	0.05	3.34	0.150	0.50	97.3
TauTona	0.82	0.331	0.27	5.29	0.261	1.38	97.5
Surface							
Surface sources [6]	156.20	0.007	1.05	723.47	0.008	6.12	51.5-93 [4]
Continental Africa							
Democratic Republic of Congo							
Kibali (45 percent) [3]	1.75	0.097	0.17	39.57	0.120	4.75	84.5; 91.3 [9]
Ghana							
Iduapriem	24.87	0.039	0.96	27.40	0.046	1.25	95.0
Obuasi [2]	20.19	0.175	3.53	30.77	0.162	4.99	85.4
Guinea							
Siguiri (85 percent) [3]	40.33	0.018	0.74	74.52	0.020	1.46	88.0-90.0 [4]
Mali							
Morila (40 percent) [3]	-	-	-	1.70	0.035	0.06	88.8-89.0 [4]
Sadiola (41 percent) [3]	2.44	0.037	0.09	38.37	0.053	2.05	76.0-94.0 [4]
Yatela (40 percent) [3]	0.06	0.038	0.00	0.29	0.105	0.03	84.8
Namibia							
Navachab	-	-	-	57.10	0.037	2.10	88.1
Tanzania							
Geita	-	-	-	71.72	0.076	5.42	46.0-91.0 [4]
Australasia							
Australia							
Sunrise Dam	16.51	0.033	0.54	5.49	0.118	0.65	85.2-85.5 [4]
Tropicana (70 percent) [3]	20.01	0.066	1.33	24.06	0.058	1.40	90.0
Americas							
Argentina							
Cerro Vanguardia (92.5 percent) [3][7]	11.51	0.037	0.43	12.02	0.133	1.60	61.3-94.3 [4]
Brazil							
AGA Mineraçáo [2][8]	5.16	0.174	0.90	10.52	0.136	1.43	88.0-93.0 [4]
Serra Grande	5.08	0.085	0.43	3.24	0.102	0.33	93.7
United States of America							
Cripple Creek & Victor	170.65	0.024	4.06	90.78	0.020	1.83	43.0-95.0 [4]
Total	**482.50**	**0.034**	**16.34**	**1,290.52**	**0.045**	**57.74**	

(1) *Ore Reserve includes marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*
(2) *Proven and/or Probable Ore Reserve includes Ore Reserve below infrastructure. See table below.*
(3) *Ore Reserve attributable to AngloGold Ashanti s percentage interest shown.*
(4) *Recovery factor varies according to ore type.*
(5) *Tons refers to a short ton, which is equivalent to 2000 pounds avoirdupois.*
(6) *The Vaal Reef Ore Reserve includes 162.03 million pounds of Uranium oxide by-products; this cannot be accounted for by individual mine as Great Noligwa, Kopanang, Moab Khotsong and Surface sources in Vaal River feed to a combination of plants.*
(7) *The Ore Reserve contains 40.74 million ounces of silver to be recovered as a by-product.*
(8) *The Ore Reserve contains 0.49 million tons of sulfur to be recovered as a by-product.*
(9) *Open pit and underground mining, respectively.*

Rounding may result in computational differences.

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The 2012 Proven and Probable Ore Reserve includes Ore Reserve below infrastructure in the case of the following underground mines currently in production:

Mine	Tons (millions)	Grade (ounces/ton)	Gold Content (million ounces)
Moab Khotsong	14.95	0.280	4.18
Mponeng	25.49	0.346	8.82
Obuasi	3.56	0.385	1.37
AGA Mineração	4.57	0.149	0.68
Total	48.57	0.310	15.05

The Ore Reserve has been determined based on completed economic studies.

Rounding may result in computational differences.

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Ore Reserve: Imperial	At December 31, 2011						
	Proven Ore Reserve [1]			Probable Ore Reserve [1][2]			Metallurgical Recovery
	Tons [5]	Gold		Tons [5]	Gold		
	(million)	Grade Content [1] (oz/ton)	(m oz)	(million)	Grade Content [1] (oz/ton)	(m oz)	Factor percent
South Africa							
Vaal River [6]							
Great Noligwa	3.66	0.229	0.84	1.57	0.183	0.29	95.8
Kopanang	2.05	0.197	0.40	12.78	0.187	2.39	96.5
Moab Khotsong [2]	1.50	0.303	0.46	21.10	0.310	6.54	96.5
West Wits							
Mponeng [2]	5.09	0.276	1.41	41.99	0.300	12.62	98.2 [4]
Savuka	-	-	-	2.60	0.231	0.60	97.4
TauTona	0.81	0.346	0.28	6.19	0.265	1.64	97.4
Surface							
Surface sources	-	-	-	546.11	0.009	4.96	76-88 [4]
Continental Africa							
Democratic Republic of Congo							
Kibali (45 percent) [3]	-	-	-	36.86	0.123	4.52	84.5; 91.3 [10]
Ghana							
Iduapriem	31.52	0.038	1.21	29.59	0.045	1.34	95.0
Obuasi [2]	15.58	0.194	3.02	29.87	0.212	6.34	85.0
Guinea							
Siguiri (85 percent) [3]	39.38	0.018	0.70	79.56	0.020	1.61	92 [4]
Mali							
Morila (40 percent) [3]	0.63	0.050	0.03	2.95	0.033	0.10	88.8-89.0 [4]
Sadiola (41 percent) [3]	4.69	0.060	0.28	43.72	0.046	2.02	78-97.0
Yatela (40 percent) [3]	0.41	0.019	0.01	0.88	0.051	0.05	84.8
Namibia							
Navachab	6.96	0.032	0.22	48.70	0.038	1.83	69.5 ; 86.7 [9]
Tanzania							
Geita	-	-	-	62.10	0.076	4.74	46-91 [4]
Australasia							
Australia							
Sunrise Dam	16.35	0.034	0.55	8.33	0.117	0.97	84.8-86 [4]
Tropicana (70 percent) [3]	19.87	0.067	1.33	23.61	0.060	1.41	90.3
Americas							
Argentina							
Cerro Vanguardia (92.5 percent) [3][7]	11.64	0.040	0.46	14.16	0.124	1.76	95.0
Brazil							
AGA Mineraçáo [2][8]	5.78	0.182	1.05	7.51	0.140	1.05	88-93 [4]
Serra Grande (50 percent) [3]	2.05	0.098	0.20	1.61	0.109	0.17	93.9
United States of America							
Cripple Creek & Victor	177.23	0.024	4.26	95.46	0.021	2.00	43-95 [4]
Total	345.20	0.048	16.72	1,117.25	0.053	58.95	

(1) *Ore Reserve includes marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*
(2) *Probable Ore Reserve includes Ore Reserve below infrastructure. See table below.*
(3) *Ore Reserve attributable to AngloGold Ashanti s percentage interest shown.*
(4) *Recovery factor varies according to ore type.*
(5) *Tons refers to a short ton, which is equivalent to 2000 pounds avoirdupois.*
(6) *The Vaal Reef Ore Reserve includes 126.32 million pounds of Uranium oxide by-products; this cannot be accounted for by individual mine as Great Noligwa, Kopanang and Moab Khotsong feed to a combination of plants.*
(7) *The Ore Reserve contains 46.93 million ounces of silver to be recovered as a by-product.*
(8) *The Ore Reserve contains 0.45 million tons of sulfur to be recovered as a by-product.*
(9) *DMS plant and CIP plant, respectively.*
(10) *Open pit and underground mining, respectively.*

Rounding may result in computational differences.

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The 2011 Probable Ore Reserve includes Ore Reserves below infrastructure in the case of the following underground mines currently in production:

Mine	Tons (millions)	Grade (ounces/ton)	Gold Content (million ounces)
Moab Khotsong	13.91	0.312	4.34
Mponeng	35.20	0.325	11.46
Obuasi	2.99	0.381	1.14
AGA Mineração	2.96	0.158	0.47
Total	55.06	0.316	17.40

Rounding may result in computational differences.

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Ore Reserve: Metric	At December 31, 2012						
	Proven Ore Reserve [1][2]			Probable Ore Reserve [1][2]			Metallurgical
	Tonnes [6] (million)	Grade (g/t)	Gold Content (tonnes)	Tonnes [6] (million)	Grade (g/t)	Gold Content (tonnes)	Recovery factor percent
South Africa							
***Vaal River*[5]**							
Great Noligwa	1.21	8.77	10.60	0.19	8.62	1.62	95.5
Kopanang	0.87	7.92	6.89	5.03	7.25	36.44	96.4
Moab Khotsong[2]	1.63	10.83	17.61	18.88	9.95	187.87	95.8-96.0 [4]
West Wits							
Mponeng[2]	2.31	8.88	20.54	40.20	10.17	408.91	98.1
Savuka	0.26	5.78	1.50	3.03	5.08	15.40	97.3
TauTona	0.74	11.19	8.25	4.80	8.96	43.04	97.5
Surface							
Surface sources [5]	141.70	0.23	32.63	656.32	0.29	190.30	51.5-93 [4]
Continental Africa							
Democratic Republic of the Congo							
Kibali (45 percent) [3]	1.59	3.26	5.20	35.90	4.12	147.84	84.5; 91.3 [9]
Ghana							
Iduapriem	22.56	1.32	29.88	24.86	1.56	38.72	95.0
Obuasi[2]	18.32	5.99	109.78	27.91	5.56	155.11	85.4
Guinea							
Siguiri (85 percent)[3]	36.59	0.63	22.92	67.60	0.67	45.56	88.0-90.0 [4]
Mali							
Morila (40 percent)[3]	-	-	-	1.54	1.14	1.75	88.8-89.0 [4]
Sadiola (41 percent)[3]	2.21	1.29	2.86	34.81	1.83	63.64	76.0-94.0 [4]
Yatela (40 percent)[3]	0.05	1.36	0.07	0.26	3.61	0.92	84.8
Namibia							
Navachab	-	-	-	51.80	1.26	65.29	88.1
Tanzania							
Geita	-	-	-	65.06	2.59	168.63	46.0-91.0 [4]
Australasia							
Australia							
Sunrise Dam	14.98	1.12	16.74	4.98	4.03	20.07	85.2-85.5 [4]
Tropicana (70 percent)[3]	18.15	2.28	41.46	21.83	1.99	43.48	90.0
Americas							
Argentina							
Cerro Vanguardia (92.5 percent)[3][7]	10.44	1.29	13.49	10.90	4.56	49.71	61.3-94.3 [4]
Brazil							
AGA Mineraçáo[2][8]	4.68	5.99	28.07	9.54	4.66	44.41	88.8-93.0 [4]
Serra Grande	4.61	2.91	13.44	2.94	3.51	10.33	93.7
United States of America							
Cripple Creek & Victor	154.81	0.81	126.16	82.35	0.69	56.83	43.0-95.0 [4]

Total	437.72	1.16	508.11	1,170.74	1.53	1,795.90

(1) *Ore Reserve includes marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*
(2) *Probable and/or Probable Ore Reserve includes Ore Reserve below infrastructure. See table below.*
(3) *Ore Reserve attributable to AngloGold Ashanti s percentage interest shown.*
(4) *Recovery factor varies according to ore type.*
(5) *The Vaal Reef Ore Reserve includes 73.5 thousand tonnes of Uranium oxide by-products; this cannot be accounted for by individual mine as Great Noligwa, Kopanang, Moab Khotsong and Surface sources in Vaal River feed to a combination of plants.*
(6) *Tonnes refers to a metric tonne which is equivalent to 1000 kilograms.*
(7) *The Ore Reserve contains 1,267 tonnes of silver to be recovered as a by-product.*
(8) *The Ore Reserve contains 0.44 million tonnes of sulfur to be recovered as a by-product.*
(9) *Open pit and underground mining, respectively.*

Rounding may result in computational differences.

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The 2012 Proven and Probable Ore Reserve includes Ore Reserve below infrastructure in the case of the following underground mines currently in production:

Mine	Tonnes (millions)	Grade (grams/tonne)	Gold Content (tonnes)
Moab Khotsong	13.56	9.59	129.99
Mponeng	23.12	11.87	274.40
Obuasi	3.23	13.23	42.69
AGA Mineração	4.15	5.07	21.04
Total	44.06	10.62	468.12

Rounding may result in computational differences.

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Ore Reserve: Metric	At December 31, 2011						
	Proven Ore Reserve [1]			Probable Ore Reserve [1][2]			Metallurgical
	Tonnes[6] (million)	Grade (g/t)	Gold Content (tonnes)	Tonnes[6] (million)	Grade (g/t)	Gold Content (tonnes)	Recovery factor percent
South Africa							
Vaal River [5]							
Great Noligwa	3.32	7.85	26.06	1.42	6.27	8.90	95.8
Kopanang	1.86	6.75	12.54	11.59	6.42	74.43	96.5
Moab Khotsong[2]	1.36	10.40	14.16	19.14	10.63	203.52	96.5
West Wits							
Mponeng[2]	4.62	9.47	43.73	38.09	10.30	392.47	98.2[4]
Savuka	-	-	-	2.36	7.90	18.67	97.4
TauTona	0.73	11.85	8.68	5.61	9.08	50.99	97.4
Surface							
Surface sources	-	-	-	495.42	0.31	154.43	76-88[4]
Continental Africa							
Democratic Republic of the Congo							
Kibali (45 percent) [3]	-	-	-	33.44	4.21	140.69	84.5; 91.3 [10]
Ghana							
Iduapriem	28.59	1.32	37.70	26.85	1.56	41.74	95.0
Obuasi[2]	14.13	6.66	94.07	27.10	7.28	197.31	85.0
Guinea							
Siguiri (85 percent)[3]	35.72	0.61	21.90	72.18	0.69	49.97	92 [4]
Mali							
Morila (40 percent)[3]	0.57	1.71	0.98	2.67	1.14	3.04	88.8-89.0 [4]
Sadiola (41 percent)[3]	4.26	2.05	8.71	39.66	1.58	62.76	78-97.0
Yatela (40 percent)[3]	0.37	0.64	0.24	0.80	1.75	1.40	84.8
Namibia							
Navachab	6.31	1.09	6.88	44.18	1.29	56.88	69.5 ; 86.7 [9]
Tanzania							
Geita	-	-	-	56.34	2.62	147.47	46-91 [4]
Australasia							
Australia							
Sunrise Dam	14.84	1.16	17.24	7.56	4.00	30.20	84.8-86 [4]
Tropicana (70 percent)[3]	18.03	2.30	41.45	21.42	2.04	43.75	90.3
Americas							
Argentina							
Cerro Vanguardia (92.5 percent)[3][7]	10.56	1.35	14.30	12.85	4.25	54.64	95.0
Brazil							
AGA Mineraçáo[8]	5.25	6.23	32.68	6.81	4.81	32.74	88-93 [4]
Serra Grande (50 percent) [3]	1.86	3.36	6.24	1.46	3.72	5.43	93.9
United States of America							
Cripple Creek & Victor	160.78	0.82	132.48	86.60	0.72	62.06	43-95 [4]
Total	313.16	1.66	520.04	1,013.56	1.81	1,833.51	

(1) *Ore Reserve includes marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*
(2) *Probable Ore Reserve includes Ore Reserve below infrastructure. See table below.*
(3) *Ore Reserve attributable to AngloGold Ashanti s percentage interest shown.*
(4) *Recovery factor varies according to ore type.*
(5) *The Vaal Reef Ore Reserve includes 57.3 thousand tonnes of Uranium oxide by-products; this cannot be accounted for by individual mine as Great Noligwa, Kopanang and Moab Khotsong feed to a combination of plants.*
(6) *Tonnes refers to a metric tonne which is equivalent to 1000 kilograms.*
(7) *The Ore Reserve contains 1 459 tonnes of silver to be recovered as a by-product.*
(8) *The Ore Reserve contains 0.41 million tonnes of sulfur to be recovered as a by-product.*
(9) *DMS plant and CIP plant, respectively.*
(10) *Open pit and underground mining, respectively.*

Rounding may result in computational differences.

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The 2011 Probable Ore Reserve includes Ore Reserve below infrastructure in the case of the following underground mines currently in production:

Mine	Tonnes (millions)	Grade (grams/tonne)	Gold Content (tonnes)
Moab Khotsong	12.62	10.70	134.95
Mponeng	31.93	11.16	356.30
Obuasi	2.71	13.08	35.49
AGA Mineração	2.68	5.43	14.57
Total	49.95	10.84	541.31

Rounding may result in computational differences.

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Stockpiles: Imperial

Stockpiles are previously mined ore scheduled for future process plant feed. The Proven and Probable Ore Reserve includes the following stockpile material:

Stockpiles	At December 31, 2012		
	Tons (million)	Grade (ounces/ton)	Gold content (million ounces)
South Africa			
Surface sources [2]	879.66	0.008	7.17
Continental Africa			
Ghana			
Iduapriem	7.33	0.024	0.18
Obuasi	0.12	0.130	0.02
Guinea			
Siguiri (85 percent) [1][3]	67.63	0.017	1.12
Mali			
Morila (40 percent) [1]	1.70	0.033	0.06
Sadiola (41 percent) [1]	4.00	0.059	0.24
Yatela (40 percent) [1]	0.06	0.041	0.00
Namibia			
Navachab	12.48	0.020	0.25
Tanzania			
Geita	12.26	0.036	0.44
Australasia			
Australia			
Sunrise Dam	16.51	0.033	0.54
Tropicana (70 percent) [1]	0.32	0.051	0.02
Americas			
Argentina			
Cerro Vanguardia (92.5 percent) [1]	12.83	0.018	0.23
Brazil			
Serra Grande	0.09	0.055	0.00

(1) *Ore Reserve attributable to AngloGold Ashanti s percentage interest shown.*
(2) *Centralized operations treating material on surface that was previously generated by several underground operations.*
(3) *Spent heap included in Ore Reserve.*
The rounding of figures and converting from metric to imperial units may result in minor computational discrepancies.

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Stockpiles: Imperial

Stockpiles are previously mined ore scheduled for future process plant feed. The Proven and Probable Ore Reserve includes the following stockpile material:

Stockpiles	At December 31, 2011		
	Tons (million)	Grade (ounces/ton)	Gold content (million ounces)
South Africa			
Surface sources [2]	546.11	0.009	4.96
Continental Africa			
Ghana			
Iduapriem	6.28	0.027	0.17
Guinea			
Siguiri (85 percent) [1][3]	66.59	0.016	1.09
Mali			
Morila (40 percent) [1]	3.58	0.036	0.13
Sadiola (41 percent) [1]	4.69	0.060	0.28
Yatela (40 percent) [1]	0.41	0.019	0.01
Namibia			
Navachab	4.47	0.031	0.14
Tanzania			
Geita	12.16	0.036	0.43
Australasia			
Australia			
Sunrise Dam	15.92	0.033	0.53
Americas			
Argentina			
Cerro Vanguardia (92.5 percent) [1]	14.23	0.019	0.27
Brazil			
Serra Grande (50 percent) [1]	0.03	0.055	0.00

(1) *Ore Reserve attributable to AngloGold Ashanti s percentage interest shown.*
(2) *Centralized operations treating material on surface that was previously generated by several underground operations.*
(3) *Spent heap included in Ore Reserve.*
The rounding of figures and converting from metric to imperial units may result in minor computational discrepancies.

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Stockpiles: Metric

Stockpiles are previously mined ore scheduled for future process plant feed. The Proven and Probable Ore Reserve includes the following stockpile material:

Stockpiles	At December 31, 2012		
	Tonnes (million)	Grade (grams/tonne)	Gold content (tonnes)
South Africa			
Surface sources [2]	798.01	0.28	222.93
Continental Africa			
Ghana			
Iduapriem	6.65	0.83	5.53
Obuasi	0.11	4.28	0.49
Guinea			
Siguiri (85 percent) [1][3]	61.35	0.57	34.98
Mali			
Morila (40 percent) [1]	1.54	1.14	1.75
Sadiola (41 percent) [1]	3.63	2.04	7.40
Yatela (40 percent) [1]	0.05	1.36	0.07
Namibia			
Navachab	11.32	0.70	7.89
Tanzania			
Geita	11.12	1.23	13.67
Australasia			
Australia			
Sunrise Dam	14.98	1.12	16.74
Topicana (70 percent) [1]	0.29	1.76	0.51
Americas			
Argentina			
Cerro Vanguardia (92.5 percent) [1]	11.64	0.62	7.22
Brazil			
Serra Grande	0.08	1.96	0.15

(1) *Ore Reserve attributable to AngloGold Ashanti s percentage interest shown.*
(2) *Centralized operations treating material on surface that was previously generated by several underground operations.*
(3) *Spent heap included in Ore Reserve.*
The rounding of figures and converting from metric to imperial units may result in minor computational discrepancies.

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Stockpiles: Metric

Stockpiles are previously mined ore scheduled for future process plant feed. The Proven and Probable Ore Reserve includes the following stockpile material:

Stockpiles	At December 31, 2011		
	Tonnes (million)	Grade (grams/tonne)	Gold content (tonnes)
South Africa			
Surface sources [2]	495.42	0.31	154.43
Continental Africa			
Ghana			
Iduapriem	5.70	0.94	5.32
Guinea			
Siguiri (85 percent) [1][3]	60.41	0.56	33.94
Mali			
Morila (40 percent) [1]	3.25	1.24	4.02
Sadiola (41 percent) [1]	4.26	2.05	8.71
Yatela (40 percent) [1]	0.37	0.64	0.24
Namibia			
Navachab	4.06	1.06	4.31
Tanzania			
Geita	10.50	1.25	13.10
Australasia			
Australia			
Sunrise Dam	14.44	1.14	16.43
Americas			
Argentina			
Cerro Vanguardia (92.5 percent) [1]	12.91	0.64	8.28
Brazil			
Serra Grande (50 percent) [1]	0.03	1.89	0.05

(1) *Ore Reserve attributable to AngloGold Ashanti s percentage interest shown.*
(2) *Centralized operations treating material on surface that was previously generated by several underground operations.*
(3) *Spent heap included in Ore Reserve.*
The rounding of figures and converting from metric to imperial units may result in minor computational discrepancies.

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Drill hole spacing: Imperial

In determining the Proven and Probable Ore Reserve, AngloGold Ashanti applied the following drill hole spacings:

	Drill Hole Spacings	
	Proven Ore Reserve	**Probable Ore Reserve**
South Africa		
Underground sources	Ore body opened up, developed and sampled on a 7 to 10 foot spacing on raise lines and on a 16 x 16 grid thereafter	From a 131 x 131 foot spacing up to 3281 x 3281 foot spacing
Surface sources	Variable sampling strategies: Belt samplers, cross stream residue samplers and bulk sampling campaigns	Variable sampling strategies: Belt samplers, cross stream residue samplers
Continental Africa		
Democratic Republic of the Congo		
Kibali	33 x 16 feet	131 x 131 feet
Ghana		
Iduapriem	33 x 49 feet, 164 x 164 feet 164 x 246 feet, 328 x 164 feet	164 x 246 feet, 164 x 328 feet, 328 x 246 feet
Obuasi	33 x 33 feet, 66 x 66 feet, 131 x 66 feet	98 x 98 feet, 164 x 164 feet, 197 x 197 feet
Guinea		
Siguiri	16 x 33 feet, 16 x 39 feet, 33 x 33 feet	66 x 131 feet, 82 x 82 feet, 164 x 82 feet
Mali		
Sadiola	16 x 33 feet, 82 x 82 feet	33 x 33 feet, 82 x 82 feet, 164 x 82 feet
Yatela	33 x 16 feet, 82 x 82 feet	82 x 82 feet, 115 x 148 feet
Namibia		
Navachab	16 x 33 feet, 33 x 33 feet	82 x 82 feet
Tanzania		
Geita	16 x 33 feet, 16 x 16 feet	66 x 66 feet, 131 x 131 feet, 164 x 164 feet
Australasia		
Australia		
Sunrise Dam	33 x 33 feet, 82 x 82 feet	66 x 66 feet, 131 x 131 feet
Tropicana	33 x 39 feet, 82 x 82 feet	164 x 164 feet
Americas		
Argentina		
Cerro Vanguardia	10 x 49 feet, 41 x 16 feet	131 x 131 feet
Brazil		
AGA Mineraçáo	49 x 49 feet, 66 x 33 feet, 82 x 82 feet, 98 x 98 feet, 98 x 197 feet	98 x 82 feet, 164 x 98 feet, 164 x 164 feet, 98 x 197 feet, 410 x 82 feet, 98 x 98 feet, 197 x 197 feet
Serra Grande	33 x 33 feet, 66 x 33 feet	33 x 66 feet, 66 x 164 feet, 328 x 82 feet

United States of America		
Cripple Creek & Victor	<98 x 98 feet	148 x 148 feet

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Drill hole spacing: Metric

In determining the Proven and Probable Ore Reserve, AngloGold Ashanti applied the following table of drill hole spacing:

	Drill Hole Spacing	
	Proven Ore Reserve	**Probable Ore Reserve**
South Africa		
Underground sources	Ore body opened up, developed and sampled on a 2 to 3 meter spacing on raise lines and on a 5 x 5 grid thereafter	From a 40 x 40 meter spacing up to 1000 x 1000 meter spacing
Surface sources	Variable sampling strategies: Belt samplers, cross stream residue samplers and bulk sampling campaigns	Variable sampling strategies: Belt samplers, cross stream residue samplers
Continental Africa		
Democratic Republic of the Congo		
Kibali	10 x 5 meter	40 x 40 meter
Ghana		
Iduapriem	10 x 15 meter, 50 x 50 meter, 50 x 75 meter, 100 x 50 meter	50 x 75 meter, 50 x 100 meter, 100 x 75 meter
Obuasi	10 x 10 meter, 20 x 20 meter, 40 x 20 meter	30 x 30 meter, 50 x 50 meter, 60 x 60 meter
Guinea		
Siguiri	5 x 10 meter, 5 x 12 meter, 10 x 10 meter	20 x 40 meter, 25 x 25 meter, 50 x 25 meter
Mali		
Sadiola	5 x 10 meter, 25 x 25 meter	10 x 10 meter, 25 x 25 meter, 50 x 25 meter
Yatela	10 x 5 meter, 25 x 25 meter	25 x 25 meter, 35 x 45 meter
Namibia		
Navachab	5 x 10 meter, 10 x 10 meter	25 x 25 meter
Tanzania		
Geita	5 x 10 meter, 5 x 5 meter	20 x 20 meter, 40 x 40 meter, 50 x 50 meter
Australasia		
Australia		
Sunrise Dam	10 x 10 meter, 25 x 25 meter	20 x 20 meter, 40 x 40 meter
Tropicana	10 x 12 meter, 25 x 25 meter	50 x 50 meter
Americas		
Argentina		
Cerro Vanguardia	3 x 15 meter, 12.5 x 5 meter	40 x 40 meter
Brazil		
AGA Mineraçáo	15 x 15 meter, 20 x 10 meter, 25 x 25 meter, 30 x 30 meter, 30 x 60 meter	30 x 25 meter, 50 x 30 meter, 50 x 50 meter, 30 x 60 meter, 125 x 25 meter, 30 x 30 meter, 60 x 60 meter

Serra Grande	10 x 10 meter, 20 x 10 meter	10 x 20 meter, 20 x 50 meter, 100 x 25 meter
United States of America		
Cripple Creek & Victor	<30 x 30 meter	45 x 45 meter

ITEM 4A: UNRESOLVED STAFF COMMENTS

Not applicable.

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ITEM 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of AngloGold Ashanti Limited under US GAAP for the three years ended and as at December 31, 2012, 2011 and 2010.

This item should be read in conjunction with the Company s consolidated financial statements and the notes thereto which are included under Item 18 of this annual report.

The principal accountant of AngloGold Ashanti has made reference to the work of other auditors in its report on the consolidated financial statements of AngloGold Ashanti Limited for the years ended December 31, 2010 and 2012 and therefore in compliance with Regulation S-X Rule 2-05 the separate reports of the other auditors are included in Item 18.

Overview

AngloGold Ashanti is a global gold mining company headquartered in Johannesburg, South Africa. AngloGold Ashanti s main product is gold. As part of extracting gold the Company also produces silver, uranium oxide and sulfuric acid as by-products. The Company sells its products on world markets.

AngloGold Ashanti conducts gold-mining operations in the following regions, which represent its business segments:

- South Africa (comprising the Vaal River and West Wits operations)
- Continental Africa (comprising Ghana, Guinea, Mali, Namibia, the DRC and Tanzania operations)
- Australasia (comprising Australia)
- Americas (comprising Argentina, Brazil and United States of America)

In particular, AngloGold Ashanti has 21 operations in the four regions comprising open-pit and underground mines and surface metallurgical plants, which are supported by extensive, yet focused, exploration activities. For more information on the Company s business and operations, see Item 4B.: Business Overview Products, operations and geographical locations .

As at December 31, 2012 the Company had on an attributable basis, Proven and Probable Ore Reserves of approximately 74.1 million ounces (including joint ventures). For the year ended December 31, 2012, AngloGold Ashanti had an attributable gold production of approximately 3.9 million ounces (including joint ventures).

AngloGold Ashanti s costs and expenses consist primarily of production costs, royalties, exploration, general and administration costs and depreciation, depletion and amortization. Production costs include labor, mining contracts, fuel, lubricants, power, consumable stores (which include explosives, timber and other consumables), utilities and costs of environmental rehabilitation. The Company s mining operations consist of deep-level underground mining methods as well as open-pit operations, both of which are labor intensive, therefore labor is a significant component of production costs.

Outlook

Gold production for 2013 is forecast to be between 4.1 million and 4.4 million ounces. Capital expenditure is expected to be approximately $2.10 billion in 2013 (2012: $2.15 billion).

AngloGold Ashanti s results of operations, financial condition and prospects, as well as the company s ability to meet its targets, may be adversely affected by a number of factors, risks and uncertainties, some of which are beyond the company s control, including gold prices, exchange rate fluctuations, inflation, as well as political, mining and other risks. In particular, our production outlook is subject to, among other things, labor disruptions, unplanned stoppages and safety-related interventions, the stability and availability of power as well as other operational risks. Certain of these risks, uncertainties and other factors are described in Item 3D.: Risk factors . See also Note regarding forward-looking statements .

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5A. OPERATING RESULTS

INTRODUCTION

Economic uncertainty that characterized the major economies of the United States and Europe during 2011 continued into 2012. The gold price did not necessarily reflect such heightened uncertainty. Gold traded in a band between $1,565 per ounce and $1,785 per ounce, averaging $1,651 per ounce for the first three quarters of 2012.

In September 2012, the Federal Reserve announced a further round of quantitative easing (QE 3) which corresponded with an increase in the gold price above $1,700 per ounce for a short period of time before the gold price retreated once more below $1,700 per ounce level and it closed the year at $1,674 per ounce. The spot price averaged $1,668 per ounce for 2012, which is a 6 percent increase on the average price of $1,572 per ounce for 2011.

Physical demand for gold in 2012 was similarly disappointing with both major regions, India and China, reporting lower offtake year on year. India s demand was impacted due to a jewellers strike and increased import duties, while China s slowing economy saw jewellery demand fall 4.5 tonnes year on year.

As AngloGold Ashanti had eliminated its hedge book in 2010, it had full exposure to the higher spot gold prices in 2011 and 2012 as reflected in the increased net income over the period 2010 to 2012, notwithstanding lower production levels, exchange rate variances and increased costs.

Key factors affecting results

Gold prices

AngloGold Ashanti s operating results are directly related to the price of gold, which can fluctuate widely and is affected by numerous factors beyond its control, including investment, jewellery and industrial demand, expectations with respect to the rate of inflation, the strength of the US dollar (the currency in which the price of gold is generally quoted) and of other currencies, interest rates, actual or expected gold sales and purchases by central banks and the International Monetary Fund (IMF), global or regional political or economic events, and production and cost levels in major gold-producing regions. In addition, the price of gold is often subject to sharp, short-term changes.

The current demand for and supply of gold may affect gold prices, but not necessarily in the same manner as current supply and demand affects the prices of other commodities. The supply of gold consists of a combination of new production and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals. As the global gold production in any single year constitutes a small portion of the total potential supply of gold, short term variations in current production do not necessarily have a significant impact on the supply of gold or on its price. The shift in gold demand from physical demand to investment and speculative demand may exacerbate the volatility of gold prices.

Yearly average spot gold prices have increased during the three years under review as follows:

2010 - $1,227 per ounce
2011 - $1,572 per ounce
2012 - $1,668 per ounce

AngloGold Ashanti s net income for 2010 was adversely impacted by its hedge book, which was eliminated in the same year. Since the elimination of the hedge book, the Company has been fully exposed to spot gold prices, which resulted in higher income from gold sales.

In the first quarter of 2013, the gold price came under some pressure and it reached lows of $1,626 per ounce on January 14, 2013 due to muted jewellery demand from India and lower than anticipated investment demand. During the period from Friday, April 12, 2013 through Monday, April 15, 2013 the price of gold dropped $228 per ounce. On April 19, 2013, the afternoon fixing price for gold on the London Bullion Market was $1,404 per ounce. If revenue from gold sales falls for an extended period below the Company s cost of production at its operations, AngloGold Ashanti could determine that it is not economically feasible to continue production at some or all of its operations. Declining gold prices may also force a reassessment of the feasibility of a particular exploration or development project or projects, and could lead to the curtailment or suspension of such projects. A sustained decrease in gold prices may force the Company to change its dividend payment policies, reduce expenditures and undertake measures to address its cost base. In addition, the use of lower gold prices in reserve calculations and life-of-mine plans could result in material write-downs of the Company s investment in mining properties and increase amortization, reclamation and closure charges.

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Production levels

In addition to gold prices, AngloGold Ashanti s revenue in any year is also influenced by its level of gold production. Production levels are in turn influenced by grades, tonnages mined and processed through the plant, and metallurgical recoveries. Attributable gold production (including joint ventures) declined from 4.5 million ounces in 2010 to 3.9 million ounces in 2012. The decline in production levels is due to a variety of factors, as follows:

- South Africa: 32 percent decline in production primarily due to the unprotected strike action during September 2012 and October 2012 and increased levels of safety related stoppages at the mines resulting in lower tonnages being mined and processed.
- Continental Africa: 2 percent increase in production, with production levels declining in Ghana, Guinea, Namibia and Mali primarily due to lower recovered grades, compensated for by higher production from Tanzania primarily as a result of improved grades and productivity improvements.
- Australasia: 35 percent decline in production primarily due to unprecedented rainfalls, pitwall and access ramp failure at Sunrise Dam, together with forecast decline in grades at the mine.
- Americas: 13 percent increase in production from Americas primarily due to grade and productivity improvements.

Grades from gold ore bodies tend to decline as they mature over time. With a view to reversing the grade decline, the Company embarked on the following initiatives:

- Short-term: Continued implementation of Project ONE and aims to put in place optimum resources, business processes to restore stability, initially by minimizing variations, and once stable, to further enhance productivity.
- Medium-term: Active exploration programmes to replenish depletion in existing ore bodies by mine life extensions and new mines.
- Long-term: Technology project in South Africa with a view to accessing the ore body at greater depth and further distance from existing infrastructure.

Concurrently, AngloGold Ashanti also embarked on ways of increasing the tonnage mined and processed, and processing improvements to enhance metallurgical recoveries.

Foreign exchange fluctuations

Production costs in all business segments are largely incurred in local currency where the relevant operation is located. US dollar denominated production costs and net income tend to be adversely impacted by local currency strength and favorably impacted by local currency weakness, assuming there are no other offsetting factors. AngloGold Ashanti s financial results can be influenced significantly by the fluctuations in the South African Rand, Brazilian Real, Australian Dollar, and, to a lesser extent, the Argentinean Peso, Ghanaian Cedi and other local currencies. As set out below, during the year ended December 31, 2012, the US dollar strengthened and the South African Rand and Brazilian Real weakened, which had a favorable impact on AngloGold Ashanti s US Dollar denominated production costs.

Average annual exchange rates to the US dollar	**2012**	**2011**	**2010**
South African Rand	8.20	7.26	7.30
Brazilian Real	1.95	1.68	1.76
Australian Dollar	0.97	0.97	1.09

In 2012, the Company derived 58 percent (55 percent including joint ventures) of its revenues from South Africa, Brazil, Australia and Argentina, and incurred 59 percent (55 percent including joint ventures) of its production costs in these local currencies. A one percent strengthening of these local currencies against the US dollar will result in an increase in total cash costs, under IFRS, incurred of about $6 per ounce.

Certain exchange controls are currently in force in most emerging markets in which the Company operates, including, for example, South Africa and Argentina. In the case of South Africa, though the exchange rate of the rand is primarily market determined, its value at any time may not be considered a true reflection of the underlying value while exchange controls exist. The government has indicated its intention to relax exchange

controls over time. As exchange controls are relaxed, rand exchange rates will be more closely tied to market forces. It is not possible to predict whether or when this will occur or the future value of the rand. For a detailed discussion of these exchange controls, see Item 10D.: Exchange controls .

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Production costs and effects of inflation

Production costs include the cost of labor, mining contracts, fuel, lubricants, power, consumable stores (which include explosives, timber and other consumables), utilities and environmental rehabilitation costs. The mining industry continues to experience price inflation for costs of inputs used in the production of gold, which leads to higher production costs reported by many gold producers.

AngloGold Ashanti s operations have not been materially adversely affected by inflation in recent years, given that it has benefited from sustained periods of rising gold prices. However, the Company is unable to control the prices at which it sells its gold. Accordingly, in the event of significant inflation in South Africa or, to a lesser extent, Brazil, Argentina or Australia, without a concurrent devaluation of the local currency or an increase in the price of gold, there could be a material adverse effect upon the Company s results and financial condition.

AngloGold Ashanti employs over 60,000 people globally, most of whom are members of trade unions, particularly in South Africa, Continental Africa and the Americas. Labor accounts for a significant component of production costs and are impacted by annual wage increases. During the period under review, trade unions have been successful in negotiating and securing higher than inflationary wage increases. During the years ended December 31, 2010, 2011 and 2012, management used Project ONE benefits arising from productivity improvements to offset some of the increases.

Energy costs, comprising power, fuel and lubricants, are another material component of production costs. Due to the remote location of some of its mines in Continental Africa, AngloGold Ashanti uses fuel to generate power and uses fuel and lubricants at its mines to run its fleet and processing plants. The price of oil has recently been volatile, fluctuating between $88.40 and $130.57 per barrel of Brent crude in 2012. AngloGold Ashanti estimates that for each $1 per barrel rise in the oil price, other factors remaining equal, the average cash costs under IFRS of all its operations increases by about $0.87 per ounce with the cash costs of certain of the company s mines, particularly Geita, Cripple Creek & Victor, Siguiri and Sadiola, which are more dependent on fuel, being more sensitive to changes in the price of oil. However, the impact under US GAAP could be different. Energy costs, even in business segments which are supported by grid power, like South Africa, have increased considerably over the three year period, with price increases from Eskom (South Africa s power utility) of approximately 26 percent per annum, far higher than average inflation. These increases have adversely impacted production costs.

AngloGold Ashanti has no influence over the cost of most consumables, many of which are linked to some degree to the price of oil and steel and in a number of cases have exceeded inflation. Furthermore, there has also been volatility recently in the price of steel, used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine. All of these cost pressures have adversely impacted net income during the period.

Discounted closure liabilities (excluding joint ventures) increased from $653 million in 2011 to $758 million in 2012. This change is largely attributable to an overall average change in mine plans resulting in accelerated cash flows, change in economic assumptions, discount rates and changes in design of tailings storage facilities.

Exploration costs

The Company has incurred increasing amounts of exploration expenditure during the years ended December 31, 2010, 2011 and 2012 in order to replenish depleting gold reserves and bring new ore bodies into pre-feasibility or feasibility. The exploration costs incurred over the last three fiscal years amounted to $206 million in 2010, $279 million in 2011 and $388 million in 2012 and have adversely impacted net income.

General and administrative costs

In order to meet AngloGold Ashanti s strategic objectives, management has incurred increasing levels of costs to build talent, capacity and expertise globally and in particular to support its Project ONE initiatives. The increase in general and administrative costs over the 2010 - 2012 period had an adverse impact on net income. The general and administrative costs incurred over such period amounted to $228 million in 2010, $287 million in 2011 and $299 million in 2012.

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Royalties

Royalties, which are generally calculated as a percentage of revenue, increased from the $142 million incurred in 2010 to $164 million incurred in 2012, primarily due to the higher spot gold prices resulting in increased royalties.

Royalties are likely to continue to increase in the coming years as in a number of jurisdictions host governments increasingly seek to obtain a higher share of revenue by increasing the royalty rates for gold mines.

Depreciation, depletion and amortization

Depreciation, depletion and amortization increased during the 2010 2012 period largely due to higher capital expenditure, reassessment of useful lives of assets and revisions in life of mine plans. Due to the higher capital investment expenditure required to complete new projects, depreciation, depletion and amortization is likely to continue to increase in the coming years.

Impairments

AngloGold Ashanti reviews and tests the carrying value of its assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. AngloGold Ashanti values individual mining assets at the lowest level for which cash flows are identifiable as independent of cash flows of other mining assets and liabilities.

If there are indications that impairment may have occurred, AngloGold Ashanti prepares estimates of expected future cash flows for each group of assets. Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors, such as spot and forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditures.

If any of these uncertainties occur either alone or in combination, management could be required to recognize impairments. The impairment charges AngloGold Ashanti incurred on long-lived assets amounted to $91 million in 2010, $17 million in 2011 and $367 million in 2012. See Note 5 Costs and Expenses to the consolidated financial statements for a detailed description of impairments.

When reviewing goodwill and other long-lived assets for impairment, AngloGold Ashanti s assumption on gold price represents its best estimate of the future price of gold. In arriving at the estimated long-term gold price, AngloGold Ashanti considers all available market information including current prices, historical averages, and forward pricing information and data. The long term gold price of $1,584 per ounce in 2012 and $1,530 per ounce in 2011, were based on a range of economic and market conditions, which were expected to exist over the remaining useful life of the assets.

AngloGold Ashanti considers the long term fundamentals that provide support to the gold price assumption. These include, amongst other things, gold as a long term store of value, hedge against inflation, safe haven status, strong physical demand from emerging markets, central bank purchases, quantitative easing and devaluation of paper currency, falling global mine production and rising costs of producing gold, all of which represent significant and enduring trends supportive of AngloGold Ashanti s gold price assumption.

The actual gold price averaged $1,668 per ounce in 2012 and $1,572 per ounce in 2011. The gold price in 2013 has been subject to volatile short term swings and has averaged $1,632 per ounce in the first quarter of 2013 and closed at $1,404 per ounce on April 19, 2013.

AngloGold Ashanti will continue to monitor the underlying long term factors driving the gold price and will review its gold price assumption, should it consider it appropriate to do so. Should the gold price assumption used in 2012 be revised significantly downward for any reason (by more than 10 percent), goodwill related to Mine Waste Solutions and long-lived assets related to Great Noligwa are most vulnerable to impairment.

Furthermore, should the gold price fall and remain at such lower levels, management will consider, in addition to other mitigating factors, reviewing and amending the life of mine plans to reduce expenditures, optimize costs and increase cash flows in respect of its mining assets.

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Taxation

Taxation expense increased significantly over the period from an expense of $255 million in 2010 to an expense of $340 million in 2012. The sharp increase in the tax charge is a result of utilization of tax losses and higher spot prices resulting in higher pre-tax net income.

Taxation expense is likely to continue to increase in the coming years, as host governments in a number of jurisdictions increasingly seek to obtain a higher share of revenue by increasing rates of existing taxes and introducing new taxes on gold mines.

Acquisitions and dispositions

The global gold mining industry has experienced active consolidation and rationalization in recent years. Accordingly, AngloGold Ashanti has been, and expects to continue to be, involved in assessing a number of acquisitions and dispositions as part of this global trend and to identify value-adding business combination and acquisition opportunities.

Acquisitions and dispositions are described in note 3 to the consolidated financial statements, Acquisitions and disposals of businesses and assets . See also note 29 to the consolidated financial statements, Subsequent events . The consolidated financial statements reflect the operations and financial condition of AngloGold Ashanti, assuming that acquisitions and disposals took place on the effective date of these transactions.

South African economic and other factors

AngloGold Ashanti is a company domiciled in South Africa with significant operations in South Africa. As a result, the Company is subject to various economic, fiscal and monetary factors that affect South African companies generally.

Comparison of operating performance in 2012, 2011 and 2010

The following table presents operating data for the AngloGold Ashanti group for the three year period ended December 31, 2012:

Operating data for AngloGold Ashanti	**Year ended December 31**		
	2012	**2011**	**2010**
Total attributable gold production (thousand ounces)	3,944	4,331	4,515
Total cash costs ($/oz)[1]	884	733	627
Total production costs ($/oz) [1]	1,103	948	812
Production costs (million US dollars) - per financial statements	3,183	2,977	2,656
Capital expenditure (million US dollars)	2,154	1,527	1,015
- Consolidated entities	1,851	1,439	973
- Equity accounted joint ventures	303	88	42

[1] *Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A.: Operating results Total cash costs and total production costs .*

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Attributable gold production

Production in 2012

For the year ended December 31, 2012, AngloGold Ashanti s total attributable gold production from continuing operations at 3.94 million ounces was 390,000 ounces, or 9 percent, lower as compared to the 2011 production of 4.33 million ounces.

In **South Africa**, gold production decreased by 25 percent, or 411,000 ounces, in 2012 as compared to 2011. The lower output was mainly due to the unprotected strike action from September 20, 2012 to October 25, 2012 and the slow start-up thereafter and safety and associated stoppages during the year.

Production decreased by 3 percent, or 48,000 ounces, in 2012 in **Continental Africa** mainly due to a lower recovered grades at Obuasi, Iduapriem, Sadiola and Morila. The decrease was partially offset by higher production at Geita where gold production increased by 37,000 ounces.

Production increased by 5 percent, or 12,000 ounces, in 2012 in **Australia** as operations at Sunrise Dam recovered from flood related disruption the previous year.

In the **Americas** region, production increased by 7 percent, or 61,000 ounces, to 952,000 ounces. In Brazil the increase was mainly due the 100 percent ownership, effective July 1, 2012, of Serra Grande and the ramping up of production from the Córrego do Sítio sulfide project commissioned in July 2011. In Argentina at Cerro Vanguardia, the increase of production was mainly due to the higher yield in line with the production plan. The increase was partially offset by lower production at Cripple Creek & Victor in North America due to lower recovered grades.

Production in 2011

For the year ended December 31, 2011, AngloGold Ashanti s total attributable gold production from continuing operations at 4.33 million ounces was 184,000 ounces, or 4 percent, lower when compared to 2010 production of 4.52 million ounces.

In **South Africa**, gold production decreased by 9 percent or 160,000 ounces in 2011 of which 63,000 ounces relate to the sale of Tau Lekoa effective August 1, 2010. The balance of the production decrease occurred across most of the South African mines. The lower output was mainly due to industrial strike actions and an increased number of government imposed safety related stoppages. At TauTona, a decision was taken early in 2011, following a significant seismic event, to cease mining of the Ventersdorp Contact Reef (VCR) shaft pillar and remove it from the immediate mine plan in the interests of safety. This decision contributed to the decline in output. Great Noligwa experienced lower production due to a combination of ore pass blockages and the closure of two haulages.

Production increased by 5 percent or 79,000 ounces in 2011 in **Continental Africa** mainly due to a significant increase in production at Geita in Tanzania, where gold produced increased from 357,000 ounces in the year ended December 31, 2010 to 494,000 ounces in 2011. The increase in production was due to the mining of higher grade material in 2011. This increase was partially offset by lower production at Yatela, Siguiri and Navachab due to lower recovered grades.

Production decreased by 38 percent or 150,000 ounces in 2011 in **Australia** mainly due to the impact of unprecedented heavy rainfall and the ramp failure in the first quarter of 2011 at Sunrise Dam in Australia, which severely affected all aspects of the operation during the rest of the year.

In the **Americas** region, production increased by 6 percent or 49,000 ounces to 891,000 ounces. The increase was mainly due to better ounce recovery from the heap leach pad at Cripple Creek & Victor in North America, which benefited from better pad pH chemistry and the strategy of stacking higher grade ore closer to the pad liner. In Brazil, at AngloGold Ashanti Córrego do Sítio Mineração, higher tonnage and grades contributed to increased production. These increases were partially offset by lower production at Serra Grande in Brazil due to lower recovered grades.

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Total cash costs and total production costs

Comparison of total cash costs and total production costs in 2012 with 2011

Most local currencies (South Africa, Argentina and Brazil) were on average weaker against the US dollar during 2012 compared to 2011. Consequently, total cash costs in US dollar terms were positively impacted for 2012.

Cash costs per ounce at all of the operations situated in South Africa increased in 2012 when compared to 2011, largely a result of lower production due to the unprotected strike action during September and October 2012, partially offset by weakening of the rand.

Geita, in Tanzania, reported a 34 percent increase in cash costs from $488 per ounce in 2011 to $652 per ounce in 2012. This was mainly as a result of an increase in inventory adjustments, consumables and contract labor costs. This increase was partially offset by increased production.

In Mali, at Morila, cash costs decreased in 2012 to $765 per ounce compared to $818 per ounce in 2011 mainly due to a decrease in inventory on hand allocations partially offset by lower production. At Sadiola, cash costs increased from $835 per ounce in 2011 to $1,220 per ounce in 2012. This increase was primarily driven by lower production, increases in fuel prices, mining contractor costs and inventory adjustments. The cash costs at Yatela increased from $1,483 per ounce in 2011 to $1,793 per ounce in 2012 mainly due to an increase in inventory on hand allocations.

In Ghana, at Obuasi, cash costs increased in 2012 to $1,189 per ounce compared to $859 per ounce in 2011 mainly due to the decline in production and an increase in the power tariff, other service related costs and labor costs. At Siguiri, in Guinea, cash costs increased to $935 per ounce in 2012 from $871 per ounce in 2011 mainly due to the decline in production, higher fuel prices, an increase in inventory on hand allocations and increased costs related to labor.

In the United States, Cripple Creek reported a $71 per ounce increase in cash costs to $640 per ounce in 2012 due primarily to rising commodity prices (diesel fuel, in particular), increased labor costs and a decline in production. In Brazil at AngloGold Ashanti Córrego do Sítio Mineração, cash costs increased to $711 per ounce in 2012 from $571 per ounce in 2011 driven largely by higher labor and operational development costs partially offset by higher production. At Serra Grande cash costs decreased by $24 per ounce to $827 per ounce in 2012 due to an increase in production of 31,000 ounces partially offset by an increase in inventory on hand allocations and other service related costs.

In Australia, at Sunrise Dam, cash costs decreased in 2012 to $1,178 per ounce compared to $1,362 per ounce in 2011, mainly due to an 12,000 ounce increase in production as operations recovered from the flood related disruption the previous year and the effect of a $30 million recovery from settled insurance claims for the flood disruptions. The decrease was partially offset by the stronger Australian Dollar which negatively impacted cash costs per ounce.

Overall the Company s total cash costs in 2012 increased by $151 per ounce, or 21 percent, when compared to the previous year. Of these increased costs, inflation accounted for $62 per ounce and lower production accounted for $101 per ounce. The weakening of local currencies accounted for $42 per ounce partially offsetting the increase.

Comparison of total cash costs and total production costs in 2011 with 2010

Most local currencies (South Africa, Australia and Brazil) were on average stronger against the US dollar during 2011 compared to 2010. Consequently, total cash costs in US dollar terms were negatively impacted for 2011.

Cash costs per ounce at most of the operations situated in South Africa increased in 2011 when compared to 2010. This was largely a result of increases in the cost of labor, power and stores and royalty payments which came into effect on March 1, 2010, as well as the strengthening of the rand. The lower production in 2011 also negatively impacted the cash costs per ounce.

Geita, in Tanzania, reported a 30 percent decrease in cash costs from $697 per ounce in 2010 to $488 per ounce in 2011. This was mainly as a result of higher production and inventory adjustments.

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In Mali, at Morila, cash costs increased in 2011 to $818 per ounce compared to $716 per ounce in 2010 mainly due to higher reagent costs and fuel used in power generation. At Sadiola cash costs increased from $686 per ounce in 2010 to $835 per ounce in 2011. These were driven by increases in fuel prices, mining contractor costs were higher as a result of the longer haulage distance and higher maintenance costs. The cash costs at Yatela increased from $817 per ounce in 2010 to $1,483 per ounce in 2011 mainly due to the significant decrease in production of 31,000 ounces (52 percent).

In Ghana, at Obuasi, cash costs increased in 2011 to $859 per ounce compared to $760 per ounce in 2010 mainly due to the decline in production and an increase in the power tariff and inventory adjustments. At Siguiri, in Guinea, cash costs increased to $871 per ounce in 2011 from $656 per ounce in 2010 mainly due to the decline in production, higher fuel prices, an increase in inventory adjustments and increased costs related to labor and mining contractors.

In the United States, Cripple Creek reported a $69 per ounce increase in cash costs to $569 per ounce in 2011 due primarily to rising commodity prices (diesel fuel in particular) and increased labor costs. In Brazil at AngloGold Ashanti Córrego do Sítio Mineração cash costs increased to $571 per ounce in 2011 from $444 per ounce in 2010 driven largely by labor cost increases and higher energy consumption following the commissioning of the refrigeration plant in Cuiabá. Other factors were the stronger Brazilian real, lower volumes and higher unit costs from new Córrego do Sítio sulfide production. These effects were partially offset, however, by higher revenue from the sale of sulfuric acid, a by-product of the Cuiabá mining operation. At Serra Grande cash costs increased by $370 per ounce to $851 per ounce in 2011 due to reduced production as well as continued inflationary pressure on all mining-related inputs, such as power, consumables and labor in Brazil and the impact of the stronger Brazilian real.

In Australia, at Sunrise Dam, cash costs increased in 2011 to $1,362 per ounce compared to $692 per ounce in 2010 mainly due to the significant decrease in production of 150,000 ounces (38 percent). The decrease in production was due to the impact of unprecedented heavy rainfall and the ramp failure in the first quarter of 2011. The considerable remedial work and the stronger Australian Dollar negatively impacted cash costs per ounce.

Overall the Company s total cash costs in 2011 increased by $106 per ounce, or 17 percent, when compared to the previous year. Of this increase, inflation accounted for $47 per ounce, lower production accounted for $20 per ounce, royalties accounted for $12 per ounce and local currency strength accounted for $9 per ounce.

Reconciliation of total cash costs and total production costs to financial statements

Total cash costs and total production costs are calculated in accordance with the guidelines of the Gold Institute industry standard and industry practice and are not US GAAP measures. The Gold Institute, which has been incorporated into the National Mining Association, is a non-profit international association of miners, refiners, bullion suppliers and manufacturers of gold products, which developed a uniform format for reporting total production costs on a per ounce basis. The guidance was first adopted in 1996 and revised in November 1999.

Total cash costs, as defined in the Gold Institute industry guidelines, are production costs as recorded in the statement of operations, less offsite (i.e. central), general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees, refinery charges and social development costs) and rehabilitation costs, plus royalties and employee termination costs.

Total cash costs as calculated and reported by AngloGold Ashanti include costs for all mining, processing, onsite administration costs, royalties and production taxes, as well as contributions from by-products, but exclusive of depreciation, depletion and amortization, rehabilitation costs, employment severance costs, corporate administration costs, capital costs and exploration costs. Total cash costs per ounce are calculated by dividing attributable total cash costs by attributable ounces of gold produced.

Total production costs, as defined in the Gold Institute industry guidelines, are total cash costs, as calculated using the Gold Institute industry guidelines, plus amortization, depreciation and rehabilitation costs.

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Total production costs as calculated and reported by AngloGold Ashanti include total cash costs, plus depreciation, depletion and amortization, employee severance costs and rehabilitation and other non-cash costs. Total production costs per ounce are calculated by dividing attributable total production costs by attributable ounces of gold produced.

Total cash costs and total production costs should not be considered by investors in isolation or as alternatives to production costs, net income/(loss) applicable to common stockholders, income/(loss) before income tax provision, net cash provided by operating activities or any other measure of financial performance presented in accordance with US GAAP or as an indicator of the company s performance. While the Gold Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies.

However, AngloGold Ashanti believes that total cash costs and total production costs in total by mine and per ounce by mine are useful indicators to investors and management as they provide:

- an indication of profitability, efficiency and cash flows;
- the change in costs as the mining operations mature over time on a consistent basis; and
- an internal benchmark of performance to allow for comparison against other mines, both within the AngloGold Ashanti group and of other gold mining companies.

A reconciliation of production costs as included in the company s audited financial statements to total cash costs and to total production costs for each of the three years in the period ended December 31, 2012 is presented below. In addition, the Company has provided below detail of the attributable ounces of gold produced by mine for each of those periods.

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For the year ended December 31, 2012

Operations in South Africa

(in $ millions, except as otherwise noted)

Production costs	**102**	**165**	**157**	**253**	**38**	**172**	**(2)**	**121**	**1,006**	**50**
Plus:										
Production costs of equity accounted joint ventures [1]	-	-	-	-	-	-	-	-	-	-
Less:										
Rehabilitation costs & other non-cash costs	1	1	12	(2)	-	(2)	30	-	40	(18)
Plus:										
Inventory movement	-	1	-	-	-	-	1	-	2	-
Royalties	1	2	2	13	1	6	-	-	25	-
Related party transactions [2]	(1)	(2)	(2)	(5)	(1)	(2)	-	(1)	(14)	-
Adjusted for:										
Noncontrolling interests [3]	-	-	-	-	-	-	-	-	-	-
Non-gold producing companies and adjustments	-	-	-	-	-	-	-	-	-	(20)
Total cash costs	**103**	**167**	**169**	**259**	**38**	**174**	**29**	**120**	**1,059**	**12**
Plus:										
Depreciation, depletion and amortization	22	42	91	69	11	64	7	4	310	15
Employee severance costs	1	2	1	1	-	1	-	-	6	-
Rehabilitation and other non-cash costs	(1)	(1)	(12)	2	-	2	(30)	-	(40)	18
Adjusted for:										
Noncontrolling interests [3]	-	-	-	-	-	-	-	-	-	4
Non-gold producing companies and adjustments	-	-	-	-	-	-	-	-	-	(5)
Total production costs	**125**	**210**	**249**	**331**	**49**	**241**	**6**	**124**	**1,335**	**44**
Gold produced (000 ounces) [4]	**84**	**164**	**162**	**405**	**37**	**189**	**28**	**144**	**1,213**	**-**
Total cash costs per ounce [5]	**1,226**	**1,018**	**1,043**	**640**	**1,027**	**921**	**1,036**	**833**	**873**	**-**
Total production costs per ounce [5]	**1,488**	**1,280**	**1,537**	**817**	**1,324**	**1,275**	**214**	**861**	**1,101**	**-**

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For the year ended December 31, 2012

Operations in Ghana, Guinea, Mali, Namibia, Tanzania, Australia, United States of America, Argentina and Brazil

(in $ millions, except as otherwise noted)

Production costs	**167**	**348**	**245**	**-**	**-**	**-**	**73**	**325**	**1,158**	**292**	**145**	**127**	**295**	**110**	**677**
Plus:															
Production costs of equity accounted joint ventures [1]	-	-	-	52	111	47	-	-	210	-	-	-	-	-	-
Less:															
Rehabilitation costs & other non-cash costs	(7)	(29)	(12)	2	2	(1)	(2)	(8)	(55)	-	(9)	(4)	(20)	1	(32)
Plus:															
Inventory movement	(3)	-	16	-	(1)	1	-	(4)	9	1	78	(4)	1	(4)	71
Royalties	9	14	23	8	10	3	4	33	104	11	11	33	-	1	45
Related party transactions[2]	-	-	-	-	-	2	-	-	2	-	-	-	-	-	-
Adjusted for:															
Noncontrolling interests [3]	-	-	(41)	-	-	-	-	-	(41)	-	-	(11)	-	(27)	(38)
Total cash costs	**166**	**333**	**231**	**62**	**122**	**52**	**75**	**346**	**1,387**	**304**	**225**	**141**	**276**	**81**	**723**
Plus:															
Depreciation, depletion and amortization	30	79	27	4	3	2	14	68	227	34	46	35	113	24	218
Employee severance costs	-	-	-	-	-	-	-	-	-	-	-	1	3	-	4
Rehabilitation and other non-cash costs	7	29	12	(2)	(2)	1	2	8	55	-	9	4	20	(1)	32
Adjusted for:															
Noncontrolling interests[3]	-	-	(5)	-	-	-	-	-	(5)	-	-	(1)	-	(8)	(9)
Total production costs	**203**	**441**	**265**	**64**	**123**	**55**	**91**	**422**	**1,664**	**338**	**280**	**180**	**412**	**96**	**968**
Gold produced (000 ounces)[4]	**180**	**280**	**247**	**81**	**100**	**29**	**74**	**531**	**1,522**	**258**	**247**	**219**	**388**	**98**	**952**

Total cash costs per ounce[5]	**922**	**1,189**	**935**	**765**	**1,220**	**1,793**	**1,014**	**652**	**911**	**1,178**	[7] **640**	**644**	**711**	**827**	**759**
Total production costs per ounce[5]	**1,128**	**1,575**	**1,073**	**790**	**1,230**	**1,897**	**1,230**	**795**	**1,093**	**1,310**	**1,134**	**822**	**1,062**	**980**	**1,017**

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For the year ended December 31, 2012

AngloGold Ashanti operations - Total

(in $ millions, except as otherwise noted)

	Total
Production costs per financial statements	**3,183**
Plus:	
Production costs of equity accounted joint ventures [1]	210
Less:	
Rehabilitation costs & other non-cash costs	(65)
Plus/(less):	
Inventory movement	83
Royalties	185
Related party transactions [2]	(12)
Adjusted for:	
Noncontrolling interests [3]	(79)
Non-gold producing companies and adjustments	(20)
Total cash costs	**3,485**
Plus:	
Depreciation, depletion and amortization	804
Employee severance costs	10
Rehabilitation and other non-cash costs	65
Adjusted for:	
Noncontrolling interests [3]	(10)
Non-gold producing companies and adjustments	(5)
Total production costs	**4,349**
Gold produced (000 ounces) [4]	**3,944**
Total cash costs per ounce [5]	**884**
Total production costs per ounce [5]	**1,103**

(1) *Attributable production costs and related expenses of equity accounted joint ventures are included in the calculation of total cash costs per ounce and total production costs per ounce.*

(2) *Relates solely to production costs as included in the Company s consolidated financial statements and has, accordingly, been included in total production costs and total cash costs.*

(3) *Adjusting for noncontrolling interest of items included in calculation, to disclose the attributable portions only.*

(4) *Attributable production only.*

(5) *In addition to the operational performances of the mines, total cash costs per ounce and total production costs per ounce are affected by fluctuations in the currency exchange rate. AngloGold Ashanti reports total cash costs per ounce and total production costs per ounce calculated to the nearest US dollar amount and gold produced in ounces.*

(6) *Corporate includes non-gold producing subsidiaries.*

(7) *Total cash costs per ounce calculation includes heap-leach inventory change.*

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For the year ended December 31, 2011

Operations in South Africa

(in $ millions, except as otherwise noted)

Production costs	**109**	**201**	**174**	**-**	**248**	**40**	**188**	**110**	**1,070**	**24**
Plus:										
Production costs of equity accounted joint ventures [1]	-	-	-	-	-	-	-	-	-	-
Less:										
Rehabilitation costs & other non-cash costs	-	(2)	-	-	-	(1)	(1)	-	(4)	1
Plus:										
Inventory movement	-	-	-	-	-	-	-	-	-	-
Royalties	4	13	11	-	29	3	14	-	74	-
Related party transactions [2]	(1)	(2)	(2)	-	(3)	-	(2)	(1)	(11)	-
Adjusted for:										
Noncontrolling interests [3]	-	-	-	-	-	-	-	-	-	-
Non-gold producing companies and adjustments	-	-	-	-	-	-	-	-	-	(29)
Total cash costs	**112**	**210**	**183**	**-**	**274**	**42**	**199**	**109**	**1,129**	**(4)**
Plus:										
Depreciation, depletion and amortization	23	78	101	-	70	1	75	4	352	16
Employee severance costs	1	2	1	-	2	1	2	-	9	1
Rehabilitation and other non-cash costs	-	2	-	-	-	1	1	-	4	(1)
Adjusted for:										
Noncontrolling interests [3]	-	-	-	-	-	-	-	-	-	(24)
Non-gold producing companies and adjustments	-	-	-	-	-	-	-	-	-	(7)
Total production costs	**136**	**292**	**285**	**-**	**346**	**45**	**277**	**113**	**1,494**	**(19)**
Gold produced (000 ounces) [4]	**94**	**307**	**266**	**-**	**500**	**49**	**244**	**164**	**1,624**	**-**
Total cash costs per ounce [5]	**1,191**	**684**	**688**	**-**	**547**	**857**	**816**	**665**	**695**	**-**
Total production costs per ounce [5]	**1,447**	**951**	**1,071**	**-**	**691**	**918**	**1,135**	**689**	**920**	**-**

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For the year ended December 31, 2011

Operations in Ghana, Guinea, Mali, Namibia, Tanzania, Australia, United States of America, Argentina and Brazil

(in $ millions, except as otherwise noted)

Production costs	**176**	**324**	**252**	**-**	**-**	**-**	**59**	**220**	**1,031**	**325**	**135**	**53**	**220**	**119**	**527**
Plus:															
Production costs of equity accounted joint ventures [1]	-	-	-	72	92	41	-	-	205	-	-	-	-	-	-
Less:															
Rehabilitation costs & other non-cash costs	(18)	(69)	(11)	-	(2)	(1)	(1)	(10)	(112)	-	(17)	(8)	(24)	(18)	(67)
Plus:															
Inventory movement	-	(1)	(8)	-	-	(1)	1	8	(1)	1	67	13	9	6	95
Royalties	9	15	23	9	11	3	3	23	96	9	8	27	-	2	37
Related party transactions[2]	-	-	-	-	-	1	-	-	1	-	-	-	-	-	-
Adjusted for:															
Noncontrolling interests [3]	-	-	(39)	-	-	-	-	-	(39)	-	-	(6)	-	(52)	(58)
Total cash costs	**167**	**269**	**217**	**81**	**101**	**43**	**62**	**241**	**1,181**	**335**	**193**	**79**	**205**	**57**	**534**
Plus:															
Depreciation, depletion and amortization	29	65	24	4	2										