

INTEGRATED REPORT 2015



**SUPPORTING OUR STRATEGY**  
for sustainable cash flow improvements and returns

# OUR MISSION

To create value for our shareholders, our employees and our business and social partners through safely and responsibly exploring, mining and marketing our products. Our primary focus is gold, but we will pursue value creating opportunities in other minerals where we can leverage our existing assets, skills and experience to enhance the delivery of value.

# OUR VALUES



## Safety is our first value.

We place people first and correspondingly put the highest priority on safe and healthy practices and systems of work. We are responsible for seeking out new and innovative ways to prevent injury and illness in our business and to ensure that our workplaces are free of occupational injury and illness. We live each day for each other and use our collective commitment, talents, resources and systems to deliver on our most important commitment .... to care.



## We treat each other with dignity and respect.

We believe that individuals who are treated with respect and who are entrusted to take responsibility, respond by giving their best. We seek to preserve people's dignity, their sense of self-worth in all our interactions, respecting them for who they are and valuing the unique contribution that they can make to our business success. We are honest with ourselves and others, and we deal ethically with all of our business and social partners.



## We value diversity.

We aim to be a global leader with the right people for the right jobs. We promote inclusion and team work, deriving benefit from the rich diversity of the cultures, ideas, experiences and skills that each employee brings to the business.



## We are accountable for our actions and undertake to deliver on our commitments.

We are focused on delivering results and we do what we say we will do. We accept responsibility and hold ourselves accountable for our work, our behaviour, our ethics and our actions. We aim to deliver high performance outcomes and undertake to deliver on our commitments to our colleagues, business and social partners, and our investors.



## We want the communities and societies in which we operate to be better off for AngloGold Ashanti having been there.

We uphold and promote fundamental human rights where we do business. We contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate. We aim to leave a legacy of enduring value.



## We respect the environment.

We are committed to continually improving our processes in order to prevent pollution, minimise waste, increase our carbon efficiency and make efficient use of natural resources. We will develop innovative solutions to mitigate environmental and climate risks.

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*“ We strive to generate sustainable free cash flow improvements and returns to shareholders, after funding our investment requirements and servicing our debt. ”*

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# HOW TO USE THIS REPORT

*Glossary of terms and abbreviations*

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# ABOUT OUR REPORTS

Our suite of 2015 reports is made up as follows:

<IR>	Integrated Report
<OP>	Operational profiles
<SDR>	Sustainable Development Report
<R&R>	Mineral Resource and Ore Reserve Report
<AFS>	Annual Financial Statements
<NOM>	Notice of Annual General Meeting and Summarised Financial Information (Notice of Meeting)

Visit our reports website:  
[www.aga-reports.com](http://www.aga-reports.com)

Visit our corporate website:  
[www.anglogoldashanti.com](http://www.anglogoldashanti.com)

Download the full suite of reports

This <IR>, the primary document in our suite of reports, provides a concise overview and explanation of the performance of AngloGold Ashanti Limited (AngloGold Ashanti) in terms of our strategic objectives and the related outlook for the company. Both financial and non-financial performance are considered. Individual business profiles reviewing our performance at an operational level are also available online.

The <NOM> was posted to shareholders, in line with the JSE Listings Requirements and the requirements of the South African Companies Act, 71 of 2008, as amended (Companies Act).

The <SDR>, which is compiled in line with the Global Reporting Initiatives' (GRI's) latest G4 guidelines, is available together with the accompanying GRI scorecard. Our <AFS> are prepared in accordance with International Financial Reporting Standards (IFRS) and information in the <R&R> is presented in line with the SAMREC and JORC codes.

A dedicated annual reporting website, [www.aga-reports.com](http://www.aga-reports.com), hosts PDFs of the full suite of reports to facilitate ease of access by and communication with stakeholders.

## SCOPE AND BOUNDARY OF REPORTS

The 2015 suite of reports covers the year from 1 January to 31 December 2015. We also report on any material events that have occurred from year's end to the date of the reports' approval by the board on 22 March 2016.

The reports cover the entire company and its main business units and functions, including our joint ventures and investments, over which we exercise control or have significant influence. Performance is reported regionally, in line with our corporate structure. Full disclosure is provided for all operations managed by AngloGold Ashanti. Those

operations in which we have an ownership interest – Kibali in the Democratic Republic of the Congo (DRC) and Morila in Mali – which are managed and operated by Randgold Resources Limited, our joint venture partner in these operations, are partially reported in terms of their safety and environmental and socio-economic performance. There have been no significant changes to the scope, boundary or measurement methods applied in this report and, where restatements to comparatives have been made, these are as indicated.

Although we have a diverse range of stakeholders, each with their own specific information requirements, this report is aimed primarily at investors, financiers and potential investors. Stakeholders are also referred to the supplementary reports in this suite and the <SDR>, in particular, for additional information.

As this is a group-level report, operational targets and performance are discussed at regional rather than per individual site, although some operational detail is provided where appropriate. Detailed information, including maps of our exploration activities of both our greenfields and brownfields studies, is available on the AngloGold Ashanti website, [www.anglogoldashanti.com](http://www.anglogoldashanti.com).

Information relating to joint ventures and other interests is provided for context and where this is deemed to be material. Production and capital expenditure are

expressed on an attributable basis, unless otherwise indicated.

Employee data, average workforce data, including employees and contractors, are reported for AngloGold Ashanti with joint ventures reported on an attributable basis. Employee and workforce data reported includes both our employees and contractors. All-in sustaining costs (\$/oz) and all-in costs exclude stockpile write-offs.

The intense focus on containing and reducing costs and improving margins continued in 2015, as did active management of our portfolio.

## CORPORATE CHANGES DURING 2015

The Cripple Creek & Victor (CC&V) mine in the United States was sold in August 2015. Consequently, CC&V is reported as a discontinued operation and group numbers for comparative periods for the income statements and cash flow statements have been restated. The balance sheet (statement of financial position) remains unchanged.

Obuasi remained on limited operations in 2015.

The closure process at Yatela continues and is expected to be completed in 2019.

## ABOUT OUR REPORTS continued

### THIS INTEGRATED REPORT

As AngloGold Ashanti is a South Africa-based company with its primary listing on the Johannesburg Stock Exchange (JSE), we have been guided in compiling this report by the International Integrated Reporting Council's (IIRC) framework on integrated reporting, the recommendations of the King Report on Governance for South Africa 2009 (King III), the Companies Act and the JSE Listings Requirements.

The content of this integrated report is based on our overarching strategy, the primary aim of which is to create value by generating sustainable free cash flow improvements and returns. In this report, we describe what we have done to create value and to achieve our stated strategic objectives in the past year, what we have used to do this, what the impact of these actions has been, the risks affecting our ability to achieve our strategic objectives, the circumstances that have affected our ability to generate value and how well we have performed towards our goal of creating value.

The risks and material issues discussed in this report are considered to be those most likely to affect the group's sustainability. In identifying these, we have taken into account the external environment in which we operate, our current performance and feedback obtained from stakeholders during the year.

Further information on AngloGold Ashanti's material sustainability issues is presented in the **<SDR>**.

### APPROVALS AND ASSURANCE

Several internal processes that include among others management assurance and reviews by internal audit of the information and data in our reports are conducted.

Operations within AngloGold Ashanti were subjected to risk-based, integrated, combined assurance reviews focusing on commercial, safety and sustainability aspects of the business. The outcome of these reviews, as well as the independent technical reviews conducted, provided reasonable assurance to allow the board, on the recommendation of the Audit and Risk Committee, to determine the effectiveness of the group's system of internal controls.

The board and executive management consider the matters discussed in this report to be those that most influence our ability to successfully achieve our strategic objectives and manage the risks we face, and believe that this report fairly records our performance in the past year.

*Note: AngloGold Ashanti reports its group financial information in US dollars (US\$) in all its reports. Unless otherwise stated, the use of '\$' or 'dollar' refers to US dollars.*

*“The risks and material issues discussed in this report are considered to be those most likely to affect the group's sustainability.”*

## DIRECTORS' STATEMENT OF RESPONSIBILITY

**The Board of Directors of AngloGold Ashanti, assisted by the Audit and Risk Committee, is ultimately responsible for overseeing and confirming the integrity and completeness of this Integrated Report and of the entire suite of 2015 reports.**

The board, having reviewed and applied its collective mind to the preparation and presentation of this report, declared that the Integrated Report addresses all material issues and fairly presents the organisation's integrated performance and its impacts.

The board, on the recommendation of the Audit and Risk Committee, approved the Integrated Report 2015 on 22 March 2016.

**Sipho M Pityana**  
Chairman

**Wiseman Nkuhlu**  
Deputy Chairman

**Srinivasan Venkatakrishnan**  
Chief Executive Officer

**Christine Ramon**  
Chief Financial Officer

## CORPORATE PROFILE

AngloGold Ashanti, a gold mining company with a globally diverse, world-class portfolio of operations and projects, is headquartered in Johannesburg, South Africa. AngloGold Ashanti is the third-largest gold mining company in the world, measured by production.

### OUR PORTFOLIO OF ASSETS

Our portfolio of 17 mines in nine countries, comprises long-life, relatively low-cost assets with differing ore body types, located in key gold-producing regions. A number of these assets are strongly leveraged to energy costs and currencies.

Our operations are grouped regionally as follows:

**South Africa** (Vaal River, West Wits and Surface Operations)

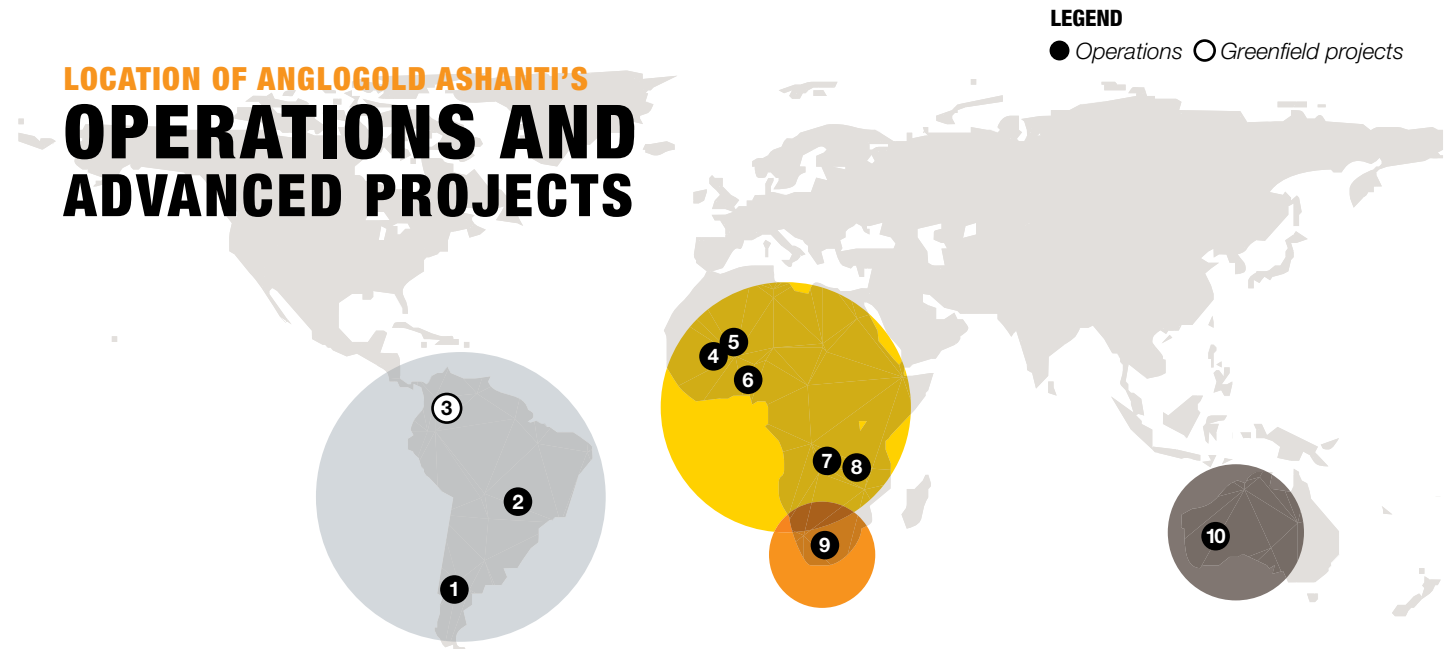
**Continental Africa** (Democratic Republic of the Congo, Ghana, Guinea, Mali and Tanzania)

**Americas** (Argentina and Brazil)

**Australasia** (Australia)

These operating assets are supported by greenfield projects in Colombia and a focused exploration programme.

## LOCATION OF ANGLOGOLD ASHANTI'S OPERATIONS AND ADVANCED PROJECTS



#### LEGEND

● Operations ○ Greenfield projects

### AMERICAS

- 1 Argentina**  
Cerro Vanguardia (92.5%)
- 2 Brazil**  
Serra Grande  
AGA Mineração
- 3 Colombia**  
Gramalote (51%)  
La Colosa  
Quebradona (92.4%)

### AUSTRALASIA

- 10 Australia**  
Sunrise Dam  
Tropicana (70%)

### CONTINENTAL AFRICA

- 4 Guinea**  
Siguiri (85%)
- 5 Mali**  
Morila (40%) <sup>(1)</sup>  
Sadiola (41%)
- 6 Ghana**  
Iduapriem  
Obuasi <sup>(2)</sup>
- 7 DRC**  
Kibali (45%) <sup>(1)</sup>
- 8 Tanzania**  
Geita

### SOUTH AFRICA

- 9 South Africa**  
Vaal River  
Kopanang  
Moab Khotsong  
West Wits  
Mponeng  
TauTona  
Surface Operations <sup>(3)</sup>

Percentages indicate the ownership interest held by AngloGold Ashanti. All operations are 100%-owned unless otherwise indicated.

<sup>(1)</sup> Both Morila and Kibali are managed and operated by Randgold Resources Limited.

<sup>(2)</sup> Obuasi has been on limited operations since December 2014.

<sup>(3)</sup> Surface Operations includes First Uranium SA, which owns Mine Waste Solutions (MWS). MWS is managed and operated as a separate cash-generating unit.

## CORPORATE PROFILE continued

### OUR BUSINESS

Our business activities span the full spectrum of the mining value chain and take into account the impact of our activities on the varied and many communities and environments in which we operate. To maintain and strengthen our business's social capital, we aim to create sustainable value for shareholders, employees, and social partners through safe and responsible mining practices and capital discipline.

Over the past three years, the transformation of AngloGold Ashanti has aimed at increased efficiencies and competitiveness with a focus on its safety performance alongside growth in the production of high-margin ounces, reduced operating and overhead costs and positive cash flows. Being cognisant of the current market environment, and with limited access to financial capital, we ensure that we allocate available capital responsibly, in line with business requirements, while optimising our internal expertise to aggressively identify and implement operational efficiencies, reduce overhead structures, improve capital discipline and pursue other initiatives to improve underlying business performance, with an emphasis on workplace safety. Our overall focus remains on continued debt reduction to further strengthen our balance sheet, improve the quality of our portfolio and unlock value from the Colombian portfolio and Obuasi.

Our organisational and management structure is aligned with global best practices in corporate governance. By using our human

capital efficiently and effectively, group support functions cover planning and technical, strategy, sustainability, finance, human resources, legal and stakeholder relations. The planning and technical function focuses on the management of opportunities and the maintenance of long-term optionality, ensuring optimal use of our intellectual capital, through a range of activities that includes brownfields and greenfields exploration, innovative research and technology development with a focus on mining excellence.

### EXPLORATION

Our exploration programme is aimed at providing an organic growth pipeline through which to create significant value for the company.

Greenfields and brownfields exploration is undertaken in both established and new gold-producing regions through managed and non-managed joint ventures, strategic alliances and wholly-owned ground holdings. Recent world-class discoveries include La Colosa, Gramalote and Quebradona (Nuevo Chaquiro) in Colombia and Tropicana in Australia.

### OUR PRODUCT

While gold is our principal product, depending on local geological characteristics, several by-products are also produced, which make up the sum total of our manufactured capital. These are silver in Argentina, uranium in South Africa and sulphuric acid in Brazil. In compliance with all applicable

legislation, great care is taken to ensure the safe production, transportation and storage of uranium and sulphuric acid, which are hazardous materials. For instance, AngloGold Ashanti complies with the International Atomic Energy Agency's (IAEA) safeguards regarding all its sales contracts and shipments of uranium.

Once mined, the gold ore is processed into doré (unrefined gold bars) on site and then dispatched to precious metals refineries for refining to a purity of at least 99.5%, in accordance with the standards of 'good delivery' as determined by the London Bullion Market Association (LBMA). This refined gold is then sold directly to bullion banks.

### SHAREHOLDERS

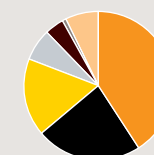
AngloGold Ashanti is an independent gold producer, with a diverse spread of shareholders that includes some of the world's largest financial institutions. The Government of Ghana holds a 1.57% interest in the company.

The respective national governments hold direct interests in our operating subsidiary in Guinea and joint ventures in the DRC and Mali. In Argentina, Fomicruz, a state company in the province of Santa Cruz, has an interest in the Cerro Vanguardia operation.

The primary listing of the company's ordinary shares is on the JSE in South Africa. Its ordinary shares are also listed on the New York, Australian and Ghana stock exchanges. More detailed information on our stock exchanges listings is provided in the Shareholder Information section.

At the end of December 2015, AngloGold Ashanti had 405,265,315 ordinary shares in issue and a market capitalisation of \$2.88bn (2014: \$3.51bn). Post year-end, at 22 March 2016, the date of approval of this report by the board, the market capitalisation was \$5.54bn.

Geographic distribution of shareholders as at 31 December 2015 (%)



United States	41
South Africa	23
United Kingdom	17
Rest of Europe	7
Asia	4
Ghana	1
Rest of world	7

# HIGHLIGHTS OF THE YEAR

## SAFETY

Both the AIFR and the LTIFR for 2015 were lower than 2014. Safety remains our highest priority and our biggest challenge as we relentlessly pursue effective controls to improve our safety performance.

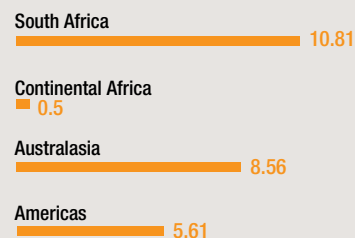
### 2015 group AIFR

# 7.18

(2014: 7.36)

### Safety performance by region

(AIFR per million hours worked)

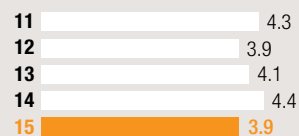


## PRODUCTION

Our focus remains on high-margin ounces rather than on absolute production levels. We have met annual production and cost targets for three consecutive years. We remain one of the global gold industry's most geographically diversified companies.

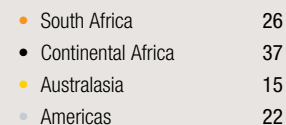
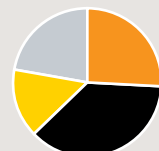
### Annual production (continuing and discontinued operations)

(Moz)



### Contribution to production by region 2015 (%)

(%)



## EMPLOYEES

Our strategy is based on a strong foundation built on safe production, and attracting and retaining the industry's best people. To this end, a redesign of the incentive structure is underway to include a greater focus on and further tightening of the performance-related measures we use to assess and drive the business.

### Number of employees

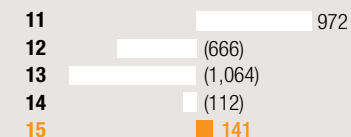


## FREE CASH FLOW

Active cost management along with strict capital discipline allowed us to generate free cash flow, despite the lower gold price environment. This is a marked improvement on a cash outflow of \$112m in 2014.

### Annual free cash flow

(\$m)



*“Production of 3.95Moz came in at the top end of our revised guidance while all-in sustaining costs of \$910/oz and all-in costs of \$1,001/oz were both better than guidance.”*

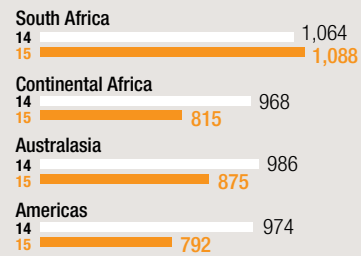


# HIGHLIGHTS OF THE YEAR continued

## COSTS

While cost reduction and efficiency measures provided a buffer against local inflation, tailwinds from weakening currencies and fuel prices helped mitigate an 8% drop in the gold price and lower production.

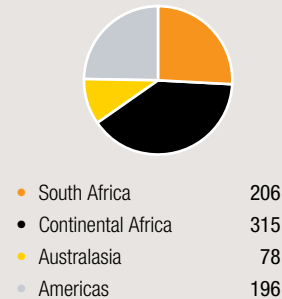
All-in sustaining costs by region  
(\$/oz)



## CAPITAL EXPENDITURE

Our 2015 results show the benefits of a strong ongoing focus on costs and capital allocation. Capital expenditure decreased by 29% compared to 2014, attributable to favourable exchange rate movements in South Africa, Brazil, Argentina and Australia, as well as planning and design changes at certain sites and fundamental cost savings.

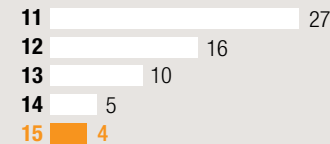
Capital expenditure by region 2015 (\$m)



## ENVIRONMENT

In line with our commitment to responsible environmental stewardship and to minimising our impact on the environment, we have reduced the number of reportable environmental incidents to four in 2015 – down 20% year-on-year and an 85% improvement from 2011.

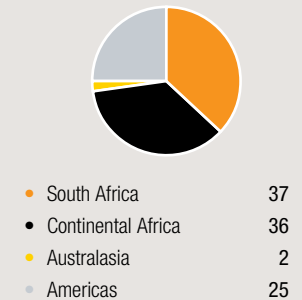
Number of reportable environmental incidents



## COMMUNITY

Maintaining positive relations with communities is essential to maintaining our social licence to operate. In line with the need to understand and respond to communities socio-economic challenges, we contributed \$16.8m\* to community investment projects and spent \$2.1bn with local suppliers.

Community investment by region 2015 (%)



\* Includes equity-accounted investments.

## LEADERSHIP



## TOWARDS VALUE CREATION

through credible and sustainable business

In this section, we present our leadership team, who review our performance over the past year, with particular reference to our strategy.

## CHAIRMAN'S LETTER



Siphon M. Pityana  
Chairman

### ANGLOGOLD ASHANTI SHAREHOLDERS

I find myself once again reflecting on another challenging year for the world's gold mining sector, which completed the fourth consecutive year of declining gold prices following bullion's September 2011 peak. After several years of leading the way downward for metal prices, however, it was some comfort that gold shone relative to the out-and-out rout that we saw in commodity prices in general during 2015 with base metals, bulk minerals and energy all falling victim to slowing demand.

As commodity producers suffered from the collapse in prices, so too did the fortunes of many emerging market economies, buffeted by the twin headwinds of an ailing China and the first hike in US interest rates since well before the global financial crisis.

I start this letter by reflecting on the macroeconomic picture, because the withdrawal of liquidity from developing countries and dwindling demand for metals and energy have hit hard for many companies and countries alike, including many jurisdictions in which AngloGold Ashanti is invested.

Brazil, where we operate two important mining complexes, was downgraded to non-investment grade status by major credit ratings agencies. The impact of this rating downgrade was significant. The diminished pool of available debt capital and the higher cost of funding contributing toward an unprecedented collapse

in the Brazilian real, which lost almost half of its value relative to the US dollar in 2015. The threats to the trajectory of Brazil's inflation are clear, as are the concerns for both the country and local corporations which face the prospect of repaying historically high debt commitments from a weakened currency base.

South Africa, where we produce roughly a quarter of our gold and where we are domiciled, was working hard to stave off a similar ratings fate at the time of writing this note. Our country, which labours under stubbornly low growth, soaring unemployment and the world's most unequal distribution of wealth, is only a single downgrade away from similar relegation to 'junk' status. While it is not certain South Africa will be downgraded, it is clear that Brazil provides an ominous portent of what lies in store for a currency already suffering the contagion of the global emerging market and currency fallout. South Africa's rand lost fully a third of its value relative to the dollar in 2015.

To be clear, the dramatic weakening of these currencies provides a significant and helpful tailwind to our operations in the short-medium term. With most of our costs in Brazil and South Africa denominated in real and rand respectively, the freefalling currencies help ensure lower dollar-denominated costs and wider margins. We are mindful that such gains are often eroded by the inevitable inflation that follows, so we are working harder than ever to make the fundamental changes to our operations that ensure efficiencies can also be

managed in local currency terms. You will read more of these efforts elsewhere in this report.

But there is a bigger point to be made in looking at the struggles of so many of these emerging markets and the commodity companies that operate in them. At root of their current travails is the age-old problem of too much debt, accumulated during times of seductively low interest rates. This in itself is not necessarily a problem unless refinancing costs rise, or the price for the commodity produced, declines. Unfortunately for many, both of these are currently occurring.

You will recall that we identified our balance sheet as one of the focus areas as far back as 2014. Back then, despite not being the most indebted company in the industry, we were among the first to highlight our debt as unsustainably high, and to prescribe a range of self-help measures to reduce these borrowings without resorting to a dilutive equity issuance. Many others have since followed suit. This year's Integrated Report highlights many of the successes we achieved in this regard, with our debt shrinking by almost \$1bn, due to the timely sale of CC&V in the United States and the increased cash flow we generated, despite the lower average gold price achieved during the year.

Neither the decision to sell a core mine, nor the significant restructuring needed to achieve those margins, were easy calls to make, but they were critical in ensuring improved long-term fortunes for the company, its shareholders and other stakeholders.

## CHAIRMAN'S LETTER continued

The unanimous decision of the board and the Executive Committee to pursue a debt reduction strategy forced some much-needed introspection into the true health and structure of the business. It provided further impetus for us to eliminate wasteful and unproductive expenditure, streamline sometimes ponderous structures, vastly improve our capital allocation practices and adopt a more conservative outlook. All of these will serve us well in the future, regardless of the market conditions.

We remain cautious on our debt-bearing capacity given our view that the prevailing, difficult market conditions for the broader emerging markets and mining universe appear structural in nature and may well persist for some time.

We have seen already how collapsing prices of commodities from oil to platinum, and copper to iron ore, have slashed revenue for many host countries. In many of these countries, loss-making operations pay less tax. At the same time, capital-starved companies suspend projects, greatly reducing foreign direct investment to jurisdictions in desperate need of it. It is a difficult situation for countries that place large reliance on their mining industries.

In this challenging environment, there is a threat that governments will succumb to the temptation to plug these revenue gaps by changing the goal posts for investors – raising

taxes and royalties, or altering other terms under which companies operate. This may, after all, appear easier in the short-term than making the difficult, structural improvements to economies that will make them stronger and more competitive in the long-term. So, instead of using the crisis to pass the reforms needed to enhance competitiveness and attract long-term investments, there is a risk that a more myopic approach to increasing fiscal and other burdens will have the opposite effect of permanently raising discount rates applied by companies to investment in those territories.

But there are also other, less obvious ways of extracting additional resource rents. Many will already be aware that governments in developing countries are increasingly slow in remitting value-added tax rebates, building large balances of cash due to be returned to companies. You will see evidence of this lock-up of working capital elsewhere in this report, but suffice to say, this increases the cost of doing business, and the returns needed to make future investments.

In the past year, we were gratified to see peaceful and fully democratic elections in Argentina, Tanzania and Guinea. We continue to hold dialogues with these and other governments to ensure we remain alive to their

own objectives and needs, while providing feedback on our requirements and views as investors seeking the best destination in which to invest discretionary capital.

As a multi-national mining company, operating 17 mines in nine countries from Argentina and Brazil in the west, to Australia in the east, and South Africa in the south to Mali in the north (and with large-scale growth opportunities in Colombia), we have throughout this downturn continued to invest in projects that will secure our future. Our investment criteria have – out of necessity – become more stringent as market conditions have tightened, and we will continue to look for a clear set of criteria that our jurisdictions must fulfil if they are to attract our capital.

Like fund managers, we are constantly working to make the best capital allocation decisions possible, and are always confronted with a choice of where to invest that extra dollar.

Right now, we have several options for brownfield expansion of our Siguirí mine in Guinea, a life extension of our Geita operation in Tanzania or the construction of a new plant in Mali to revive a two-decade old operation, which is near the end of its life if there is no reinvestment. We are looking at the viability of deepening the shaft system at Mponeng in South Africa to unlock millions more ounces,

and an even more ambitious plan to revive a century-old mining district near the town of Obuasi in Ghana.

In parallel with this, we are progressing the three large, new projects in Colombia that will potentially transform the company into one of the world's largest mining companies operating in the Americas.

The fact that there is limited available capital means there will inevitably be trade-offs. And in deciding which assets in our portfolio will benefit from investment, we will be looking at a suite of requirements that will limit the ongoing risks related to any mining project, and enhance the long-term returns. This is essential if AngloGold Ashanti is to remain sustainable as a long-term business.

We will look for strong governance and transparency; improving administrative capacity in government at local and national level; clear, consistent fiscal and regulatory frameworks that provide the long-term certainty to make large investments in development of ore bodies and surrounding infrastructure; and an overarching climate that allows for strong partnerships, particularly between government, industry, labour and communities, to more effectively invest in social expenditure.

## CHAIRMAN'S LETTER continued

Also critically important are the host governments' commitments to protecting the rights of investors within a recognised legal framework. Mining is, by definition, a long-term game that requires large sums of capital and often lengthy payback periods. That requires certainty, security and transparency. We are certain to avoid any new investment in a jurisdiction that doesn't provide a safe and secure environment in which to operate – regardless of the vagaries of market cycles.

But this is not a one-way street. As a responsible corporate citizen, we will also have a list of necessarily onerous commitments to uphold. We will agree on our social commitments, pay taxes and continue to invest in both the operation and community development throughout the cycle, to ensure that our hosts see the benefit of our mining activities. We will aim to operate safe mine sites and be responsible stewards of the environment. This consistency on the part of the investor is critically important in order to show that we – like the governments and communities who host us – are in it for the long run.

This year we continued on our improving trajectory with regard to the environment, reporting four incidents compared to five in 2015. That takes the improvement since 2007 to 92%. As regards safety, our highest priority, we fell well short of our goal of achieving 'zero harm' across our business, with an unacceptable 11 workplace fatalities recorded during the year. The board of directors sends

its heartfelt and sincere condolences to the families, friends and loved ones of those who died. This number of fatalities is by any measure unacceptable. While notable progress had been made since 2007, when the number of fatalities declined significantly by over 80% from 34 to six in 2014, regrettably, this historic performance deteriorated in 2015. Although disappointed by this increase in the number of fatalities, we remain fully committed to investing the time and resources to abolish the scourge of workplace injuries from our mines and plants. At the same time, we recognise the enormous strides that have been made to this end with our all injury frequency rate, the broadest measure of safety performance, showing another annual reduction from 7.36 per million hours worked in 2014 to 7.18 for 2015.

Many of you will be aware that we agreed a three-year wage deal with the majority of our South African workforce this past year, the longest duration yet for such a deal. We entered these talks with our four major unions – the National Union of Mineworkers (NUM), the Association of Mineworkers and Construction Union (AMCU), Solidarity and the United Association of South Africa (UASA) – with the intention of shifting the discussion away from previous, more confrontational wage talks characterised by wide initial gaps in what is being asked for and what is being offered, and incremental moves toward a settlement.

Together with our major peers in the sector, Harmony and Sibanye, we proposed an Economic and Social Sustainability Compact with mutually agreed economic viability parameters that support the gold industry's ability to provide job security and social benefits to employees, enabling them to share in the future of the industry. The compact also included a set of new methodologies and principles to guide co-operation between employers, employees and their organised labour representatives, to help secure the future of the industry and the jobs within it.

Although we believe that the proposed compact offers a better opportunity for sharing the spoils and woes in our industry, unfortunately, the unions declined the offer of deeper co-operation with the industry, under the compact, and instead chose to revert to normal bargaining. We countered with a higher-than-usual opening offer that was close to the final accord with NUM, UASA and Solidarity, which together with the 7% of non-unionised employees, accounted for 66% of our workforce. The deal, which saw an above-inflation increase, provides for guaranteed wages for entry-level employees (excluding bonuses and overtime) to rise to around R106,000 per annum in the third year of the agreement.

In addition, employees would continue to receive their incentive-based pay, in the form of bonuses and overtime, which can



## CHAIRMAN'S LETTER continued

materially increase cash remuneration – and especially so in the current environment which has seen rand-denominated gold prices at record levels.

As in the previous round of talks in 2013, AMCU declined to sign the wage agreement, and continued their 2013 challenge to our ability as an industry, to 'extend' this agreement to their members under Section 23.1(d) of the Labour Relations Act. The Labour Appeal Court subsequently ruled again in our favour and dismissed AMCU's appeal. We welcome the decision as it is in the best interests of employees, the companies concerned and the industry as a whole.

We believe that three years of certainty on wage agreements provides much needed stability for us to improve the operational consistency of our South African operations. We believe that this also provides the right environment for our employees to take advantage of the higher gold price environment to increase the variable proportion of their remuneration, which has the potential to significantly augment remuneration. It's in our mutual interest to ensure an enduring, symbiotic relationship.

In early March 2016, we took an important step toward resolving some of the legacy claims against the company with respect to

occupational lung disease (OLD). Between October 2012 and April 2014, AngloGold Ashanti received 1,256 individual summonses relating to silicosis and other OLD. I'm pleased to report that on 4 March 2016, together with Anglo American South Africa, we reached a settlement agreement with the claimants, through their counsel, for full and final settlement – with no admission of liability – of those individual claims brought against AngloGold Ashanti and the 4,388 individual claims brought against Anglo American South Africa. Further information regarding the settlement is available on our website at [www.anglogoldashanti.com/en/Media/news/Pages/20160304\\_Silicosis.aspx](http://www.anglogoldashanti.com/en/Media/news/Pages/20160304_Silicosis.aspx)

We firmly believe that agreeing these settlement terms is in the best interests of the claimants, their families, and the company. All have a common interest in settling this highly-complex case that could take several years to resolve through litigation. It should be noted that this settlement agreement is not related to the pending class action certification application that is currently before the courts. The court is still to determine whether or not a class action law suit is the appropriate way to hear this action. Judgement on this matter is still pending.

The mining industry acknowledges that OLD is of significant importance for the sector and the

country. We, along with several of our industry peers, have also convened a working group to address issues relating to compensation and medical care for OLD in the South African gold mining industry. The companies in this working group are in the process of engaging all stakeholders in order to co-operate in the design and implementation of a comprehensive solution to compensation for OLD that is both fair to past, present and future gold mining employees, and sustainable for the sector.

In closing, we find ourselves in a strong position relative to where we've come from in recent years, and relative to many of our peers. We have done hard work to restructure the business, strengthen the balance sheet and manage risk across the portfolio. I can assure you that, despite the success we've enjoyed over the past three years, the board is clear in its intention to continue supporting the executive team in its push for further improvements across the business. Venkat, our Chief Executive Officer, is clear in his note to shareholders in this same report, that there is a busy to-do list that he and his team will be attending to in 2016 to unlock further value.

Be assured that our efforts will be firmly rooted in our values, which remain sacrosanct for every one of our employees working in this business – they are non-negotiable and will remain so. In

2015, though we devoted significant effort and resources to improving safety, the outcomes were below par. This critical area will receive our undivided attention in the year ahead. We must do better.

Finally, I extend my thanks to our CEO Venkat for his exceptional leadership and commendable delivery on our strategic commitments over the past year, executed under the difficult market conditions with which the mining industry has been faced over the past few years. He would be the first one to remind me that without the fantastic management team he leads, none of this would have been possible. I agree, we are lucky to be endowed with such great talent. I also acknowledge the continuous support of and thank my fellow board members for their contribution over the past year. Together, we will be unrelenting in our efforts to ensure that the business flourishes in the long term, regardless of market conditions, for the benefit of all stakeholders.

**Sipho M. Pityana**  
Chairman  
22 March 2016

# THE BOARD



## Independent non-executive directors

- 1: **Sipho Pityana**  
(Chairman)
- 2: **Wiseman Nkuhlu**  
(Deputy chairman)
- 3: **Albert Garner**
- 4: **Rhidwaan Gasant**
- 5: **Dave Hodgson**
- 6: **Nozipho January-Bardill**
- 7: **Michael Kirkwood**
- 8: **Maria Richter**
- 9: **Rodney Ruston**



## Executive directors

- 10: **Srinivasan Venkatakishnan**  
(Chief Executive Officer)
- 11: **Christine Ramon**  
(Chief Financial Officer)

## Company secretary

- 12: **Maria Sanz Perez**

Length of service on the board (%)



- Less than two years 27
- From two to eight years 46
- More than eight years 27

HDSAs (%)



- HDSA 45
- Non-HDSA 10
- Non-South African 45

Experience (%)



- Mining/finance 10
- Mining 27
- Finance 27
- Executive management 36

Gender

**73%**

Male

**27%**

Female

## CEO'S REVIEW



Srinivasan Venkatakrishnan  
Chief Executive Officer

### FELLOW SHAREHOLDERS

After another busy year for the team at AngloGold Ashanti, it falls to me to provide an update on our progress in delivering on our commitments made a year ago to you, the owners of this company. In this regard it may be useful to revisit our strategy, which has guided us since its launch in 2013. We believe this strategy, which has at its core the delivery of sustainable cash flow improvements and returns, will deliver shareholder value in both bear and bull markets. It is underpinned by five simple business objectives that have served us well over the past three years, namely:

- a strong foundation, built on safe production, attracting and retaining the industry's best people and fostering a practical and progressive sustainability model
- placing enormous importance on balance sheet strength and flexibility
- a constant focus and delivery on production improvements, cost management and sound capital discipline
- a constant drive to consistently manage and improve the quality of our portfolio
- remembering always that mining is a long-term game, therefore ensuring we keep long-term optionality, at an affordable cost, firmly on our radar

AngloGold Ashanti remains one of the global gold industry's most geographically diversified companies. In 2015, roughly one-in-every four ounces of our production came from

our mines in South Africa, with three times that amount coming from our international operations, as we continued to improve the balance of our portfolio.

Our presence in Brazil, Argentina, Australia and South Africa (collectively two-thirds of our production base) ensured we were able to offer good leverage not only to gold prices, but also to weakening currencies in those jurisdictions. That means that while we will certainly benefit from a rising dollar-denominated gold price, we can also flourish in a weaker gold price scenario that typically brings along with it weaker currencies in Australia, Brazil, Argentina and South Africa.

The sharply weaker oil price also provided a welcome tailwind, particularly for open-pit operations and those mines, mostly in Africa, where we generate our own electricity. We remained well positioned to benefit from prevailing macro-economic conditions, characterised by the strong dollar, weaker commodity prices and currencies, and lower oil prices.

Production of 3.95Moz came in at the top end of our revised guidance while all-in sustaining costs of \$910/oz and all-in costs of \$1,001/oz were both better than guidance. When looking back to the end of 2012, the performance is all the more remarkable. All-in costs have more than halved since then and all-in sustaining costs have come down by almost half, from around \$1,700/oz. This achievement comes despite a struggling South African business,

which we expect to turn around in the coming year, providing us another good opportunity to drive average costs for the business lower.

Our active cost management, along with strict capital discipline, allowed us to generate free cash flow of \$141m for the year, even after incurring costs of \$61m related to the successful tender offer for a portion of our high-yield bonds. We applied the proceeds from the sale of CC&V, plus surplus cash generated by the business, to further reduce borrowings. This left net debt 30% lower at the end of 2015, compared with the end of the previous year. We have, very clearly, been more than up to the challenge of ensuring that we can make money – even in a severe bear market – without compromising long-term optionality.

Looking back a year ago, we were certainly not the mining industry's most indebted company by any means, but we were among the first to commit to a range of self-help measures to lower debt from internally generated cash, without diluting shareholders. I am pleased to report that we delivered on most of our self-help measures, including margin improvements, cost savings throughout the business, and the sale of a core asset for full value.

After taking the difficult decision to sell CC&V to Newmont Mining Corp., we achieved the very good price of \$819m, plus a future royalty stream on potential underground production. We received the proceeds in August 2015 and moved quickly to deploy most of the cash in a



## CEO'S REVIEW continued

successful tender offer to buy back \$779m of our high-yield bonds at a reasonable premium of only 7.5%, almost five years before they are due to mature. In each of those five years we will save about \$60m in interest payments, and also significantly reduce refinancing needs at the bonds' scheduled maturity date in 2020.

A long-term solution at Obuasi, including the search for a partner and completion of a feasibility study into its redevelopment, as well as a search for a strategic partner (or partners) to participate in our projects in Colombia, remain works-in-progress. While Colombia represents an excellent long-term value option for the company, the current depressed market conditions for greenfield project developments dictate that we further rationalise annual expenditure, while moving these projects up the value curve.

We've done very good work over the past three years – and particularly in 2015 – to transform the balance sheet from an existential risk to a growing competitive advantage. We've lowered debt by a third in the past year, we ended 2015 with ample liquidity in our cash and facilities, and we have no material US dollar-denominated bonds maturities until 2020. We will, nevertheless, continue our work to strengthen the balance sheet further in 2016.

Consistent delivery on our commitments to the market is another growing advantage. We have,

month by month and ounce by ounce, built a strong track record of reliable performance, despite facing stiff headwinds in a challenging operating environment. We stretched our record of delivery to 12 consecutive quarters, wherein we either met or beat our production and cost targets. We have also, for the first time in our history, met our annual production and cost targets for three years in a row.

But as strong as the operational performance was in 2015, our safety performance was simply not at the level we demand. Safety was – and remains – both our highest priority and our biggest challenge. This is particularly so in South Africa, which accounted for nine of the 11 tragic fatalities recorded during the year compared to four out of six in 2014. The regression in fatalities is especially upsetting for all of us in the company, given the marked improvements made in the preceding two years. We have continued to invest significant effort, time and resources into understanding the root causes of these accidents, and also in understanding the causes of near-miss, or high-potential incidents, where fatalities were narrowly avoided. In looking at the broader safety performance, however, we are heartened by the continued improvements to our all injury frequency rate which ended the year at its lowest ever level of 7.18 per million hours worked. I can assure you that our

resolve to eliminate workplace deaths from our mines is stronger than ever.

Our performance across our other sustainability metrics was very good indeed, with continued improvements in all key areas. We again eclipsed the record performance in 2014 of the fewest reportable environmental incidents logged, with four in 2015 compared to five the previous year and 27 in 2011. We remained diligent in our work to improve relationships with host communities and governments, and ended the year with 15 reportable community incidents, down from 61 in 2011. There is a wealth of detailed sustainability-related information in our [<SDR>](#).

As we return to overall operating performance, our international operations have distinguished themselves in helping push the portfolio from near the top of the industry cost curve in 2012 to its current position in the lower half. The South African operations, which were severely hampered by scores of lost operating days linked to safety stoppages, did not fare as well as in 2014 and were consequently our highest-cost operations in 2015, when they averaged an all-in sustaining cost of \$1,088/oz.

While our international portfolio has fared exceptionally well in outpacing the peer group, we believe that the next step-change improvement in the portfolio will come from

the South African assets, which will help drive the performance of the group toward the industry's lowest-cost quartile. The performance of these deep-level assets in the fourth quarter, when all-in sustaining costs fell nearly \$200/oz from the previous quarter, show they have the potential to provide a positive surprise in 2016.

At an operating level, we have a busy work schedule in this coming year. In South Africa, as you would expect, getting to grips with our safety performance underpins all of the other turnaround efforts across the region.

We're also extending the Project 500 from our international operations to the South African region, where it has only had limited application thus far. We believe that we can extend the success you've seen in our international operations, and at year-end our teams were already working on efficiency improvement initiatives, tighter labour and contractor management, debottlenecking of key projects and targeting a range of off-mine cost savings of at least R500m.

Chris Sheppard and his team will also continue to establish the production platform created by the Below 120 level life extension project at Mponeng, our long-term cash engine in South Africa, which was delayed by the safety-related disruptions of the past 18 months.

When you put all of these pieces together, you will see the building blocks are in place for us to deliver a 10% uplift in production from the South African region compared to 2015, with a commensurate improvement in costs. The weaker exchange rate evident since December 2015, may provide additional benefit.

Ron Largent has a similarly busy schedule regarding the international operations in 2016, in identifying areas of further improvement and ensuring that potential is realised. Together with teams in Australasia, South America and Continental Africa, we'll be looking to advance a slate of opportunities, which includes an exciting brownfields project at Siguiri, that will deliver a life extension well into the next decade, taking annual production from Guinea up to around 300,000oz and dropping all-in sustaining costs to around \$900/oz. We get all of that for a little over \$100m. This is precisely the kind of project we like, leveraging of an existing capital base and providing high returns on the capital we invest.

We've also taken the initial steps toward developing the underground mine at Geita, our lowest-cost operation, and are putting the final touches on an incremental capital project at Sunrise Dam that will allow us to tap the significant resource potential of our Vogue underground discovery. At Iduapriem, in Ghana, we will continue the successful work of 2015 that added long-term ounces, life

and margin. And in Brazil, now amongst our top cash generating regions, we are getting into the higher grades at the Serra Grande operation, which confirms the geological thesis that drove our purchase of the remaining 50% of this asset a few years back.

There is a lot more work underway which makes it evident that our internal pipeline of low-capital/high-return brownfield project opportunities has never looked better.

At a corporate level, our 'to do' list for 2016 is also a busy one. Our top priority is to effect the turnaround at our South African operations. We will also continue to target efficiency and cost improvements across every corner of the business to further improve margins and cash flow, which will be applied prudently to further reduce debt. These efforts will not ease, despite the improvements seen in the gold price at the beginning of 2016.

Obuasi will occupy a disproportionately higher weighting in our list, despite the fact that it is not in production. The next steps include further optimising our feasibility study into the mine's potential redevelopment, ensuring the restoration and maintenance of law and order on site, and securing the full package of regulatory consents and approvals needed before we seek a joint venture partner that will be critical to our participation in the mine's redevelopment<sup>1</sup>.

Looking ahead, there are clear cash flow benefits that stem from the hard work and restructuring we have completed so far. These improvements stem from:

- the early part repayment of our high-yield bonds, which has cut our interest bill by almost a third
- our cost reductions – both through fundamental improvements and leverage to oil and currency – which have helped widen profit margins
- lower planned expenditure in both Colombia and Obuasi, compared to last year

And that's before we take into account the tailwinds we can see from a gold price that continues to look stronger, and currencies in our key operating jurisdictions which remain at historically weak levels, creating a sweet spot for our business.

AngloGold Ashanti's investment case is stronger than ever, with several catalysts that we are methodically ticking off.

We have a high-quality portfolio of long-life, gold assets with strong leverage to gold price, energy and currencies. We are a transparent and decisive management team that is focused on delivery and returns. We set ambitious goals, achieve them, and set a higher hurdle for the next round of improvements.

We continue to prioritise margins over production growth with relentless cost and capital discipline. Our decisive actions to date have provided us with the much needed balance sheet flexibility, an area in which we will seek further improvements in 2016.

My sense of business optimism expressed a year ago was largely borne out in 2015, when a strong fundamental performance drove an equally strong share price performance, relative to our peers. I see little reason for this optimism to wane during 2016, particularly with the strong support we continue to receive from our Chairman, board, our executive and senior management teams, and the tireless dedication and hard work of so many among our about 52,000-strong group of truly world-class employees in AngloGold Ashanti, to all of whom I am very thankful.

Finally, I express my gratitude, and that of the board, as I bid farewell to Mike O'Hare who had a distinguished career at AngloGold Ashanti for close on four decades. Mike retired in September 2015. I thank him for this immense contribution to the company and the industry as a whole, and wish him well.

**Srinivasan Venkatakrisnan**  
Chief Executive Officer  
22 March 2016

# EXECUTIVE MANAGEMENT



AngloGold Ashanti's executive management team (Executive Committee) comprises nine members of whom two are executive directors.

This committee oversees the day-to-day management of the group's activities and is supported by country and regional management teams as well as by group corporate functions.

1. **Srinivasan Venkatakrishnan**  
(Chief Executive Officer)

2. **Christine Ramon**  
(Chief Financial Officer)

3. **Chris Sheppard**

4. **Italia Boninelli**

5. **Charles Carter**

6. **Graham Ehm**

7. **Ron Largent**

8. **David Noko**

9. **Maria Sanz Perez**

Length of service by executive management (%)



- Less than five years 45
- From five to ten years 10
- More than ten years 45

HDSAs (%)



- HDSA 33
- Non-HDSA 22
- Non-South African 45

Experience (%)



- Mining 33
- Executive management 23
- Mining/finance 11
- Mining/strategy 11
- Finance 11
- Human resources 11

Gender

**67%**  
Male

**33%**  
Female

## CFO'S REPORT



Christine K. Ramon  
Chief Financial Officer

We continued to deliver on our self-help measures as reflected in the strong set of annual results beating market consensus views in most areas. Improved cost metrics, together with lower debt levels, resulted in improved cash flow generation in the group. This provided the flexibility required in the current volatile environment.

- Strong gains in adjusted headline earnings and free cash flow, despite the 8% drop in gold price
- Production of 3.95Moz – at top end of our revised guidance range
- Total cash costs of \$712/oz – 9% lower year-on-year
- All-in sustaining cost of \$910/oz – 11% lower year-on-year
- All-in cost of \$1,001/oz – 10% lower year-on-year
- Corporate costs of \$78m – down 15% from \$92m in 2014
- Adjusted headline earnings of \$49m compared to a loss of \$1m in the prior year
- Capital expenditure of \$857m – down 29% from \$1.2bn in 2014
- Full year free cash flow shows significant

improvements to \$141m, compared to an outflow of \$112m in 2014

- Net debt reduced by 30% year-on-year to \$2.2bn, due to the effect of self-help measures

### EXECUTIVE SUMMARY

As was the case in 2013 and 2014, the year under review was marked by a further fall in the gold price. The average price decreased by \$106/oz or 8% over the course of the past year. In 2015, the situation was exacerbated by a decrease of 489,000oz or 11% in group attributable production (from continued and discontinued operations). The negative impact of these factors was substantially mitigated by significant cost discipline applied and cost savings achieved through the Project 500 (P500) initiative, as well as greater focus on capital allocation and project delivery, while ensuring sustaining capital is maintained; coupled with the favourable impact of weaker local currencies and reduced Brent Crude oil prices. The net result of the above was an improvement in all-in sustaining costs per ounce by 11% year-on-year; and 24% from 2013.

One of our five core strategic focus areas is to 'ENSURE FINANCIAL FLEXIBILITY' which means structuring our balance sheet to allow us to meet our core funding requirements and to provide a reasonable buffer for gold price volatility as well as other adverse unforeseen events. The successful conclusion of the sale of CC&V to Newmont during August 2015

generated proceeds of \$819m which was applied to part settle our \$1.25bn, 8.5% bonds, thereby reducing the outstanding bonds to \$471m. As a result, net debt was reduced by 30% and our net debt to adjusted EBITDA ratio decreased to 1.49 times, in line with our group target of 1.50 times.

The group's balance sheet is efficiently structured and the debt has long-dated maturities. Apart from the R750m bonds maturing in 2016, which forms part of our Domestic Medium Notes Term Programme (DMNTP) and the R1.5bn Revolving Credit Facility (RCF) which matures in December 2018, the earliest bonds' maturity date is in April 2020. The issuer's call on the remaining 8.5% high-yield bonds can be exercised from July 2016 onwards, at the group's discretion.

The group remains committed to finding long-term solutions for the redevelopment of Obuasi in Ghana and its projects in Colombia. Various alternatives are being considered, with joint venture partnerships still the preferred route to be followed.

Our taxation expenses decreased during the year through considerable effort. Our transparent group tax policy supports a low-risk approach in dealing with tax matters.

AngloGold Ashanti's credit rating by Moody's Investor Service was updated on Friday, 11 March 2016. Moody's reaffirmed our rating at Baa3, and improved the outlook from

## CFO'S REPORT continued

negative to stable. Standard and Poor's rating (S&P) of BB+, with a negative outlook, remains unchanged from 2014. The Moody's rating places the company's credit at the lowest level of investment grade and S&P has the company at the top level of sub-investment credit grade. The S&P rating is scheduled for review in 2016.

### CONTINUED FINANCIAL FLEXIBILITY

The \$819m proceeds received on the disposal of CC&V in August 2015 helped reduce the net debt levels in the group by 30% compared to 2014. At 1.49 times, we

have now reached our target net debt to adjusted EBITDA ratio of 1.5 times through the cycle, and we compare favourably to our peers in this regard.

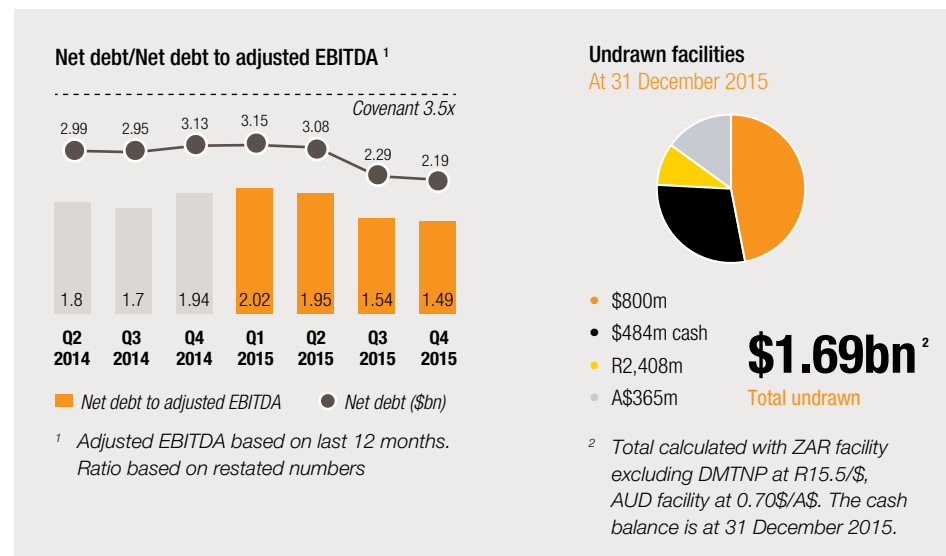
We believe that the ample headroom to our covenant levels of 3.5 times net debt to adjusted EBITDA, our strong liquidity, sufficient undrawn facilities as reflected below and our long-dated debt maturities provide us with the financial flexibility required in the current volatile environment. We are well positioned to successfully steer a course through moderate gold price declines or other unforeseen events, within reason.

#### Debt maturities

Debt type	Debt facilities as at 31 December 2015 (\$m)	Maturity date	Base currency
A\$ RCF	<b>98</b> / 365	Jul 2019	AUD
US\$ RCF	<b>200</b> / 1,000	Jul 2019	USD
ZAR RCF and demand facility*	<b>64</b> / 220	Dec 2018 to Dec 2020	ZAR
5.375% bonds	<b>700</b> / 700	Apr 2020	USD
8.500% bonds	<b>471</b> / 471	Jul 2020	USD
5.125% bonds	<b>750</b> / 750	Aug 2022	USD
6.50% bonds	<b>300</b> / 300	Apr 2040	USD

■ Drawn amount    ■ Facility amount

\* Excludes our South African DMTNP, where we have drawn R750m of the R10bn facility



Due to the long-dated maturities of our existing debt, we have the opportunity to plan and execute strategies for the redemption or renegotiation of our existing debt arrangements on terms favourable to the group. As a result of the early redemption of the high-yield bonds, we have saved 30% on our annual interest bill.

We continue to view the early redemption option on the remaining high-yield bonds at the end of July 2016 as an opportunity to further reduce our debt. However, since there is no external pressure to do so, we will keep all options open in this regard. Our objective remains to prioritise further deleveraging in

2016 with the aim of further reducing the interest bill in order to improve sustainable free cash flows and returns.

### DELIVERY AGAINST 2015 FINANCIAL OBJECTIVES

**1. Continue to focus on self-help measures (including the potential sale or joint venture of an operating asset) to deleverage the balance sheet in order to maintain sufficient liquidity and flexibility in a lower gold price environment**

In 2015, we introduced our focus on 'self-help measures' in three areas:

- The review of the asset portfolio while actively seeking joint venture partnerships in

## CFO'S REPORT continued

Colombia and at Obuasi in Ghana as well as pursuing the potential sale or joint venture of an operating asset

- Cash flow improvements through the optimisation of business plans and consolidation of regional hubs
- Leverage to exploit weaker currencies, the consequently higher price in terms of these currencies and lower fuel prices

The year under review reflects that we have succeeded in most of these areas, with the exception of concluding joint venture partnerships in Colombia and at Obuasi.

Cash flow improvements have been noted in 2015, despite a decrease of 8% in gold price and 11% lower production for the year under review, mainly the result of weaker local currencies; the benefits of the P500 cost savings initiatives; and the lower Brent crude oil price. Free cash inflow for the year, on an adjusted basis, amounted to \$141m, which is the first year of free cash generation since 2011.

The weakening of the South African rand, Argentinean peso, Brazilian real and Australian dollar, as well as the lower Brent crude oil prices, were beneficial to us given

that most of our cost base in those countries is denominated in the local currencies, while our gold is sold in US dollars.

Our sensitivities to the oil price and currencies, which are issued with caution, are as follows:

- Every 1% average change in our currency basket impacts input costs by ~\$6/oz
- Every \$10/bbl change in the average Brent Crude oil price impacts input costs by ~\$8/oz

### ***2. Focus on financial and project risk mitigation by seeking joint venture partners for Colombia and Obuasi***

On 16 September 2015, we concluded a conditional investment agreement with Randgold Resources (Randgold) aimed at the formation of a joint venture to redevelop and operate our Obuasi gold mine in Ghana. Under the terms of the agreement, Randgold would have led and funded a development plan designed to rebuild Obuasi as a viable long-life mine. The development plan would have built on a feasibility plan prepared by us and would have ultimately led to the formation of a joint venture responsible for funding the redevelopment of Obuasi, with Randgold acting as operator of the mine.

On 21 December 2015, we announced the termination of the conditional investment agreement since the proposed investment did not meet Randgold's investment criteria.

As a result, improvements were identified and we have subsequently developed a plan to finalise the feasibility study and continue with the limited operating phase at the mine at a reduced spend. Our focus will be proceeding to secure an investment package for Obuasi, and limit the spend in this limited operations phase from \$106m in 2015 to approximately \$70m in 2016.

Due to the current depressed global mining environment, the appetite of other players in our industry to enter into joint venture arrangements in Colombia, on a number of our promising greenfields projects, has dissipated. As a result, our exploration efforts in Colombia, including the prefeasibility study at La Colosa, are progressing under a reduced spend programme, while maintaining long-term optionality within the country. We will be significantly reducing our expenditure in Colombia from \$73m in 2015 to approximately \$44m in 2016.

### ***3. Review the asset portfolio with a view to rebalancing the portfolio with more profitable ounces***

A review of the asset portfolio, with a focus on more profitable ounces is ongoing. Specific focus remains on finding appropriate solutions for the redevelopment of mining operations at Obuasi and the continued funding of our Colombian exploration portfolio. However, we continue to consider the contribution of every operation within the group.

### ***4. Maintain our focus on cost and capital discipline to deliver competitive all-in sustaining costs and all-in costs***

In response to weaker gold prices, the group has over the last two years adopted a number of measures focused on sustainably reducing the cost associated with producing gold. These initiatives have covered a broad spectrum of activities, including a greater focus on capital allocation and project delivery within set group targets and hurdle rates, while ensuring that sustaining capital is maintained in order to not compromise the business in the longer term. Internal cost reduction improvements have been further assisted by tailwinds from weakening local currencies in the environments in which we operate

## CFO'S REPORT continued

and lower oil prices which have assisted in negating inflationary and structural pressure. We have seen all-in sustaining costs fall 24%, from \$1,195/oz in 2013 to \$910/oz in 2015. Over the same period we have also been able to substantially improve our position on the industry's cost curve.

The group's cost performance reflected improvements in several key areas, including direct operating costs, corporate overheads, exploration expenses and capital expenditure. The P500 initiative, launched in mid-2013 to save \$500m in direct operating costs over 18 months, has surpassed that target and has now been embedded in the international operations as an ongoing business improvement initiative. The P500 team is now in the beginning phases of implementing a range of efficiency initiatives at the South African operations in 2016.

The P500 initiative, supported by weaker local currencies and the lower Brent crude oil price observed during 2015, resulted in our all-in sustaining costs per ounce margin improving to 21% in 2015 from 19% in 2014, with our all-in cost per ounce margin reflecting a similar improvement to 14% in 2015, from 12% in 2014.

### **5. Continue to target sustainable cash generation. For 2015, significant cost reductions have been included in the annual business plans**

Our efforts on cost reduction, supported by weaker local currencies and a decrease in the oil price, assisted us in achieving positive free cash flow (on an unadjusted basis) for the year under review. We require these results to be sustained over longer periods of time, and therefore will continue to target sustainable cash generation, including the recovery of slow remitted value-added taxation rebates and the off-setting of indirect taxes, thereby releasing working capital lock-up.

### **FINANCIAL OBJECTIVES FOR 2016**

Looking ahead to 2016, the key financial objectives are to:

- maintain our focus on cost and capital discipline to deliver competitive all-in sustaining costs and all-in costs
- further enhance margins and cash flow through continuing focus on self-help measures and efficiency improvements, as well as further utilisation of weaker currency and oil prices

- further decrease Obuasi expenditure, while finalising an investment agreement and thereby reducing holding costs
- further decrease Colombia expenditure, while maintaining optionality and moving the projects in that country up the value curve
- continue to target sustainable cash generation
- reduce the annual interest bill
- further deleverage our balance sheet in the coming year

### **CHANGE TO HALF-YEARLY REPORTING**

Consistent with the majority of South African domiciled mining companies, AngloGold Ashanti has decided to move to half-yearly reporting. This will result in the disclosures for the three-month periods ending 31 March and 30 September consisting of abbreviated, selected operational and financial data. The six-month periods ending 30 June and 31 December will be prepared in terms of IAS 34 (Interim Financial Reporting) on a basis similar to the process adopted for interim reporting in prior years. Importantly, the internal management reporting and governance

processes will remain unchanged. This initiative will help reduce costs and keep the focus on value-adding business initiatives.

### **ACKNOWLEDGEMENT**

The 2015 financial year is the first full financial year that I have been the Chief Financial Officer at AngloGold Ashanti. I am supported by a strong and diligent financial team who, through their understanding of the challenging economic environment, continue to assist me to proactively manage the financial position of the company. In addition, we have been able to deliver quality financial information to our stakeholders, which reflect our objectives and values for long term success. I would like to thank our strong and enthusiastic financial team for their ongoing support and look forward to the year ahead.

**Christine Ramon**  
Chief Financial Officer  
22 March 2016

## AUDIT AND RISK COMMITTEE: CHAIRMAN'S LETTER

<sup>1</sup> Corporate Governance



Rhidwaan Gasant  
Chairman: Audit and Risk Committee

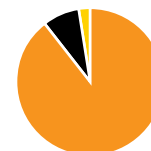
The Audit and Risk Committee can confirm that the financial and risk management information provided in this <IR> accurately reflects the information that has been reported to the committee by management.

Nothing has come to the attention of the Audit and Risk Committee to make it believe that the systems of internal control and internal controls over financial reporting are not adequate in their design and effective in their operation to provide management with a sound basis to prepare financial reports that are reliable and free of material misstatement. The Audit and Risk Committee has based its conclusion in this regard on the reports received from external audit, internal audit and executive management through the combined assurance process.

### EXTERNAL AUDITOR INDEPENDENCE

In order to safeguard the independence of the external auditor, the formal policy on the approval of all non-audit related services has been revised, approved and re-implemented. In terms of the policy, the Audit and Risk Committee has established that the sum of the non-audit and tax fees in a year must not exceed 40% of the sum of audit and audit-related fees. The Audit and Risk Committee received a quarterly update on tax and non-audit fees as a percentage of total audit and

Audit, audit-related, tax and non-audit fees for 2015 (\$m)



• Audit services	7.25
• Tax services	0.65
• Non-audit services	0.20

audit-related fees and are comfortable that the external auditor's independence had not been jeopardised.

### TRANSFORMATION OF EXTERNAL AUDIT

In the spirit of AngloGold Ashanti's commitment to transformation, the Audit and Risk Committee closely monitors and guides transformation within the context of the external audit. The current auditors, EY, are Level 2 contributors. Under the guidance of the Audit and Risk Committee, certain of AngloGold Ashanti's subsidiaries, such as MWS, an entity acquired in July 2012 for \$335m, and the Environmental Rehabilitation Trust Fund, with a gross asset value of R1.2bn (\$78m), are audited by Nexia SAB&T (a Level 2 contributor). In addition, Nexia SAB&T also conducts audit work on the South African operations, under the supervision of EY.

### PROCEEDINGS AND PERFORMANCE REVIEW

During 2015, the Audit and Risk Committee met formally six times and all members of the committee attended the meetings. For attendance details, see Corporate Governance section <sup>1</sup>.

### THE YEAR AHEAD

In 2016, the Audit and Risk Committee will continue to monitor:

- the maturity of the internal control and internal control over financial reporting environments
- key financial accounting and reporting requirements that can impact on the group as well as overseeing the change from quarterly reporting to half-yearly reporting
- further refinement of the maturing combined assurance process of the group
- overseeing the successful implementation of SAP at Iduapriem, Geita and Siguiiri, in the Continental Africa region
- management of key strategic risks by the executive management team
- the activities of internal audit, external audit, compliance and whistle-blowing

### CONCLUSION

The Audit and Risk Committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and terms of reference during the year under review. For a more detailed report on the activities of the Audit and Risk Committee, refer to the <AFS>.

Rhidwaan Gasant  
Chairman: Audit and Risk Committee  
22 March 2016



# AUDIT AND RISK COMMITTEE: CHAIRMAN'S LETTER continued

## HIGHLIGHTS OF RESPONSIBILITIES DISCHARGED DURING 2015

### Quarter one

- Evaluated the performance of the external auditors and nominated the appointment of Ernst & Young Inc. (EY) as external auditors to the shareholders
- Assessed the expertise and experience of the Chief Financial Officer and the finance function
- Reviewed the management representation letter
- Reviewed and approved the annual integrated report for recommendation to the board
- Reviewed and approved the 2014 annual financial statements and Form 20-F
- Reviewed and approved the internal audit charter and performance objectives for 2015
- Reviewed and recommended for approval the annual Mineral Resource and Ore Reserve report
- Assessing management's assessment of impairments of assets and goodwill
- Considered the dividend proposal put forward by management
- Considered the company's listing on other stock exchanges
- Considered the results of the 2014 self-assessment results of the committee
- Considered the accounting treatment for the intended sale of CC&V in the United States

### Quarter two

- Considered the accounting treatment for the sale of the CC&V operation in the United States
- Received a technical update on changes in financial reporting standards
- Received a detailed update from the Compliance Officer on compliance with legislation and ongoing training
- Reviewed the global insurance renewal process and commented on potential gaps

### Quarter three

- Considered and approved the external auditor's integrated audit plan and associated fee budget
- Considered the accounting treatment for the proposed joint venture with Randgold Resources on Obuasi as well as accounting for part settlement of the high-yield bonds
- Considered and discussed the company's approach in terms of cyber defence
- Considered for recommendation to the board the Group Delegation of Authority and appointment of the Public Officer
- Received a technical update on changes in financial reporting standards

### Quarter four

- Received a detailed update from the Compliance Officer on compliance with legislation and ongoing training
- Approved the annual internal audit and combined assurance plan

- Assessed the performance of the SVP: Group Internal Audit and the internal audit function
- Reviewed and approved for recommendation to the board the Audit and Risk Committee's terms of reference
- Approval of the revised policy on non-audit services
- Considered actions taken by management to address a matter of non-compliance to the JSE Listing Requirements relating to the <R&R> for 2014. No restatement was required.

### At all meetings

- Received quarterly reports from:
  - Internal audit and external audit
  - Sarbanes-Oxley compliance
  - Financial results of the quarter and tax exposures
  - The Risk Manager and had detailed discussion on an agreed risk theme
  - The Chief Information Officer on IT governance
  - Subsidiary Audit and Risk Committee reports
  - Whistle-blowing reports and outcomes
  - Review and approval of the quarterly financial statements
  - The Treasurer on the gold market
  - Group Legal Counsel on all material litigations and the impact on financial reporting
  - The Group Tax Manager on tax exposures for the group and management of these
- Approval of non-audit services

- Held closed session with internal audit, external audit and management
- Update on JSE Listing Requirements
- Assessment of the going-concern statement
- Assess the implementation of the combined assurance model

During 2015, the Audit and Risk Committee continued to assess the impact of staff reductions in 2013 and 2014, obtaining assurance from both executive management and internal audit that the internal control environment has not been negatively impacted.

Management has established and maintains internal controls and procedures, which are reviewed by the Audit and Risk Committee and reported on through regular reports to the board. These internal controls and procedures are designed to identify and manage, rather than eliminate, the risk of control malfunction and aims to provide reasonable but not absolute assurance that these risks are well managed and that material misstatements and/or loss will not materialise. The Audit and Risk Committee closely monitored the actions implemented by management during 2015 to enhance the AngloGold Ashanti combined assurance model and to ensure integration between the various in-house assurance providers.

## BUSINESS CONTEXT



## TOWARDS VALUE CREATION

through credible and sustainable business

In this section, we review our business model in light of the environment within which we operate, related material issues, risks and stakeholders.

# BUSINESS MODEL 2015

AngloGold Ashanti's operating and business activities extend across the full spectrum of the gold-mining production pipeline – from exploration through to processing, production and sales. Our four principal areas of activity are:

- Discovering and assessing the economic viability of gold-bearing ore bodies
- Developing and mining the economically viable ore bodies identified
- Processing the ore mined to extract gold and any resulting by-products
- Producing and selling the gold and by-products produced

In conducting our business, we require and make use of various resources, or capitals, the use of which in turn has consequences and produces corresponding outputs in terms of these same capitals. We manage the use of these resources as efficiently as possible to achieve the desired outcomes in line with our strategy and value creation and in particular regarding the generation of sustainable free cash flow and returns. The outputs and impacts of our business activities can also be measured in terms of these capitals.



## MATERIAL CONCERNS AND OUR EXTERNAL ENVIRONMENT

We have identified those external factors which affect and have the potential to affect our ability to deliver on our strategic objectives.

This enables us to highlight emerging issues that influence the short- and long-term economic viability and sustainability of our business, to prioritise these factors, to address them and to better manage their effects.

Discussed below are those issues in the external environment that have had the most impact on our business in 2015 – the gold market, capital markets, regulatory uncertainty, stakeholder expectations, our social licence to operate and competition for resources and infrastructure – and that are expected to continue to influence AngloGold Ashanti's performance in the year ahead.

### THE GOLD MARKET

During 2015, financial markets focused on trying to predict the start of the normalisation of the interest rate environment in the United States. Economic data releases were closely evaluated, as were minutes from the US Federal Reserve's Open Market Committee (FOMC) meetings for clues to confirm the timing of interest rate hikes. Speculation around the timing of a possible increase in US interest rates unfortunately weighed on the

gold price throughout the year and when the FOMC finally raised rates at its 16 December 2015 meeting, the gold price fell sharply following the announcement, despite the fact that it had been widely anticipated.

However, as year-end approached, the price managed to claw its way back from multi-year lows on heightened fears of further global macro-economic risks. Further uncertainty regarding the state of China's economy as well as that of Europe caused markets to reassess their projections of future interest rate increases in the United States, helping to underpin a modest recovery in the gold price.

Physical gold demand in 2015 was very much a story of two halves. The first half of the year saw very tepid demand. However, the fall in the gold price around mid-July saw demand return strongly in what is traditionally a slow period for physical offtake. Another sharp drop in the price in November had a similar effect in stimulating demand. Although overall physical demand in 2015 was down on the previous year, it is still encouraging to note that physical demand does cushion falling prices.

Investment demand, as evidenced by exchange traded funds, continued to wane through 2015 with a total liquidation of 119t recorded for the year. However, this is far from the outflows recorded for 2013 (903t) or even 2014 (155t).

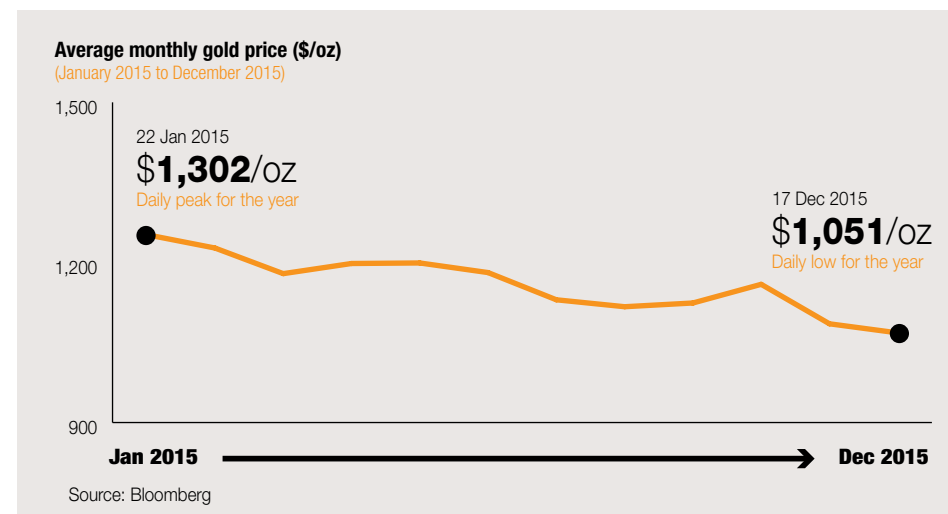
Official sector buying continued in 2015 as central banks sought to continue diversifying their reserve assets. Arguably the most notable announcement came from China in July when they revealed that Chinese gold reserves had grown 50% since 2006, taking their holdings to 1,658t. Since this announcement the People's Bank of China has begun regular reporting updates on its gold holdings and these indicate that the Chinese central bank continues to accumulate gold.

Another notable buyer from the official sector was Russia, which announced a purchase of 77t in the third quarter taking its total tally for the first nine months of 2015 to 144t.

### CAPITAL MARKETS

Given the current economic downturn and slump in the commodity cycle and in investor sentiment towards resources companies, access to capital remains a challenge. The resources equity markets remain difficult, especially for gold producers (including, in particular, producers in emerging markets) and gold equity valuations continued to decline in 2015.

AngloGold Ashanti's primary strategic objective is to generate sustainable free cash flow improvements and returns, which is aided by deleveraging and strengthening the balance sheet and generating cash internally by minimising costs, among



## MATERIAL CONCERNS AND OUR EXTERNAL ENVIRONMENT continued

others. Improving the balance sheet leads to improved creditworthiness, which facilitates capital raising should this be necessary. If the group succeeds in generating sufficient cash flow, any potential need to raise capital is reduced. This is particularly important given the likelihood of continued increases in interest rates in South Africa and in the United States, and the recent revision to a negative outlook of South Africa's sovereign credit rating by ratings agencies Fitch and Standard & Poor's.

AngloGold Ashanti has thus far managed to deleverage its balance sheet through its self-help measures. We substantially reduced debt and related interest payments in August when we sold CC&V and used the proceeds to redeem a portion of our high-yield bonds.

### REGULATORY UNCERTAINTY

Regulatory uncertainty makes it less attractive to do business or to invest in a country. It also complicates competitiveness and adds to the difficulty of attracting investors.

In July 2014 in Ghana, AngloGold Ashanti submitted an Amendment to the Programme of Mining Operations (APMO) for the Obuasi mine to the Ministry of Lands and Natural Resources to cover the period from October 2014 to December 2015. The minister approved the APMO in November 2014, which allowed AngloGold Ashanti to complete the retrenchment of Obuasi's entire workforce and

to transition the mine to limited operations. The APMO also allows for a feasibility study to be conducted and finalised, to outline redevelopment requirements and the future potential of Obuasi. We are currently working with the Government of Ghana to confirm an investment development agreement in terms of which the project will be developed. We continue to optimise our feasibility study on the limited operating phase in parallel with the other processes underway.

In South Africa, the mining environment is governed by legislation to redress some of the social and economic imbalances of the past. AngloGold Ashanti's South African mineral rights are subject to the Mineral and Petroleum Resources Development Act (MPRDA), the Mining Charter and social and labour plans, and the interpretation of this legislation, which establishes the framework for the transformation of the mining industry. This uncertainty may increase fears of non-compliance and handicap our ability to deliver on our strategy. The work done to ensure compliance with the Mining Charter under our social and labour plans is set out in the [<SDR>](#).

When the Mining Charter reached the end of the second five-year commitment period at the end of 2014, our South African operations were audited and we received commendations for work done in achieving the targets. However, the revised Mining Charter is yet to be agreed

between government and the mining industry, increasing investors' unease. In addition, there is no certainty on the principle of black economic empowerment (BEE), with respect to whether the principle of "once empowered, always empowered" will be observed. In 2015, the minister in the Department of Mineral Resources stated that mining companies had not achieved the 26% black ownership level mandated by the current Mining Charter. The Chamber of Mines disagreed with this statement based on its own analysis. In March 2015, the Chamber of Mines, on behalf of the mining industry, sought a declaratory order from the High Court to obtain clarity on this issue. The case was due to be heard in court on 15 March 2016 but was postponed.

A ruling has yet to be made on the outcome. The threat of regulatory changes, such as the outcome of the interpretation of BEE ownership, increases uncertainty, particularly among investors, and can affect the long-term sustainability and viability of the company.

On the new amended Broad-Based Black Economic Empowerment (B-BBEE) Act and Codes on the Mining Industry, we have engaged with the Department of Trade and Industry (DTI), through the Chamber of Mines, with respect to the impact thereof and how these will be aligned to the soon-to-be revised New Mining Charter and MPRDA. The amendments to the B-BBEE Act are

now fully operational and the B-BBEE Act is the primary law in all black economic empowerment policy and legislation, with the MPRDA now subject to that policy on all matters covered in the B-BBEE Act. However, in October 2015, the DTI gazetted a 12-month exemption to the DMR, pending the industry's conclusion of the revised Mining Charter or Code. Through the Chamber of Mines, we are actively providing input to government on the development of the anticipated new Mining Charter.

The long-awaited White Paper on National Health Insurance (NHI) was released late in December 2015, and the window for public comment is open until end March 2016. We contributed to a collective industry submission, which will be co-ordinated by the Chamber of Mines and Business Unity South Africa. The private healthcare industry is concerned about the affordability of NHI, and the proposed funding plans put forward by National Treasury.

A final decision on the timing of the implementation of the proposed carbon tax in South Africa is still pending. AngloGold Ashanti was an active participant in extensive industry engagement with government around the proposed carbon tax. A draft bill on the proposed carbon tax was released in the second half of 2015. We do not anticipate the introduction of this tax having an immediate, significant impact on our business. However, it is

## MATERIAL CONCERNS AND OUR EXTERNAL ENVIRONMENT continued

possible that the tax may have a nominal impact on production costs as a result of increases in supplier costs. Nevertheless, our continued efforts and commitment to reducing energy use and emissions are particularly pertinent in light of the proposed tax. The South African government proposes bringing the tax into effect in 2017.

In other operating jurisdictions, carbon taxes or trading schemes, as well as the regulation of greenhouse gas (GHG) emissions, are being considered. AngloGold Ashanti will determine the likely impact of these when sufficient details are available.

In Argentina, inflationary pressures continue to have an operational impact. The previous regulatory concerns around import restrictions have abated, with no more limitations on imports of goods and services.

In 2014, anti-bullying legislation came into effect in Australia under the Fair Work Act. In response, the Australia region developed and began rolling out a training programme for all employees during 2015 entitled Fairness @ AGAA. The Fairness @ AGAA programme assists participants in understanding unlawful discrimination, harassment and workplace bullying and aligns with equal employment opportunity best practice in helping to provide a workplace that is free of discrimination and harassment. Training has been well received at our operations and we expect the entire workforce to have received training by mid-2016.

Over the past two years our operations in Brazil have implemented training for all employees in compliance and ethics, with a particular focus on anti-bribery and anti-corruption. The training forms one of the key elements of the compliance programme and incorporates online training, printed materials and seminars. Senior managers have also been trained with regard to the Clean Company Act. In 2015, training was extended to contractors and government intermediaries in particular.

The JSE has joined other stock exchanges to raise awareness on and to promote gender equality, in collaboration with the UN Global Compact South Africa Network and the International Finance Corporation, among others. In August 2015, the JSE Listing Requirements were changed to give effect to this. With effect from 1 January 2017, all JSE-listed companies will be expected to have a policy on the promotion of gender equality at board level and to disclose company performance in line with this policy.

### LABOUR RELATIONS UNCERTAINTY

On 20 January 2014, the Association of Mining and Construction Union (AMCU) served strike notices to three gold companies (including AngloGold Ashanti), challenging the extension of the 2013 wage agreement to its members. An interim interdict was granted

to the Chamber of Mines by the Labour Court in Johannesburg on 30 January 2014, declaring the intended strike unprotected and prohibiting unprotected strike action as well as any conduct that might encourage workers to embark on strike action. AMCU was ordered to return to court on 14 March 2014 to explain why the interim interdict should not be made permanent. This deadline was postponed to 5 June 2014. On 23 June 2014, the Labour Court ruled in the companies' favour by upholding the interim interdict. Subsequently, AMCU appealed this ruling to the Labour Appeal Court. On 24 March 2016, the Labour Court dismissed AMCU's appeal, ruling in favour of the Chamber of Mines.

### POLITICAL UNCERTAINTY

During the year there have been successful elections and political transition in Tanzania, Guinea and Argentina. In November, elections went peacefully with Argentina's opposition candidate elected as the country's president. This was the first change in more than a decade for Argentina, ending the rule of the Peronist Party most recently led by President Cristina Kirchner. Tanzania elected and inaugurated its fifth president, Dr. John Pombe Magufuli, in November. In Guinea, president Alpha Condé was re-elected for a second term, receiving enough votes to avoid a run-off in the second democratic presidential contest since Guinea gained independence from France in 1958.

In 2016, Ghana and the Democratic Republic of the Congo are expected to hold elections. We remain cautiously optimistic in that these elections will be conducted fairly and peacefully.

### SOCIAL LICENCE TO OPERATE

Our social licence to operate refers to the level of acceptance by local communities and stakeholders of AngloGold Ashanti and its operations.

We strive to contribute positively to the future of communities in which we operate. The longer-term objective is for host communities to be self-sustaining long after individual mines have ceased operations. To this end, we:

- invest in communities
- promote local procurement
- focus on local employment and skills development

We aim to engage constructively and transparently with all stakeholders, including local communities and local and national governments, as and when necessary. Communities in different countries have different needs and priorities but the symbiosis between mine and community does not change – we rely on each other. And, by progressively deepening our understanding of each other's needs and challenges, we increase mutual support.

## MATERIAL CONCERNS AND OUR EXTERNAL ENVIRONMENT continued



### USE OF SCARCE RESOURCES – WATER AND ELECTRICITY

Water and electricity are both crucial to our mines' operational safety and efficiency, and one or both are under stress in several of the countries in which we operate.

#### Water

South Africa is a water-stressed country. The pressure on available water supplies has been exacerbated by fast-rising domestic demand as increasing numbers of people migrate from rural to urban areas. In addition, a drought has reduced water levels in the country's dams and rivers, with consequential water restrictions in several urban and mining sectors. Against this background, our mines have for many years been responsibly using this scarce resource and proactively lessening consumption by recycling water and using groundwater draining into underground operations that would otherwise have been discharged. "Clean-dirty" water separation principles are applied and rainwater is kept away from operations as much as possible.

Additionally, some of the mines adjacent to our South African operations have closed and ceased pumping of underground water, which accumulates and threatens to flood our operations. Consequently, we have taken over the pumps at one of these mines neighbouring our West Wits operations and have installed additional infrastructure to cope with the extra water that would reach our shafts.

We provide potable water to neighbouring communities at several operations, especially in the Continental Africa region.

In Australia, a careful approach to water management is essential in the arid environment in which our mines are located and where any available groundwater is highly saline. To deal with this, the borehole infrastructure at Tropicana was expanded in 2015 to increase water abstraction capacity and to meet operational requirements. Where potable water is required, for example at the accommodation villages at both Australian mines, or for specialised tasks in the processing plants, it is desalinated.

In Minas Gerais, Brazil, severe water shortages were experienced in 2014 and 2015, adversely affecting hydro-electrical power generation and the volumes of water our mines were allowed to use. However, concerted water recycling efforts have enabled the mines to avoid production slowdowns.

#### Electricity

The gold mining sector is a significant user of energy, and a stable and affordable power supply is critical for our business. For many years, we have implemented energy saving measures at all our operations – underground, on surface and in employee residences.

The generation capacity of South Africa's national power utility, Eskom, is severely constrained, and this is expected to be the case for some years to come. Our operations engage directly with Eskom to manage outages and curb power usage during national peak-

demand periods. We are a member of the Energy Intensive Users Group and collaborate with the Chamber of Mines and other stakeholders to support the national electricity network and minimise disruptions. Our mines have back-up generators that ensure employee safety in case of an emergency and prevent infrastructural damage during outages.

Ghana is currently experiencing an energy crisis, leaving the majority of its population with limited access to power. Although the government is looking to address these issues, financial constraints and the lack of an established power sector have led to significant setbacks. However, this is unlikely to have a major impact on our operations in that country during 2016 as Obuasi's limited operating status will greatly reduce usage and Iduapriem, which was affected to a limited extent in 2015, continues to optimise energy consumption.

Mali is facing country-wide electricity challenges that may have an impact on our projects going forward. However, we continue discussions on the availability of low-cost power with the Malian government.

In Australia, a 293km-long gas pipeline has been constructed to provide a source of clean power generation at both mines, reducing exposure to diesel price volatility and establishing a long-term reliable supply of power.

## STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES

Stakeholder engagement is an inclusive, continuous two-way process between our company and the people or organisations that are affected by our business.

Effective engagement with stakeholders is a prerequisite to establishing and sustaining mutually-beneficial stakeholder relationships. Such relationships are essential to us maintaining our social licence to operate.

Our stakeholders are those people and/or groups who are affected, either directly or indirectly, by our business activities and also those who can affect the outcomes of our operations and projects. Our stakeholders are many and varied, and include, among others:

- employees, their families and unions
- communities, their representatives, NGOs and other civic and religious organisations
- governments and regulators
- shareholders, investors and financiers
- suppliers, industry peers and joint venture partners
- the media

The process of stakeholder engagement encompasses a range of activities and approaches throughout the life cycle of our operations, from exploration through to closure.

At AngloGold Ashanti, our stakeholder engagement aims to build meaningful relationships, to demonstrate that we have listened, understood and, where practicable, that we have responded positively to stakeholders in a way that creates mutual value. We view our stakeholders as important partners and continuously strive to interact with them directly.

Below we discuss our engagement with our principal stakeholder groupings.

### ENGAGING WITH EMPLOYEES

We endeavour to engage with employees regularly to ensure we grow and maintain a positive, respectful work environment in which people feel valued, supported and are able to give of their best. In response to our 2014 employee engagement survey, which had identified, among others, three areas requiring attention, namely, senior leadership practices, ethics and managerial effectiveness, a range of interventions have been implemented at both regional and country level.





# STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES continued

<sup>1</sup> People are our business

<sup>2</sup> Material concerns and external environment

<sup>3</sup> South Africa regional review

We conduct broad consultation with employees, trade unions and communities on issues affecting each group. For example, in the South Africa region, we have regular, direct engagement with employees, particularly miners and all underground staff.

Such engagement includes the quarterly Future Forum meetings, run by the Chief Operating Officer: South Africa, at both the West Wits and Vaal River operations, at which a range of employee concerns are discussed. These are detailed in the South Africa regional review<sup>3</sup> and our overall employee engagements are detailed in 'People are our business'<sup>1</sup>.

We also recognise and engage with organised labour and afford our employees access to collective bargaining, working closely with union representatives to achieve stability and ensure mutually beneficial outcomes from our interactions.

During 2015, AngloGold Ashanti reached a three-year wage agreement with the majority of employees in South Africa through participation in the centralised collective bargaining structures with unions and the Chamber of Mines (on behalf of the companies).

The wage negotiations were concluded without any strike action or loss of production. See Material concerns and our external environment<sup>2</sup> and the South Africa regional review<sup>3</sup>.

In the Continental Africa region, we maintained a positive labour relations climate during 2015, despite a small number of grievances lodged by union leadership at Iduapriem in Ghana and Siguirin in Guinea. At each operation, stakeholder engagement activities are ongoing between site management and the recognised trade unions, with the support of the Continental Africa regional office.

In Mali, annual wage negotiations and a review of the existing collective agreement began in 2015, and discussions between management and two recognised trade unions are currently underway. A stable and peaceful labour relations climate has been maintained at our operations.

In Tanzania, the labour relations climate remained positive during 2015 and the 2016 wage negotiations were concluded successfully and ahead of schedule with all parties approving a one-year agreement.

## Main focus areas of engagement:

- Employee safety and health
- Wages and benefits
- Employee indebtedness
- Accommodation and living conditions
- Talent management and skills development
- Job security
- Human rights

## ENGAGING WITH COMMUNITIES

Engaging with communities entails establishing dialogue between the company and host communities with open communication channels for debate and information sharing. We provide a platform for communities to share their priorities and to communicate concerns. We understand the importance of communities' ability to access AngloGold Ashanti. We seek to facilitate this access and to develop solutions, with communities where possible, that respond to the unique cultural landscape of each country and area in which we operate. This we do using our community engagement standards while maintaining open dialogue, for example at Obuasi, where we have in place a community consultative committee. Our commitment is to ensure mutually-beneficial relationships with host communities. Further detail on this is available in the <SDR>.

## Main focus areas of engagement:

- Socio-economic challenges
- Local procurement
- Local economic development projects
- Infrastructural development and the sharing of benefits
- Current and legacy health issues
- Integrated closure planning
- Artisanal and small-scale mining and illegal mining
- Human rights

- Land access and resettlement
- Environment and health impacts

## ENGAGING WITH GOVERNMENTS AND REGULATORS

We contribute to the national fiscus of, and economic growth in, the countries in which we operate, by generating foreign exchange and tax revenues, and by creating jobs and local procurement. The breakdown of our contributions and payment to governments in each country is provided in the <SDR>. In all our work in support of growth and development opportunities, we engage with governments and representative agents on a regular basis. These engagements cover various issues depending on the country in question, and may include regulatory matters, state participation in the mining sector, tax and fiscal policy, employment equity, and beneficiation.

This engagement may be direct or through our participation in industry forums, such as the Chamber of Mines in South Africa. In this way we are able to be proactive regarding regulatory changes that may affect our business. It also gives us the opportunity to inform authorities about our industry and share our perspectives, while building and strengthening good relationships with regulators. For example, in South Africa, recent engagement has included the proposed carbon tax laws; the new amended Broad-Based Black Economic Empowerment Act and Codes on the Mining

## STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES continued

<sup>1</sup> *Material concerns and our external environment*

<sup>2</sup> *Continental Africa regional review*

<sup>3</sup> *Continental Africa regional review*

Industry, and the revised Mining Charter and amendments to the Mineral and Petroleum Resources Development Act – also see Material concerns and our external environment <sup>1</sup>.

In addition to ongoing engagement with government, we also engage on specific matters when necessary. For example, at Siguiiri, current engagement with government is focused on obtaining approvals for construction of a combination plant to improve performance of the current plant and extend the life of mine, on which a feasibility study was recently completed. Approval to begin construction is still subject to, inter alia, the conclusion of discussions on the Convention de Base, a stability agreement with the government of Guinea. See the Continental Africa regional review <sup>2</sup>.

In Ghana, Mali and Tanzania, we engage extensively with the governments on the issue of illegal miners. See Continental Africa regional review <sup>3</sup>.

In dealing with stakeholders, AngloGold Ashanti upholds the principles of good work conduct and ethics, and has a zero tolerance policy on bribery and corruption.

We are also committed to transparency and regulatory compliance in all payments to governments, and we adhere to the objectives of the Extractive Industry Transparency Initiative (EITI), a global standard to promote open and accountable management of

natural resources, while seeking to strengthen government and company systems in order to inform public debate and build trust. The EITI standard is supported by a coalition of governments, companies and civil society.

For further detail on engagement with government and regulators, particularly regarding our policy on anti-bribery and anti-corruption, see Compliance within an evolving regulatory framework in the [<SDR>](#).

### Main focus areas of engagement:

- Compliance in an evolving regulatory framework
- Planned closures
- Wage negotiations and economic health of industry
- Labour relations
- Local development
- Illegal mining
- Mining Charter compliance
- Legacy issues
- Safety
- Environmental performance

### ENGAGING WITH SUPPLIERS, INDUSTRY PEERS AND JOINT VENTURE PARTNERS

We collaborate and build mutually-beneficial relationships with our industry and joint venture partners. We develop sustainable relations with our suppliers for economic viability. Our

collaboration with industry partners includes working through industry groups (including the Chamber of Mines in South Africa), to engage government, labour and other key stakeholders regarding the long-term sustainability of the industry.

In South Africa, we also work together with our peers at sector level to engage and inform the market, media, employees and communities on new developments, the work done by the industry and plans in place for the industry's future. An example of this is This is Gold, an initiative undertaken by certain gold producing companies in South Africa. More information on this is accessible on [www.thisisgold.co.za](http://www.thisisgold.co.za). This is Gold provides insight into the South African gold industry, its processes and its contribution to the country's economy, among others.

We engage regularly with our joint venture partners as we endeavour to optimise each mine's performance and extend mine life where possible. We also continue to explore partnership opportunities with potential future partners via joint ventures or partnerships at some operations, such as Obuasi, and/or projects, such as in Colombia.

Suppliers of services or goods are another key stakeholder. In the interests of business longevity and of good relations, we encourage our suppliers and contractors to embrace sustainability practices in the way they do business.

Our procurement processes include a disciplined, transparent and ethical way of doing business. Aside from our own efforts to support local business, we encourage our contractors to do the same. All contractors and suppliers to AngloGold Ashanti are required to abide by our Supplier Code of Conduct, which is aligned with our internal compliance policies and standards of ethical behaviour. This is available to all suppliers.

We ensure that our suppliers and contractors are compliant with global standards, and that their business philosophy and operational specifics are in line with our Human Rights Policy. As of 2015, AngloGold Ashanti suppliers were required to complete a self-assessment questionnaire, an important first step towards ongoing dialogue on responsible sourcing. See Respecting Human Rights in the [<SDR>](#).

We also participate in **Project Phakisa**, an initiative by the Presidency in South Africa to bring together government, the mining industry and other stakeholders to discuss the outlook for the sector and to plan for its continued survival in the long term. An initial planning session was held towards the end of 2015. Future developments regarding Project Phakisa include obtaining agreement on the way forward and implementing the agreed plan, followed by monitoring, reporting and evaluation of progress made.

## STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES continued

We have worked closely with suppliers, advising them on capacity building requirements and raising business standards in order to help them qualify as potential vendors. This includes meeting fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

We also support our suppliers in line with each country's laws and regulations. Increasing local procurement – a priority at all our operations – is a focus of supplier engagement. For example, at Geita in Tanzania, we are piloting a project that encourages our large global suppliers to channel more of their procurement spend into local economies.

In South Africa, as part of the national development goals, we encourage potential suppliers to form appropriate joint ventures to facilitate transformation in business ownership. Our work in this area will be intensified with the implementation of our enterprise development centres, which are business hubs designed to provide information, training and business services to small business. See also the [<SR>](#) for more details on the local economic development work we do.

### Main focus areas of engagement:

#### Suppliers:

- Financial performance and business sustainability

- Human rights
- Regulatory concerns
- Compliance with our policies, standards and our Supplier Code of Conduct
- Encouraging global suppliers to promote local procurement

#### Industry peers and joint venture partners:

- Economic outlook
- Gold market
- Proposed legislation
- Industry labour relations
- Operational and financial performance

### ENGAGING WITH THE INVESTMENT COMMUNITY

Our investment community includes shareholders, financiers, analysts, investors and potential investors. We communicate regularly, in person and by phone or email, at our quarterly and annual results presentations, conference calls, site visits, investor conferences and at one-on-one meetings.

In all our engagements with the investment community, we ensure compliance at all times with the regulations of the various exchanges on which we are listed.

Given the current economic environment – low commodity prices and negative investor sentiment towards resources stocks – access to capital is a challenge. As a result, management has implemented a range of self-help measures in recent years to reduce debt and improve financial flexibility, without resorting to a dilutive equity issuance.

In 2015, a core asset was sold to reduce debt and we successfully completed a tender offer for a portion of the high-yield bonds and thus reduced our interest expense. We maintained our cost discipline and significantly reduced operating and overhead costs to improve free cash flow to ultimately create enhanced value for shareholders.

### Main focus areas of engagement:

- Financial and operational performance and sustainability of the business
- Corporate activities, including the sale of the CC&V mine, and a tender offer for bonds, among other matters
- Labour relations
- Safety performance
- Employee well-being
- Regulatory concerns
- Shareholder returns
- Provision for rehabilitation

### ENGAGING WITH MEDIA

We engage regularly with media on ad hoc matters, and at least quarterly on financial and operating results. This we do in a transparent manner with local and international media. Engagement with the media facilitates accurate reporting on and understanding of our company. Media engagement can enhance the company's reputation and can be used to supplement communication with other stakeholders.

### Main focus areas of engagement:

- Financial and operational performance and sustainability of the business
- Labour relations
- Safety performance
- Executive remuneration
- Regulatory concerns
- Gold market
- Socio-political and economic development
- Geo-political issues
- Occupational health

## PEOPLE ARE OUR BUSINESS

At AngloGold Ashanti we understand the value of our people in driving and achieving business success. This is reflected in our business strategy – people, safety and sustainability, is one of our five strategic focus areas.

We have made it our goal to enhance the performance of our human capital, despite intense market competition for skills. This we do by developing and engaging more meaningfully with employees.

With this in mind, a strategic review was undertaken by our people and organisational development discipline with the aim of refocusing our approach to employee engagement, in alignment with our operational efforts.

For more detail on our revised human resources (people and organisational development) strategy and how it translates into a set of actions in AngloGold Ashanti's strategic work plan, see <SDR>.

### EMPLOYMENT

In 2015, AngloGold Ashanti employed on average 52,266 people (38,749 permanent employees and 13,517 contractors) (2014: 58,057 people – 43,073 permanent employees and 14,984 contractors), more than 14,000 fewer than in 2013.

The sustained focus on core business and costs as well as the optimising and restructuring of operations continued in 2015. In line with Project 500, revised labour plans and productivity improvement initiatives are being implemented across the group.

The focus of these in 2015 was on the Continental Africa region where employee numbers declined by 26% on the year and productivity increased by 44% to 20.61oz/TEC (total employee costed) from 14.36oz/TEC in 2014. Most of this reduction in the region's workforce was a result of retrenchments at Obuasi in 2014.

Employee wages and benefits make up a significant component of our cost base, 35% of costs of sales in 2015 (2014: 39%). Payment of wages and benefits to employees totalled \$1,146m in 2015 (2014: \$1,538m).



## PEOPLE ARE OUR BUSINESS continued

### OUR APPROACH

We evaluate our human capital performance in terms of four key areas, namely:

- building managerial effectiveness
- talent management and skills development
- engaging employees and building trust
- transformation and diversification

Other aspects affecting our human capital are health, safety, employee benefits and human rights.

### BUILDING MANAGERIAL EFFECTIVENESS

Credible leadership is vital for effective management and organisational change. During 2015, our human resources function undertook a series of leadership conversations, which focused on understanding the leadership imperatives facing the business; defining management and executive accountability; and articulating the attributes of and requirements for good leaders. The aims of this process were to establish a common view of challenges and secure a commitment to effective leadership.

During the year, the System for People – our people management system – was revitalised

and renamed How We Work. The revised approach provides a set of practical methods to help managers and supervisors to empower and effectively manage employees – mainly through one-on-one and team conversations, for which openness and the freedom to exchange ideas are crucial.

### Global performance management

Roll out of the global performance management system continued at corporate and regional levels. Role descriptions, task assignments and development plans were clearly established for all employees. Online performance reviews are conducted twice during the year to enable a more focused approach to individual development plans, and the implementation of learning and development activities to address specific developmental needs. Other benefits of this online review system include enhanced strategic alignment, reduced role ambiguity, increased communication and engagement, and improved performance and results as well as better staff retention.

In 2015, human resources contributed significantly to Project 500, a formal cost-cutting programme begun in 2013, and to ‘having the right people doing the right work’. The focus was on optimising labour by defining the appropriate structures, competencies and skills mix required for the different disciplines. For more information, see [<SDR>](#).

### Impact of operational restructuring

In the Americas region, CC&V in the United States was sold to Newmont, effective 3 August 2015. Most of the CC&V workforce was successfully transferred to Newmont. Six Denver-based support staff were retrenched.

In the Continental Africa region, full labour reviews were conducted at Siguiri and Geita to establish the unique labour baseline for each mine. Various findings were made relating to structural effectiveness, reporting lines, staffing levels, the localisation of roles, multi-skilling opportunities, training requirements and the insourcing of contracted work. These findings served as the basis for Geita’s 2016 labour plan and took into account the mine’s expected labour needs for the next three to five years.

Given the sensitive nature of labour relations at Siguiri where a new union committee was appointed, implementation of a revised labour plan has been deferred to 2016 and 2017. Following the national elections in Guinea in 2015, there have been personnel changes among regulatory and government stakeholders.

At Obuasi, which remains on limited operations, following a further review of related requirements, fewer employees will be retained for ongoing critical and outstanding work in 2016.



## SAFETY AND HEALTH OF **OUR PEOPLE**

<sup>1</sup> Chief Executive Officer's Review

### Safety

Given that our people are our business, their safety is paramount. Safety, our first value, is a priority at all operations and a key driver in ensuring focus on our people who are exposed to the hazards and risks associated with mining activities. We are unrelenting in our vigilance, analysis of safety risks and incidents, and in the pursuit of innovative, effective controls to improve our safety performance.

Our goal remains to eliminate fatalities and injuries in the workplace. One life lost is one too many, and we are committed to achieving zero harm at our operations.

We recognise that procedures alone cannot create a safe work environment. Our approach includes a hazard and risk management system that combines structured work processes focused on

building and constantly reinforcing a strong safety culture throughout our company. While safety challenges remain complex, our ability to identify and understand risks and how they materialise has improved significantly over time through persistent research and analysis. This is reflected in the improving safety performance of most of our operations.

Our safety performance in 2015 saw an all injury frequency rate (AIFR) of 7.18 recorded for the group (2014: 7.36). The Continental Africa and South Africa regions achieved their best AIFR and LTIFR performances. Eleven people tragically lost their lives at our operations during the year. For details on our safety performance, fatalities and additional safety-related information, see the Chief Executive Officer's Review<sup>1</sup> in the <IR> and Employee Safety in the <SDR>.

All our operations are OHSAS 18001 certified. Furthermore, as a member of the International Council on Mining and Metals (ICMM), AngloGold Ashanti subscribes to all relevant international mining industry standards. AngloGold Ashanti introduced the Zero Harm Awards to encourage and recognise innovation in safety. This year's winner of our Global Safety award was Iduapriem in Ghana.

### Health

Allied to our commitment to ensuring the safety of our employees is our commitment to ensuring their health and well-being, which are critical to our business success. We actively work to mitigate health risks in the workplace and non-work related health issues.

Our primary aim is a workplace free of occupational diseases. While a population's general health is complex and influenced by factors beyond the company's control, we aim for employees to be healthy. To this end, we address the potential impacts of occupational disease, while working to prevent and manage non-occupational illnesses.

We actively manage the risk of exposure to health hazards in the workplace. The most significant occupational health risks in our industry are occupational lung diseases (OLD) in the South Africa region and noise-induced hearing loss (NIHL).

We provide employees with protective devices and clothing, and instill responsibility for their use with continuous training and messaging in and beyond the workplace. Incidences of these diseases are falling,

but more remains to be done. In 2015, the number of new cases of silicosis in South Africa was 140 (2014: 201). At group level, the total number of new cases of NIHL declined to 68 (2014: 183).

In 2015, the mining industry working group established in 2014 to address issues relating to compensation and medical care for occupational lung disease in South Africa's gold mining industry announced the launch of a partnership, Project Ku-Riha, with the Department of Health. The aim of this project is to address the backlog of compensation claims for OLD and to ensure that new valid claims are paid in a timely manner.

Community health challenges include HIV/AIDS in South Africa and malaria in much of the Continental Africa region. Our approach to HIV/AIDS includes voluntary counselling and testing, the provision of anti-retrovirals and wellness and educational programmes.

Malaria is best prevented by ensuring that disease vectors are interrupted by providing indoor residual spraying, both at our operations and in communities. In addition, systems are established to reinforce

## PEOPLE ARE OUR BUSINESS continued

community education and engagement as well as prompt detection and treatment. In this we support and co-operate fully with local health authorities. In all, there were 2,244 new cases of malaria in the Continental Africa region in 2015 (2014:1,934), 70% of which were in Guinea.

For more information, see the section 'Current and legacy employee and community health issues' in the <SDR>.

*“ We actively work to mitigate health risks in the workplace.”*

### UPDATE ON LITIGATION

#### Class actions

On 21 August 2013, an application was served on AngloGold Ashanti, along with other South African mining companies, for the consolidation of the previous class actions brought by attorneys Richard Spoor and Charles Abrahams. The applicants requested certification of two classes, a silicosis class and a tuberculosis (TB) class. The silicosis class would consist of certain current and former underground mineworkers who have contracted silicosis and the dependants of certain deceased mineworkers who have died of silicosis (whether or not accompanied by any other disease). The TB class would consist of certain current and former mineworkers

who have or had contracted pulmonary TB and the dependants of certain deceased mineworkers who died of pulmonary TB (but excluding silico-TB). We await judgement on the application to certify the class action which was heard from 12 to 16 October 2015. See also the <AFS>.

Between October 2012 and April 2014, AngloGold Ashanti received 1,256 individual summonses and particulars of claims relating to silicosis and/or other OLD. All of these claims were filed in the South Gauteng High Court, Johannesburg, and were subsequently referred to arbitration on 9 October 2014.

On 4 March 2016, AngloGold Ashanti and Anglo American South Africa (AASA) entered

into a settlement agreement with claimants' counsel for the full and final settlement with no admission of liability of all individual claims brought against the companies. An independent trust has been set up to administer the allocation of the settlement amount on the basis of claimants' employment and medical histories.

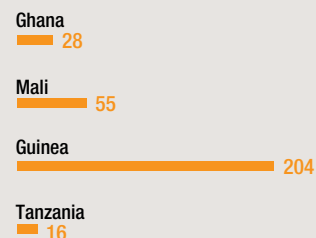
AngloGold Ashanti and AASA will contribute in stages toward a total amount of up to R464 million (approximately \$30 million as at 31 December 2015), which will be placed in the independent trust.

The settlement agreement relates solely to the individual claims and does not cover the class actions mentioned above. See the announcement on [www.anglogoldashanti.com](http://www.anglogoldashanti.com).

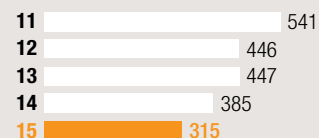
#### All occupational disease frequency rate (group) (per million hours worked)



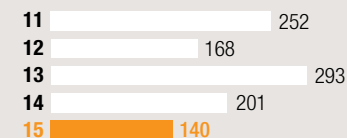
#### Malaria lost-time frequency rate (2015)



#### New cases of occupational TB (South Africa only) (number of cases)



#### New cases of silicosis (South Africa only) (number of cases)



## PEOPLE ARE OUR BUSINESS continued

### TALENT MANAGEMENT AND SKILLS DEVELOPMENT

Talent management and skills development are key aspects of our strategy, and focus on identifying and developing talent internally in order to remain competitive and productive, while positioning the company for a future recovery in market conditions. We have maintained and strengthened our talent pool.

We have reviewed our succession plans and development initiatives and this has resulted in an improved succession cover ratio. The CEO talent pool has been well managed, with specific interventions having been identified for senior vice president and general manager roles. Examples of such interventions include the management development and leadership courses identified for specific individuals in the talent pool and which focus on specific developmental areas.

Talent management activities are closely linked to succession planning. At corporate level, succession plans have been developed for senior managers, along with development plans for potential successors. This has improved our succession cover ratio from 0.32 to 0.45.

For the longer term, we have designed and conducted a leadership initiative for young leaders to build the talent pool for future

general managers. This programme began in 2015 and, given the considerable success achieved, has been repeated in 2016 to further grow and develop young talent internally.

Talent management is driven by our skills development committees, which include senior human resources managers, senior management of the relevant business units and organised labour. We also maintain relationships with universities and professional bodies to ensure training and development is delivered to professional standards.

Our talent management philosophy starts at the lowest level upwards, and includes basic education for unskilled workers as well as technical, supervisory and managerial training for higher organisational levels. Employee development work also focuses on enhancing skills at various levels, on topics such as improved financial management and well-being, and indebtedness. For more information on work done in this regard see the [<SDR>](#).

Globally, in remote areas or where there has previously been a high demand for skills that were not available locally, AngloGold Ashanti has deployed globally mobile employees (expatriates) to fill roles on a short- to medium-term basis. An employee localisation programme was launched in 2013 and a concerted effort made to reduce the number

of expatriates employed in the areas in which we operate. Since the launch, the total number of expatriates employed has declined by 37%, from 300 to 190.

In line with this, an annual talent review process is underway, which provides the opportunity to formally consider all staff at mine level for talent management purposes, including staff in scarce and critical skills roles. This process identified a number of local successors for expatriate roles. Currently 134 successors have been identified for the 190 expatriate roles in the Continental Africa region. As at 31 December 2015, there were only two expatriates in the Americas region and the intention is to keep the number consistently low. Only one expatriate is expected to be employed in this region in 2016.

A Localisation Report and Plan, which provides information on talent and local successors, is submitted annually to the Social, Ethics and Sustainability Committee.

### Chairman's Young Leaders Programme

In 2015, we launched the Chairman's Young Leaders Programme. This flagship annual programme operates under the auspices of our Chairman, Siphon Pityana. It is aimed at developing the company's future leaders from early on within the AngloGold Ashanti group.

The programme selects young leaders from our global operations, and secondments them for a year to work in different areas and operations, alongside company experts. As part of this broad company exposure, participants work on finding solutions for specific business challenges. For more information on this programme, see the [<SDR>](#).

### ENGAGING EMPLOYEES AND BUILDING TRUST

#### Employee engagement survey

In 2015, we took clear action in response to our 2014 employee engagement survey, which featured, among others, questions specific to AngloGold Ashanti's values, ethics and safety. Employee responses identified three areas requiring further attention: senior leadership practices, ethics and managerial effectiveness.

A range of interventions was implemented at regional and country level to address not only employee issues but also to amplify employee voices within safe spaces, and to give assurance that issues raised are considered and addressed appropriately.

The survey will be undertaken again in the first half of 2017, and will be repeated every two years thereafter, to assess progress made since the baseline 2014 survey. For more information see the [<SDR>](#).



## PEOPLE ARE OUR BUSINESS continued

### Collective bargaining

At AngloGold Ashanti, employees have the right to collective bargaining, which we recognise and apply according to the applicable laws and regulations in each of the countries in which we operate. Only our Australasian operations do not have collective bargaining as this is not recognised in Australia.

At all other operations, the right to collective bargaining is key to effective labour relations across operations. Accordingly, our employees have union representation and all recognised trade unions are provided with adequate platforms to freely exercise their fundamental labour rights in a responsible and constructive manner.

In the Continental Africa region, positive working relations between management and organised labour continued. To facilitate constructive engagement and equip union representatives with the skills required for collective bargaining and wage negotiations, all parties participated in capacity-building training workshops prior to the start of negotiations. Annual wage negotiations and review of applicable collective bargaining agreements began with our respective representative unions in the third quarter of 2015.

At Geita in Tanzania, Sigiri in Guinea, and at our South Africa and Malian operations, annual

wage negotiations were successfully concluded with final wage agreements being signed with the respective unions. In Mali, these negotiations also involved a review of the existing collective bargaining agreement, which is still underway.

In Ghana, bilateral wage negotiations with the Ghana Mineworkers Union began at Iduapriem in October 2015. These negotiations continue. At Obuasi, in terms of the agreement negotiated, there were no wage negotiations with organised labour for 2015 as the mine is on limited operations.

In the Americas region, annual wage negotiations in both Brazil and Argentina were successfully concluded and agreements signed in the latter part of 2015.

In the South Africa region, 93% of our workforce is represented by four unions whose representation at our South African operations is as follows: NUM (51%), AMCU (33%), Solidarity (2%) and UASA (7%).

Ahead of the 2015 wage negotiations, numerous sessions were held with unions to present company-specific economic models to motivate the affordability of possible wage increases. For the first time, senior financial and investor relations staff from the gold producing companies were extensively involved in presenting their companies' financial positions to the unions. All statutory and ad hoc committees pertaining to labour

relations, organisational restructuring and people issues met and were attended by both company and representatives from all four unions – AMCU, NUM, Solidarity and UASA.

Every effort was made to ensure that all parties participating in the negotiations understood the likely impact and economic consequences of unaffordable wage increases on employment and the sustainability of the industry<sup>1</sup>.

Notwithstanding the challenging wage negotiations process in 2015, negotiators succeeded in focusing on the key issues: (i) an economic component relating to gold price, rand/dollar exchange rate, costs, safety and productivity, and (ii) a social component detailing job retention, guaranteed pay and benefits, housing and accommodation, retirement savings, health and wellness, and education and skills development.

The negotiations were successfully concluded and a three-year wage agreement signed with NUM, Solidarity and UASA. Regrettably, AMCU did not sign the wage agreement. However, as the unions that did sign the deal represented the majority of employees, in terms of the Labour Relations Act, the wage agreement was extended to all employees, irrespective of union affiliation. It was a significant achievement on the part of both the unions and the companies involved that the wage negotiations were concluded without any strike action.

<sup>1</sup> South Africa regional review

## TRANSFORMATION AND DIVERSITY

AngloGold Ashanti's operations and exploration activities span 10 countries on three continents. Our transformation philosophy seeks to harness the strategic and operational power inherent in a diversity of cultures, languages, beliefs, ages, genders and expectations. By embracing diversity, we are able to draw on a broad range of unique experiences and perspectives, which enable and inspire progressive thinking and innovation.

AngloGold Ashanti's Global Transformation Policy and Framework governs the company's approach to diversity, localisation and gender equality. It is supported by the Code of Business Principles and Ethics and the board charter, which define our approach to talent management and skills development.

In South Africa, all Mining Charter transformation targets relating to the appointment of historically disadvantaged South Africans have been met at all organisational levels.

## PEOPLE ARE OUR BUSINESS continued

<sup>1</sup> Remuneration report

Localisation and the skills development of nationals has been a particular focus at our operations in the Continental Africa region. Our approach includes a progressive reduction in the company's dependence on skilled expatriates. Our focus is on localisation at all levels, from the transfer of technical skills to leadership and managerial roles. Progress highlights include the first appointment of a Guinean national as General Manager at Siguiri.

Gender equality is another key component of transformation within AngloGold Ashanti and a Gender Equity Policy was approved by the board during the year. We remain committed to increasing female representation at all levels within the company. The company voluntarily committed to and achieved 30% female representation on the board and the Executive Committee. This is in line with our affiliation with the 30% Club, a global network of chairmen, CEOs and senior executives who have voluntarily committed to having more female representation on company boards.

In addition, we support the JSE and UN Global Compact Network South Africa's initiative to raise the profile of gender equality and to

promote sustainable development. For more information about transformation and diversity in AngloGold Ashanti, see the [<SDR>](#).

### EMPLOYEE BENEFITS

We aim to remunerate our employees and provide benefits to that drive and reward behaviour and performance, aligned with delivery on the company's strategy to ensure sustainable cash flow improvements and enhance shareholder returns. For detailed information, see the Remuneration Report <sup>1</sup>.

### HUMAN RIGHTS

At AngloGold Ashanti, we strive to nurture positive human relationships. Respecting human rights means we endeavour, in every way, to conduct our business and mining activities without causing harm to other people through our mining activities or through our relationships with others.

Business activities often have human rights implications – positive and negative – for communities, employees, suppliers, contractors and wider society. If managed responsibly, respect for human rights can help to build enduring relationships based on trust, which in turn reinforces our commitment to maintaining our social licence to operate.

Conversely, failure to effectively manage human rights issues may have significant financial, legal and reputational implications, including operational delays, legal disputes, negative investor confidence, employee dissatisfaction and reputational harm.

AngloGold Ashanti is a signatory to the Voluntary Principles on Security and Human Rights and the company's Human Rights Policy is informed by the United Nations Guiding Principles on Business and Human Rights. In support of our policy, we developed a series of standards including the human rights due diligence standard,

a standard for vulnerable persons as well as a standard for indigenous people. The due diligence standard specifically identifies current and future human rights risks, allowing us to address these as they arise. A due diligence assessment pilot project at Geita was concluded in January 2016 and its findings will be assessed in line with our human rights policy.

These human rights standards are available in all the official languages of AngloGold Ashanti's operations. These have been approved by the Executive Committee and are expected to be implemented in 2016.

### Human rights training

Our human rights ambassador training, which began at Geita in Tanzania two years ago, involves appointing and training human rights ambassadors at each of our operational sites. These ambassadors, in turn, implement localised training material.

To date, all employees at Geita have completed human rights training and training is being developed currently for our operations and teams in Brazil and Colombia. In addition, 70% of senior management completed online human rights training in 2015. Human rights ambassador training is to be fast tracked at all operating sites in 2016.

## STRATEGY



## **SUPPORTING OUR STRATEGY** through credible and sustainable business

We review our delivery in terms of  
our strategic objectives.

# OUR STRATEGY

AngloGold Ashanti's core strategic focus is to generate sustainable free cash flow improvements and returns by focusing on five key business objectives, namely: people, safety and sustainability; ensuring financial flexibility; actively managing all expenditures; improving the quality of our portfolio; and maintaining long-term optionality.



## ANGLOGOLD ASHANTI'S INVESTMENT CASE:

- |  |  |  |
|--|--|--|
| <p><b>1. HIGH-QUALITY</b> portfolio of long-life, pure gold assets with strong leverage to energy and currencies</p> | <p><b>2.</b> Transparent, decisive management team, <b>FOCUSED ON DELIVERY</b> and shareholder value</p> | <p><b>3. PRIORITISING MARGINS</b> over volumes – focus on cost and capital discipline</p>                        |
| <p><b>4.</b> Decisive <b>STRATEGIC RESPONSE</b> to a lower gold price</p>  | <p><b>5. BALANCE SHEET FLEXIBILITY;</b> appropriate liquidity, covenant and maturities</p>               | <p><b>6. WELL-DEVELOPED ENGAGEMENT</b> model ensures strong stakeholder relationships and licence to operate</p> |

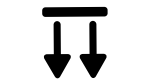
We believe that these building blocks will help ensure long-term value creation for shareholders, employees and other stakeholders in the business.



People are the foundation of our business. Our business must operate according to our values if it is to remain sustainable in the long term.



We must ensure our balance sheet always remains able to meet our core funding needs.



All spending decisions must be thoroughly scrutinised to ensure they are optimally structured and necessary to fulfil our core business objective.



We have a portfolio of assets that must be actively managed to improve the overall mix of our production base as we strive for a competitive valuation as a business.



While we are focused on ensuring the most efficient day-to-day operation of our business, we must keep an eye on creating a competitive pipeline of long-term opportunities.

# PERFORMANCE AGAINST STRATEGIC OBJECTIVES

## 1: FOCUS ON PEOPLE, SAFETY, AND SUSTAINABILITY



The people we focus on include employees, host communities and all other stakeholders. Internally, we ensure that the right people are in the right roles, working together to address the company's key strategic objectives.

Being fully cognisant of the importance of human capital – our people – in achieving business success, we undertook a strategic review, refocusing our approach and aligning our efforts across the company to ensure that our people are well placed to help achieve our business objectives <sup>1</sup>.

Our aim – to drive sustainable cash flow improvements through our operations – depends on our ability to operate safely, with the co-operation and consent of our host communities and governments, and to remain careful stewards of the environment, notwithstanding the invasive nature of mining. Furthermore, achieving our business objectives enables us to contribute to local socio-economic development, which is continuously affected by the market conditions <sup>2</sup>.

While we continue to make progress in this core strategic objective, we remain vigilant in our safety practices, continuously seeking to achieve our ultimate goal of zero harm – to eliminate fatalities and injuries in the workplace – and minimising our impact on the environment.

<sup>1</sup> People are our business

<sup>2</sup> Material concerns and our external environment



## PERFORMANCE AGAINST STRATEGIC OBJECTIVES continued

### 2: ENSURE FINANCIAL FLEXIBILITY



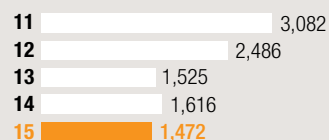
During the year, a range of self-help measures were implemented to reduce debt and improve financial flexibility.

Delivering on our self-help measures in 2015 included continued proactive balance sheet management; sale of a core asset to reduce indebtedness; successfully completing the tender offer for a portion of the high-yield bonds and reduced interest expense; and significantly reducing operating and overhead costs to improve free cash flow.

These actions were in keeping with management's decisive action to implement 'self-help' measures in a volatile, low gold price environment. Proactively reducing debt levels and improving overall balance sheet flexibility remain important objectives, particularly in the short to medium term.

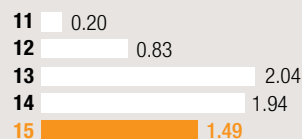
#### Adjusted EBITDA

(\$m)



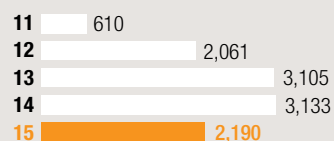
#### Net debt to adjusted EBITDA

(times)



#### Net debt

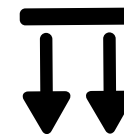
(\$m)



# \$2.19bn

Net debt for 2015

### 3: OPTIMISE OVERHEAD COSTS AND CAPITAL EXPENDITURE



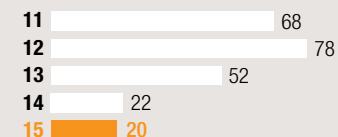
Focus was maintained on optimising corporate costs, which have been reduced by more than 60% since 2013. Capital expenditure in 2015 was 57% lower and exploration expenses were 47% lower than in 2013.

We have intensified our focus on value-creation opportunities deliverable from current structures by prioritising the delivery of sustainable high-margin ounces and improved efficiencies.

Plans continue to aggressively identify and implement further operational efficiencies, reduce overhead cost structures and pursue other initiatives to improve cash flows and help weather the weak gold price environment.

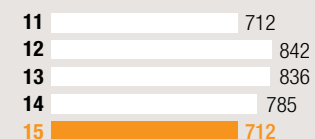
#### Corporate and overhead costs

(\$/oz)



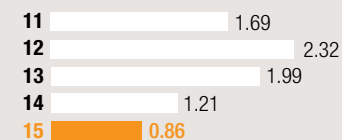
#### Total cash costs (continuing operations)

(\$/oz)



#### Capital expenditure\*

(\$bn)



\* Includes equity-accounted investments

## PERFORMANCE AGAINST STRATEGIC OBJECTIVES continued

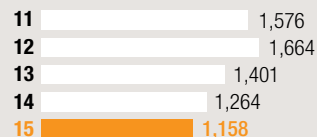
### 4: IMPROVE THE QUALITY OF THE PORTFOLIO

In line with our aim to simplify our portfolio and focus on high-quality ounces, we have successfully brought on-line two new operations in the past three years, placed our loss-making Obuasi mine in limited operations mode, commenced closure at Yatela and consolidated Great Noligwa into the neighbouring Moab Khotsoong infrastructure.

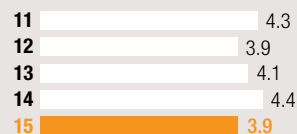
In September, a concerted effort was made to unlock a new opportunity for Obuasi through a joint venture with Randgold Resources. This was subsequently terminated in December. Following Randgold Resources' decision not to proceed with the proposed joint venture, we developed a plan to finalise the feasibility study and to continue with limited operations at reduced spend. We will resume our search for a joint venture partner at Obuasi. Once all permits are received, a satisfactory feasibility study completed and an investment agreement concluded, the search for a partner(s) in Colombia will resume when market conditions improve. We continue to advance the Mponeng Below 120 level project in the South Africa region.



Average gold price received (\$/oz)



Annual production (continuing and discontinued operations) (Moz)



### 5: MAINTAIN LONG-TERM OPTIONALITY

We remain committed to developing the long-term prospects of the business.

The current exploration focus is on those areas with the greatest exploration potential. These include Australia and Guinea, in the medium term, and Colombia in the long term.

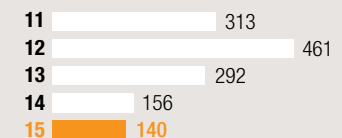
In addition, our brownfields projects include underground development work at Geita in Tanzania, the underground expansion at Cerro Vanguardia in Argentina and accessing the high-grade ore at Serra Grande in Brazil, while at Sadiola in Mali we are studying a new mine plan to revive the operation and extend its life of mine.

In South Africa, the technology and innovation initiative continues to make progress. Ultra-high strength backfill was successfully pumped a distance of more than 1,000m, a prerequisite for a full mining cycle. Also notable

was the achievement of reef-boring cycle times of 82 hours/hole, which is trending close to our targeted 72 hours/hole.



Expensed exploration and evaluation costs\* (\$m)



\* Includes equity-accounted investments

# MANAGING AND MITIGATING RISKS

Our risk management process underpins the successful execution of our strategy and planning for the future. Risk, and its identification, assessment, management and mitigation, are fundamental to our business.

At AngloGold Ashanti, we recognise that risk is a factor in all business and operational activities, and that threat and opportunity are both facets of risk. The overall aim of our risk management function is to strategically manage the threats to delivery on our strategic objectives and to harness and capitalise on any opportunities identified for the benefit of all stakeholders.

Once evaluated, principal risks and opportunities are prioritised and managed within the group's risk framework.

*“The overall aim of our risk management function is to strategically manage the threats... and to harness and capitalise on any opportunities...”*

## OUR PRINCIPAL RISKS

AngloGold Ashanti's top group risks are classified as follows:

**Strategic risks** are those taken voluntarily after consideration of risk-versus-reward to achieve AngloGold Ashanti's strategic objectives.

**Operational risks** are preventable risks resulting from employees' undesirable and unauthorised actions as well as from breakdowns in routine operational processes and human error.

**External risks** are those emanating from uncertain and uncontrollable events.

Risk assessments are undertaken annually and the risks discussed here were identified, reviewed and assessed by the Executive Committee.

Full details and the status of each risk are monitored continuously in terms of:

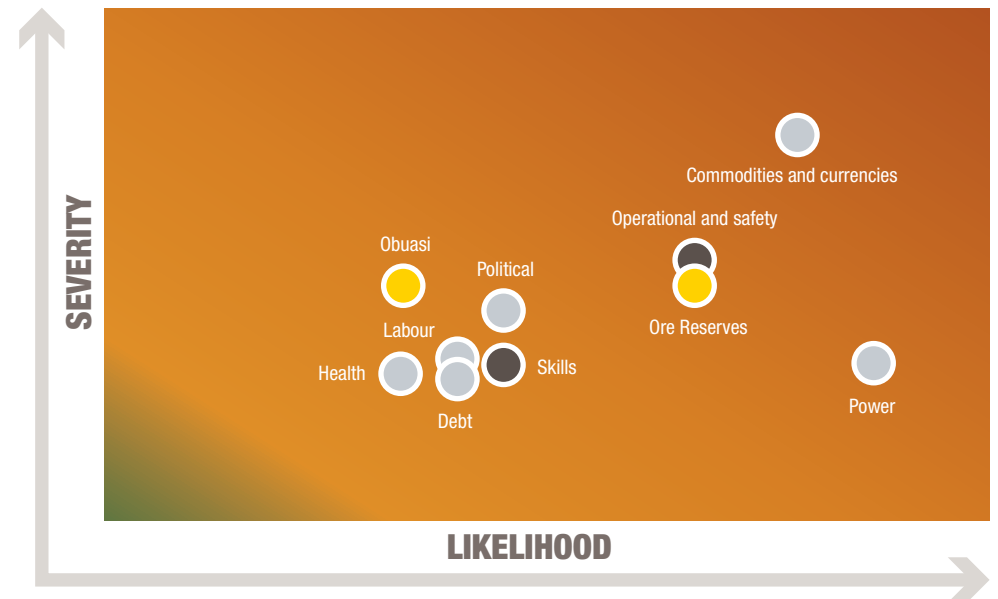
- context and background of risk
- risk performance indicators
- mitigation plans
- expected outcome and residual risks
- expected date for completion of mitigation measures
- possible root causes and consequences
- mitigation and prevention controls

This information is updated and presented quarterly to the Audit and Risk Committee.

## TOP GROUP RISKS

AngloGold Ashanti's top risks, as at the end of 2015, are illustrated below in a 'heat map' that plots the severity of the consequence of a risk against the likelihood of that risk occurring.

Top group risks heat map

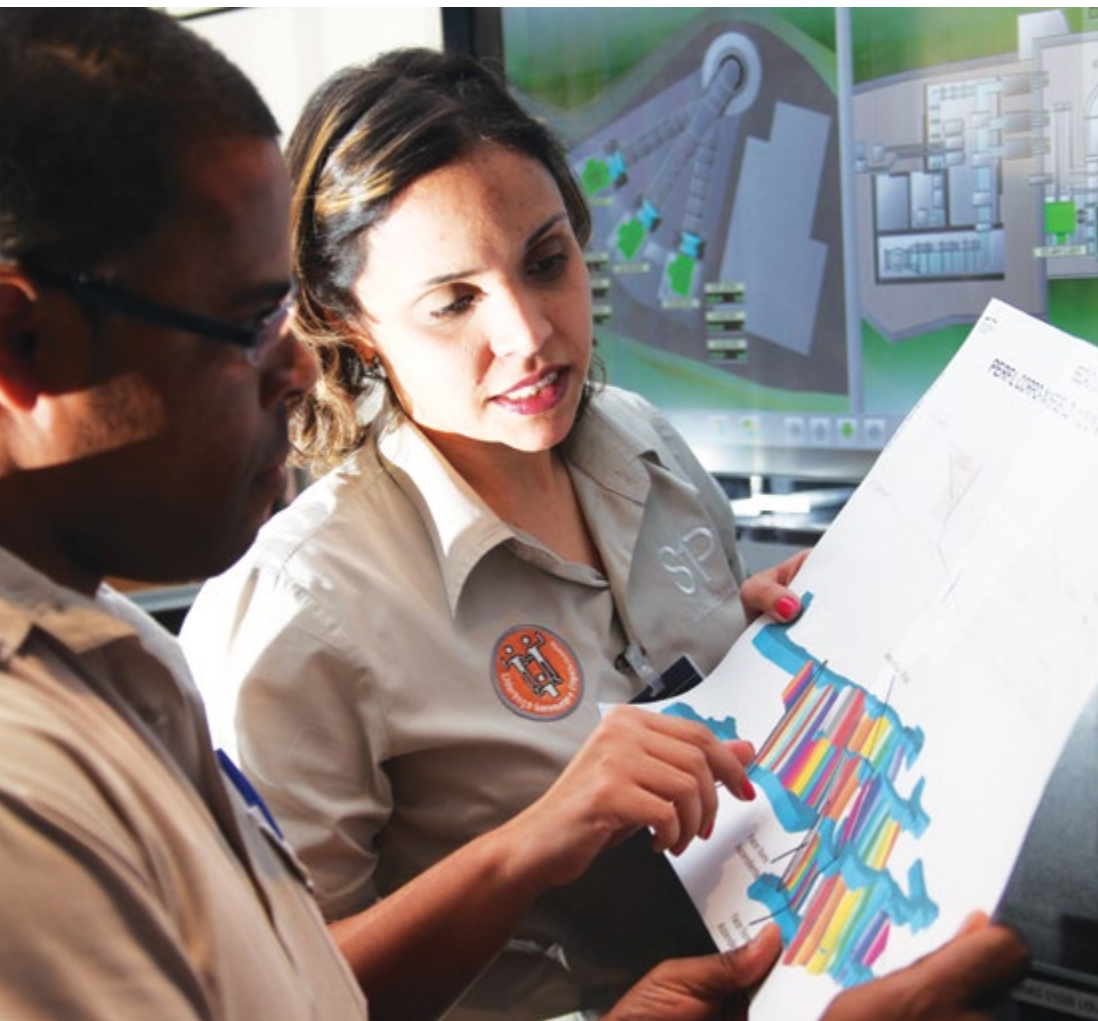


### Principal risks identified

- Strategic
- Operational
- External



## MANAGING AND MITIGATING RISKS continued



These top 10 risks are tabulated below, ranked from the highest to the lowest in order of magnitude.

### Top 10 risks

Ranking	Type	Potential risk
1	External	Adverse gold and commodity prices, and currency movements
2	Operational	Operational and safety underperformance negatively impacting improved track record
3	Strategic	Inability to develop projects to bring our Ore Reserve to account
4	External	Security of power supply and cost increases
5	External	Elevated political and country risk profiles in core production areas
6	Strategic	Failure to demonstrate and/or realise the business case for Obuasi redevelopment or to sustainably improve the security situation at the mine
7	Operational	Critical skills and talent retention
8	External	Protracted labour-related stoppages
9	External	Financial covenant breach and excessive debt levels
10	External	Legacy occupational and community health compensation claims/litigation

# MANAGING AND MITIGATING RISKS continued

## MITIGATION OF TOP 10 GROUP RISKS



Risk	Potential consequences	Mitigation action plan
<p><b>1:</b></p> <p><b>Adverse gold and commodity prices, and currency movements*</b></p>	<ul style="list-style-type: none"> <li>• Inadequate free cash flow/liquidity/credit rating impact</li> <li>• Inability to develop strategic growth and development projects to bring Ore Reserves to account</li> <li>• Lower market capitalisation</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet flexibility – appropriate liquidity, covenant and maturities</li> <li>• Prioritising margins over production growth – focus on cost and capital discipline</li> <li>• Project 500 to seek further cost optimisation</li> <li>• Overhead structures continue to be refined</li> <li>• Conservative near-term planning assumptions which will focus margins</li> <li>• South Africa safety focus to help recover volume</li> <li>• Intensify efforts to improve efficiencies and reduce all costs across our portfolio</li> <li>• Restrict exploration and reef-boring to further focus on near- to medium-term production</li> <li>• Significantly reduce Colombia portfolio holding costs</li> <li>• Harvest short-life mines for cash</li> </ul>
<p><b>2:</b></p> <p><b>Operational and safety underperformance negatively impacting improved track record*</b></p>	<ul style="list-style-type: none"> <li>• Reduced cash flow and decreased liquidity</li> <li>• Decline in investor confidence</li> <li>• Credit ratings impact</li> <li>• Restricted ability to invest in strategic growth and development projects</li> </ul>	<ul style="list-style-type: none"> <li>• Revise Safe Production strategy</li> <li>• Implementation of critical control monitoring for major hazards to reduce risk of fatalities</li> <li>• Focus on ore development strategy which addresses logistical constraints to increase mining face length</li> <li>• Implementing Project 500 to reduce input costs</li> <li>• Implementation of the 'How We Work' process to embed safety standards, the Business Process Framework and work routines</li> <li>• Mponeng action plan in place to address seismicity challenges and ventilation</li> <li>• Geological drilling done to mitigate ore body uncertainties</li> <li>• Surface operations revising the surface-dump retreatment operation</li> <li>• Resolving the carbon in the mix to ultimately improve and increase volumes</li> </ul>

\* Imminent – elevated potential for risk to materialise over the next nine to 12 months

## MANAGING AND MITIGATING RISKS continued



Risk	Potential consequences	Mitigation action plan
<b>3:</b> <b>Inability to develop projects to bring Ore Reserve to account*</b>	<ul style="list-style-type: none"> <li>• Ore Reserve write-down and market capitalisation decline</li> <li>• Impairment and lower future earnings per share</li> <li>• Production profile and business plan reduction</li> <li>• Loss of tenements</li> <li>• Premature mine closure or mothballing of operations</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of suitable joint venture partnerships and alternative sources of funding</li> <li>• Revised tenements strategy with focused exploration funding for critical operations</li> <li>• Business planning and portfolio optimisation</li> <li>• Feasibility studies</li> <li>• Focused project management to deliver projects on budget and schedule</li> </ul>
<b>4:</b> <b>Security of power supply and cost increases*</b>	<ul style="list-style-type: none"> <li>• Employee safety comprised in unplanned power curtailment</li> <li>• Loss of production</li> <li>• Increased operational cost</li> <li>• Flooding and/or sterilisation</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency strategy in place to minimise production losses during stages 2 and 3 emergency declarations by Eskom (load shedding/curtailment)</li> <li>• Emergency generation systems to ensure safe evacuation of underground mines in case of national supply grid collapse</li> <li>• CEO and industry interventions</li> </ul>
<b>5:</b> <b>Elevated political and country risk profiles in core production areas*</b>	<ul style="list-style-type: none"> <li>• Adverse impact of business plans</li> <li>• Adverse impact of market capitalisation</li> <li>• Compromised employee safety and security</li> <li>• Reduced cash flow</li> <li>• Increased operational costs</li> <li>• Increased tax and royalties</li> </ul>	<ul style="list-style-type: none"> <li>• Socio-political-economic analyses</li> <li>• Use of joint venture alliances with local companies</li> <li>• Gradual investment while developing familiarity with the local environment</li> <li>• Use of third-party consultants/contractors</li> <li>• Local community and host government engagement</li> <li>• Development of good relations with political leaders</li> <li>• Engagement with non-governmental organisations</li> </ul>
<b>6:</b> <b>Failure to demonstrate and/or realise the business case for Obuasi redevelopment or to improve the security situation at the mine*</b>	<ul style="list-style-type: none"> <li>• Inability to bring the Ore Reserve to account</li> <li>• Cash drain</li> <li>• Adverse socio-economic stakeholder impact and reputational damage</li> <li>• Withdrawal from mine on a long-term or permanent basis</li> </ul>	<ul style="list-style-type: none"> <li>• Finalise Obuasi feasibility study</li> <li>• Transition the operation to limited operations</li> <li>• Reduce holding costs</li> <li>• Negotiate with the Government of Ghana to obtain requisite approvals and consents</li> <li>• Seek alternative development partner</li> <li>• Review gold price and economic conditions at the time</li> <li>• Seek government's co-operation to re-instate and maintain security protection</li> </ul>

\* Imminent – elevated potential for risk to materialise over the next nine to 12 months

## MANAGING AND MITIGATING RISKS continued



Risk	Potential consequences	Mitigation action plan
<p><b>7:</b> Critical skills and talent retention*</p>	<ul style="list-style-type: none"> <li>Employee impact and further losses</li> <li>Negative project and operational impacts</li> <li>Increased labour costs</li> </ul>	<ul style="list-style-type: none"> <li>Continue Chairman's Young Leaders Programme to assist in the development of general managers and senior leadership</li> <li>Launch of the 'How We Work' initiative</li> <li>Development of the talent scorecard to track and define scarce and critical skills</li> <li>Global and regional plans developed to address the results of the employee engagement survey</li> <li>Rollout of the global performance management system to align roles with strategic plans</li> <li>Broadening the short- and long-term measures which drive incentives to make them financial and non-financial</li> <li>Review of retention policies for critical skills</li> </ul>
<p><b>8:</b> Protracted labour-related stoppages*</p>	<ul style="list-style-type: none"> <li>Production stoppages and losses leading to liquidity crisis</li> <li>Intimidation of employees and violence and damaged assets</li> <li>Compromised safety and operational conditions</li> <li>Lower market capitalisation</li> <li>Organisational restructuring</li> </ul>	<ul style="list-style-type: none"> <li>Communication as per communication strategy across various platforms ongoing, with regular updates</li> <li>Pre-emptive dialogue with union structures and leadership, utilising existing union employee structures and consultation processes</li> <li>Security strategies and operational framework in place, and strategic working relations with security institutions and agencies (South African Police Service, National Joint Operations Centre and public order policing units)</li> <li>Collaboration with gold sector peers to manage and contain the contagion effect of labour risks</li> <li>Legal strategies in place</li> <li>Recourse to conduct obligations as contained in recognition agreements with labour unions</li> <li>Strike management and handling protocols in place</li> <li>SASRIA insurance</li> <li>A high level policy and operational framework are in place to deal with a myriad of eventualities emanating from labour conflict, wage negotiations and disputes which may result in strike action</li> </ul>

\* Imminent – elevated potential for risk to materialise over the next nine to 12 months

## MANAGING AND MITIGATING RISKS continued



Risk	Potential consequences	Mitigation action plan
<p><b>9:</b> Financial covenant breach and excessive debt levels</p>	<ul style="list-style-type: none"> <li>• Balance sheet stress</li> <li>• Raised cost of capital</li> <li>• Equity overhang</li> <li>• Inability to develop strategic growth and development projects</li> <li>• Impeded portfolio options</li> <li>• Breach of debt covenants</li> <li>• Credit rating downgrades</li> <li>• Cross default</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive and timely approach to refinancing of facilities</li> <li>• Diversified sources/ facility tenor</li> <li>• Cost management to preserve cash and support credit metrics/ ratings</li> <li>• Liquidity planning</li> <li>• Eliminating remaining high-interest bonds</li> </ul>
<p><b>10:</b> Legacy occupational and community health compensation claims/ litigation</p>	<ul style="list-style-type: none"> <li>• Financial impact</li> <li>• Market capitalisation reduction</li> <li>• Reputational damage</li> <li>• Impacted employee well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Defend all claims on their merits (both individual and class action)</li> <li>• Participate in an industry working group on OLD to address issues relating to compensation and medical care for OLD in the gold mining industry in South Africa</li> <li>• Entered into a settlement agreement with claimants' counsel for full and final settlement with no admission of liability of all individual claims brought against both AngloGold Ashanti and Anglo American South Africa</li> </ul>

# MANAGING AND MITIGATING RISKS continued

## TOP GROUP OPPORTUNITIES

We recognise that identifying and managing opportunities is an important component of risk management. The company identifies suitable opportunities, endeavouring to exploit, harness or maximise them, with the aim of creating value from mitigating our risks. This table lists our key opportunities along with the strategy for each.

*“The company identifies suitable opportunities... with the aim of creating value from mitigating our risks.”*

### Top group opportunities

Type	Opportunity	Strategy
Operational	Benefits from increase in gold price enhanced by cost reduction	<ul style="list-style-type: none"> <li>Actively improve the quality of the portfolio</li> <li>Focus on margins through initiatives to improve all-in sustaining costs and all-in costs, including Project 500</li> <li>Improve leverage to the gold price</li> </ul>
	Pursuing key growth opportunities for our asset portfolio	<ul style="list-style-type: none"> <li>Focused brownfield exploration activities</li> <li>Prefeasibility studies for life-of-mine extensions and improved recoveries</li> </ul>
	Technology step-change in South Africa	<ul style="list-style-type: none"> <li>AngloGold Ashanti Technology and Innovation Consortium</li> <li>Proof of concept work relating to geological drilling, reef boring, ultra-high strength backfill and haulage boring machines <sup>1</sup></li> <li>Stakeholder identification and engagement</li> </ul>
	Benefits from weaker currencies and lower oil price	<ul style="list-style-type: none"> <li>Demonstrate leverage at operations most exposed to declining currencies</li> <li>Demonstrate leverage at operations that use most oil/diesel</li> </ul>
Strategic	Continued debt reduction to improve flexibility	<ul style="list-style-type: none"> <li>Bond repurchase</li> <li>Diversified sources of funding</li> <li>Reduced cost and restructured organisation</li> </ul>
	Colombia	<ul style="list-style-type: none"> <li>Revised tenements strategy with focused exploration funding</li> <li>Work to ensure that 'social licence to operate' is realised</li> <li>Partnering options</li> </ul>
	Obuasi	<ul style="list-style-type: none"> <li>Reduce holding costs</li> <li>Deliver feasibility study and refine to ensure optimal returns from high-margin, mechanised operation</li> <li>Ensure buy-in for redevelopment from all stakeholders including government</li> <li>Test market for potential value-creating joint venture and find optimal funding structure</li> </ul>
	Business planning and portfolio optimisation processes	<ul style="list-style-type: none"> <li>Sound business planning with top-down goals</li> <li>Portfolio rationalisation and optimisation</li> </ul>
	Asset sale or joint venture for full value	<ul style="list-style-type: none"> <li>Potential to realise full value of operating asset in cash for sale or joint venture</li> <li>Increased ability to deleverage in a value-enhancing manner</li> </ul>

<sup>1</sup> Refer to Planning for the future

# MANAGING AND MITIGATING RISKS continued

## RISKS BY STRATEGIC OBJECTIVE

Achievement of each of our strategic objectives is subject to a set of particular risks. Detailed below are the risks for each of our five strategic objectives:



**Focus on people, safety and sustainability**



**Ensure financial flexibility**



**Optimise overhead, costs and capital expenditure**



**Improve portfolio quality**



**Maintain long-term optionality**

- Protracted labour-related stoppages **8**
- Critical skills and talent retention **7**
- Legacy occupational and community health compensation claims/litigation **10**
- Operational and safety underperformance negatively impacting improved track record **2**

- Adverse gold and commodity prices, and currency movements **1**
- Protracted labour-related stoppages **8**
- Inability to develop projects to bring Ore Reserve to account **3**
- Legacy occupational and community health compensation claims/litigation **10**

- Adverse gold and commodity prices, and currency movements **1**
- Inability to develop projects to bring Ore Reserve to account **3**
- Failure to demonstrate and/or realise the business case for Obuasi redevelopment or to improve the security situation at the mine **6**
- Elevated political and country risk profiles in core production areas **5**

- Protracted labour-related stoppages **8**
- Failure to demonstrate and/or realise the business case for Obuasi redevelopment or to improve the security situation at the mine **6**
- Security of power supply and cost increases **4**
- Operational and safety underperformance negatively impacting improved track record **2**
- Elevated political and country risk profiles in core production areas **5**

- Adverse gold and commodity prices, and currency movements **1**
- Financial covenant breach and excessive debt levels **9**
- Protracted labour-related stoppages **8**
- Legacy occupational and community health compensation claims/litigation **10**
- Operational and safety underperformance negatively impacting improved track record **2**

The figures in circles indicate ranking of the risk in our top 10 risks (see page 48).

## PERFORMANCE REVIEW



# VALUE

## TOWARDS VALUE CREATION

focus on high-quality ounces with long-term optionality

In this section, we review our operational performance, the status of our Mineral Resource and Ore Reserve, and our future outlook.



# FINANCIAL REVIEW

## REVIEW OF GROUP'S PROFITABILITY, LIQUIDITY AND STATEMENT OF FINANCIAL POSITION FOR 2015

The following commentary should be read in conjunction with the summarised financial information.

### Profitability and returns

The 11% decrease in production over 2014 levels to 3.95Moz (including discontinued operations), was due in part to lower output from South Africa following safety related disruptions resulting in production loss of 113,000oz; the sale of CC&V on 3 August 2015 accounting for a further decrease in production of 94,000oz; the transition of Obuasi to limited operations at the end of 2014, resulting in decreased production of 190,000oz; and the grade-related reduction in contribution from Australia.

In Continental Africa, production decreased mainly due to the transition of Obuasi to limited operations. Production was supported by strong performances at Geita, Kibali and Iduapriem, which more than offset declines in production at Siguiiri and Sadiola. These declines were mainly the result of planned

decreases in recovered grade. In addition, Navachab was sold in June 2014, having produced 33,000oz in that year.

In Australia, Sunrise Dam production continued to be impacted by lower mined grades which in turn resulted in lower head grade through the mill. Tropicana's production marginally decreased as grades gradually declined in line with the mine plan.

The Americas production (excluding the CC&V discontinued operation) increased for the year under review. The 13% increase in Cerro Vanguardia's production was the result of planned increase in grade, resulting in the highest annual production for this operation in 16 years. In Brazil, AGA Mineração continued to improve its performance with increased production from both of its complexes, offsetting a marginal decrease in production at Serra Grande.

Despite the 11% decrease in production over 2014 levels, all-in sustaining costs improved 11% over the same period to \$910/oz. The significant year-on-year improvement reflects an especially strong delivery from the international operations which saw their all-in sustaining costs fall by 16% to \$822/oz. Geita was once again a standout performer in Continental Africa, with all-in sustaining costs

of \$717/oz. The Americas' all-in sustaining cost was \$792/oz, benefiting from strong fundamental performances combined with a tailwind from weakening currencies, particularly in Brazil. Conversely, the South African operations struggled due to a combination of lower grades and several safety-related disruptions that resulted in all-in sustaining costs increasing to \$1,088/oz, 2% higher than the previous year. The weaker performance was only partly offset by the weaker rand.

All-in costs reduced by 10% to \$1,001/oz (2014: \$1,114/oz) reflecting the impact of cost saving initiatives; weaker currencies and lower oil prices, partly offset by the decreasing production volumes.

At the adjusted headline earnings level, there was a profit of \$49m, or 12 US cents per share in 2015 compared to a loss of \$1m in 2014. Earnings in 2015 were affected by the 8% decline in the average gold price, as well as the 11% production decline, which was more than adequately offset by weaker local currencies, lower oil prices and the cost savings initiatives described previously.

During 2015, a loss attributable to equity shareholders of \$85m was recorded, compared to a loss of \$58m in 2014. The increased loss was the direct result of the lower gold

price, decreased production, and higher costs incurred at Obuasi related to limited operations, partly offset by lower corporate and marketing costs, exploration and evaluation costs, lower retrenchment costs incurred, and a decreased interest bill due to the part settlement of the high-yield bonds.

No dividends were declared in 2015 (2014: nil; 2013: 50 SA cents per share).

### Liquidity, cash flow and statement of financial position

Net debt levels were substantially reduced in 2015 decreasing from \$3.133bn to \$2.190bn mainly as a result of the part settlement of the high-yield bonds. Net debt: adjusted EBITDA ratio decreased to 1.49 times, in line with the target group level of 1.50 times. By reducing costs, overheads and capital expenditure, the group managed to generate free cash inflow, on an unadjusted basis, for the first time since 2011:

- Adjusted EBITDA: \$1.472bn (2014: \$1.616bn)
- Cash inflow from operating activities: \$1.139bn (2014: \$1.220bn)
- Free cash inflow: \$141m (2014: outflow of \$112m)

## FINANCIAL REVIEW continued

### The group's principal debt facilities are:

Debt facility	Amount	Maturity date
Rated bonds	\$1.75bn in aggregate (fully drawn)	April 2020 (\$700m: 5.375%) August 2022 (\$750m: 5.125%) April 2040 (\$300m: 6.5%)
Remaining high-yield bonds	\$471m (fully drawn)	July 2020 (8.5%)
Revolving credit facility	\$1bn (drawn \$200m at December 2015)	July 2019
A\$ credit facility	A\$500m (earmarked for construction of Tropicana) (\$98m drawn at 31 December 2015)	July 2019
South African floating-rate bond	R750m (fully drawn)	December 2016
South African revolving credit facilities	R2.9bn in aggregate (R992m drawn)	December 2018 and July 2019
South African on-demand facility	R500m (undrawn)	Overnight bank lending rate

Disclosure of our taxation exposures across the group supports the transparency of our taxation policy, where we have adopted a low risk approach.

Across the group, we have refunds due to us for input tax and fuel duties for an attributable amount of \$195m (2014: \$238m), which has remained outstanding for periods longer than those provided for in the respective statutes. Considerable effort was made to recover the outstanding amounts, as reflected in the reduced balance.

See the tables on the following pages for summarised group financial results. More detailed notes and analyses of the group's income statement, statement of financial position and statement of cash flow for 2015 are available in the [<AFS>](#).



## FINANCIAL REVIEW continued

### FIVE-YEAR SUMMARIES

#### Summarised group financial results – income statement <sup>(1)</sup>

US dollar million	2015	2014	2013	2012	2011
Gold income	4,015	4,952	5,172	5,943	6,148
Cost of sales	(3,294)	(3,972)	(3,947)	(3,765)	(3,700)
(Loss) gain on non-hedge derivatives and other commodity contracts	(7)	13	94	(36)	–
<b>Gross profit</b>	<b>714</b>	<b>993</b>	<b>1,319</b>	<b>2,142</b>	<b>2,448</b>
Corporate administration, marketing and other expenses	(78)	(92)	(201)	(288)	(277)
Exploration and evaluation costs	(132)	(142)	(250)	(390)	(279)
Other operating expenses	(96)	(28)	(19)	(47)	(31)
Special items	(71)	(260)	(2,951)	(402)	163
<b>Operating profit (loss)</b>	<b>337</b>	<b>471</b>	<b>(2,102)</b>	<b>1,015</b>	<b>2,024</b>
Dividends received	–	–	5	7	–
Interest received	28	24	39	43	52
Exchange (loss) gain	(17)	(7)	14	8	2
Finance costs and unwinding of obligations	(245)	(276)	(293)	(228)	(194)
Fair value adjustments on convertible bonds	66	(17)	307	245	188
Share of equity-accounted investments' profit (loss)	88	(25)	(162)	(30)	72
<b>Profit (loss) before taxation</b>	<b>257</b>	<b>170</b>	<b>(2,192)</b>	<b>1,060</b>	<b>2,144</b>
Taxation	(211)	(225)	237	(285)	(822)
<b>Profit (loss) after taxation from continuing operations</b>	<b>46</b>	<b>(55)</b>	<b>(1,955)</b>	<b>775</b>	<b>1,322</b>
<b>Discontinued operations</b>					
(Loss) profit from discontinued operations	(116)	16	(245)	140	311
<b>(Loss) profit for the year</b>	<b>(70)</b>	<b>(39)</b>	<b>(2,200)</b>	<b>915</b>	<b>1,633</b>
Allocated as follows:					
Equity shareholders					
- Continuing operations	31	(74)	(1,985)	757	1,276
- Discontinued operations	(116)	16	(245)	140	311
Non-controlling interests					
- Continuing operations	15	19	30	18	46
	<b>(70)</b>	<b>(39)</b>	<b>(2,200)</b>	<b>915</b>	<b>1,633</b>

<sup>(1)</sup> Cripple Creek & Victor is disclosed as a discontinued operation. The comparative results, excluding those for balance sheet, have been restated.

## FINANCIAL REVIEW continued

### Summarised group financial results – statement of financial position

US dollar million	2015	2014	2013	2012	2011
<b>Assets</b>					
Tangible and intangible assets	4,219	5,088	5,082	8,091	6,755
Investments	1,557	1,553	1,459	1,215	877
Inventories	736	1,524	1,639	1,823	1,408
Cash and cash equivalents	484	468	648	892	1,112
Other assets	288	501	846	718	597
<b>Total assets</b>	<b>7,284</b>	<b>9,134</b>	<b>9,674</b>	<b>12,739</b>	<b>10,749</b>
<b>Equity and liabilities</b>					
Total equity	2,467	2,871	3,107	5,494	5,120
Borrowings	2,737	3,721	3,891	3,583	2,488
Provisions	954	1,199	1,115	1,459	977
Deferred taxation	514	567	579	1,084	1,148
Other liabilities	612	776	982	1,119	1,016
<b>Total equity and liabilities</b>	<b>7,284</b>	<b>9,134</b>	<b>9,674</b>	<b>12,739</b>	<b>10,749</b>

## FINANCIAL REVIEW continued

### Summarised group financial results – statement of cash flows <sup>(1)</sup>

US dollar million	2015	2014	2013	2012	2011
<b>Cash flows from operating activities</b>					
Cash generated from operations	1,250	1,343	1,307	2,178	2,855
Dividends received from joint ventures	57	–	18	72	111
Net taxation paid	(163)	(153)	(164)	(453)	(379)
Net cash inflow from operating activities from continuing operations	1,144	1,190	1,161	1,797	2,587
Net cash (outflow) inflow from discontinued operations	(5)	30	85	172	226
Net cash inflow from operating activities	1,139	1,220	1,246	1,969	2,813
<b>Cash flows from investing activities</b>					
Capital expenditure	(667)	(849)	(1,431)	(1,916)	(1,500)
Net (payments) proceeds from acquisition and disposal of subsidiaries, associates and joint ventures	(12)	42	(466)	(684)	(117)
Net proceeds (payments) from disposal and acquisition of investments, associate loans, and acquisition and disposal of tangible assets	810	(11)	(8)	(70)	(62)
Interest received	25	21	23	36	39
(Increase) decrease in cash restricted for use	(17)	24	(20)	(3)	(19)
Other	–	–	–	(50)	4
Net cash inflow (outflow) from investing activities from continuing operations	139	(773)	(1,902)	(2,687)	(1,655)
Cash outflows from discontinued operations	(59)	(170)	(138)	(88)	(67)
Net cash inflow (outflow) from investing activities	80	(943)	(2,040)	(2,775)	(1,722)
<b>Cash flows from financing activities</b>					
Net (repayments) proceeds from borrowings	(867)	(144)	864	1,221	(155)
Finance costs paid	(251)	(246)	(200)	(145)	(142)
Dividends paid	(5)	(17)	(62)	(236)	(169)
Acquisition of non-controlling interest	–	–	–	(215)	–
Other	(61)	(9)	(36)	(28)	9
Net cash (outflow) inflow from financing activities from continuing operations	(1,184)	(416)	566	597	(457)
Cash outflows from discontinued operations	(2)	(5)	(6)	(6)	(6)
Net (outflow) inflow from financing activities	(1,186)	(421)	560	591	(463)
Net increase (decrease) in cash and cash equivalents	33	(144)	(234)	(215)	628
Translation	(17)	(16)	(30)	(5)	(102)
Cash and cash equivalents at beginning of year	468	628	892	1,112	586
<b>Cash and cash equivalents at end of year <sup>(2)</sup></b>	<b>484</b>	<b>468</b>	<b>628</b>	<b>892</b>	<b>1,112</b>

<sup>(1)</sup> Cripple Creek & Victor is disclosed as a discontinued operation. The comparative results, excluding those for balance sheet, have been restated.

<sup>(2)</sup> The cash and cash equivalent balance at 31 December 2013 includes a bank overdraft included in the statement of financial position as part of other liabilities of \$20m.

## FINANCIAL REVIEW continued

### Ratios and statistics <sup>(1)</sup>

	Units	2015	2014	2013	2012	2011
<b>Operating review – gold</b>						
Production from continuing operations	000oz	3,830	4,225	3,874	3,697	4,064
Production from continuing and discontinued operations	000oz	3,947	4,436	4,105	3,944	4,331
Gold sold from continuing operations	000oz	3,850	4,248	3,862	3,707	4,040
Gold sold from continuing and discontinued operations	000oz	3,965	4,458	4,093	3,953	4,307
<b>Continuing operations</b>						
Closing price at year-end	\$/oz	1,160	1,266	1,411	1,668	1,572
Average gold price received	\$/oz	1,158	1,264	1,401	1,664	1,576
Total cash costs	\$/oz	712	785	836	842	712
All-in sustaining costs <sup>(2)</sup>	\$/oz	910	1,020	1,195	1,285	
All-in costs <sup>(2)</sup>	\$/oz	1,001	1,114	1,466	1,623	
<b>Earnings</b>						
Adjusted gross profit	\$m	721	980	1,225	2,179	2,448
Adjusted gross margin	%	18	20	24	37	40
Adjusted EBITDA <sup>(3)</sup>	\$m	1,472	1,616	1,525	2,486	3,082
Adjusted EBITDA margin	%	37	33	29	42	50
Interest cover	times	7	6	6	14	22
<b>Asset and debt management</b>						
Net debt to adjusted EBITDA <sup>(3)</sup>	times	1.5	1.9	2.0	0.8	0.2
<b>Continuing and discontinued operations</b>						
(Loss) profit attributable to equity shareholders	\$m	(85)	(58)	(2,230)	897	1,587
(Loss) profit attributable to equity shareholders	US cents	(21)	(14)	(568)	232	411
Headline (loss) earnings	\$m	(73)	(79)	78	1,208	1,519
Headline (loss) earnings	US cents	(18)	(19)	20	312	394
Adjusted headline earnings (loss)	\$m	49	(1)	599	988	1,332
Adjusted headline earnings (loss)	US cents	12	(0)	153	255	345
Capital expenditure <sup>(4)</sup>	\$m	857	1,209	1,993	2,322	1,686
Net cash flow from operating activities	\$m	1,139	1,220	1,246	1,969	2,813
Free cash inflow (outflow)	\$m	141	(112)	(1,064)	(666)	972

See footnotes overleaf

## FINANCIAL REVIEW continued

### Ratios and statistics <sup>(1)</sup> (continued)

	Units	2015	2014	2013	2012	2011
<b>Asset and debt management</b>						
Equity	\$m	2,467	2,871	3,107	6,082	5,880
Net capital employed	\$m	5,190	6,640	5,519	8,420	7,444
Net debt	\$m	2,190	3,133	3,105	2,061	610
Net asset value – per share	US cents	609	711	770	1,580	1,528
Market capitalisation	\$m	2,877	3,515	4,727	12,025	16,226
Return on equity	%	2	0	18	19	26
Return on net capital employed	%	5	4	12	15	20
Net debt to equity	%	89	109	100	34	10
<b>Other</b>						
Weighted average number of shares	million	410	408	393	387	386
Issued shares at year-end	million	405	404	403	385	385
<b>Exchange rates</b>						
Rand/dollar average		12.77	10.83	9.62	8.20	7.26
Rand/dollar closing		15.46	11.57	10.45	8.45	8.04
Australian dollar/dollar average		1.33	1.11	1.03	0.97	0.97
Australian dollar/dollar closing		1.37	1.22	1.12	0.96	0.97
Brazilian real/dollar average		3.33	2.35	2.16	1.95	1.68
Brazilian real/dollar closing		3.90	2.66	2.34	2.05	1.87
Argentinean peso/dollar average		9.26	8.12	5.48	4.55	4.13
Argentinean peso/dollar closing		12.96	8.55	6.52	4.92	4.30

<sup>(1)</sup> Cripple Creek & Victor is disclosed as a discontinued operation. The comparative results, excluding those for balance sheet, have been restated.

<sup>(2)</sup> World Gold Council standard, excludes stockpiles written off. All-in sustaining costs and all-in costs \$/oz are available from 2012 only.

<sup>(3)</sup> The adjusted EBITDA calculation is based on the formula included in the revolving credit agreements for compliance with the debt covenant formula.

<sup>(4)</sup> Includes equity-accounted investments.

# ECONOMIC VALUE-ADDED STATEMENT

For the year ended 31 December

US dollar millions	%	2015	%	2014
<b>Economic value generated</b>				
Gold sales and by-product income <sup>(1)</sup>	98	4,280	99	5,350
Interest received	1	28	1	24
Royalties received	–	4	–	4
Profit from sale of assets	–	1	–	23
Income from investments	1	64	–	–
<b>Total economic value generated</b>	<b>100</b>	<b>4,377</b>	<b>100</b>	<b>5,401</b>
<b>Economic value distributed</b>				
Operating costs	43	1,876	46	2,464
Employee salaries, wages and other benefits	27	1,183	30	1,588
Payments to providers of capital	6	245	5	278
– Finance costs and unwinding of obligations	6	245	5	278
– Dividends	–	–	–	–
Corporate taxation				
– Current taxation <sup>(2)</sup>	4	192	3	165
Community and social investments <sup>(3)</sup>	–	15	–	14
Loss from investments	–	–	–	20
<b>Total economic value distributed</b>	<b>80</b>	<b>3,510</b>	<b>84</b>	<b>4,529</b>
<b>Economic value retained <sup>(4)</sup></b>	<b>20</b>	<b>867</b>	<b>16</b>	<b>872</b>

Note: This economic value-added statement includes the results of Cripple Creek & Victor until the date of sale.

<sup>(1)</sup> Gold sales decreased by 19% year-on-year due to an 8% lower average price received of \$1,158/oz and an 11% decrease in ounces sold.

<sup>(2)</sup> Current tax charge (credit) by country is as follows:

US dollar millions	2015	2014
South Africa	(13)	31
Argentina	25	24
Australia	25	–
Brazil	61	31
Ghana	–	2
Guinea	17	31
United States	(6)	(5)
Tanzania	79	65
Other	4	(14)

<sup>(3)</sup> Community and social investments exclude expenditure by equity-accounted joint ventures.

<sup>(4)</sup> Economic value retained excludes impairments and impairment reversals.



# REGIONAL REVIEWS

## South Africa

AngloGold Ashanti's four South African deep-level mines and surface production facilities are divided into three mining districts: Vaal River, West Wits and Surface Operations. Currently, these three areas comprise the following operations:

### Vaal River

The Vaal River mining district comprises two mines, which share a milling and treatment circuit. The mines, which are located about 180km from Johannesburg, near the Vaal River on the Free State-North West Province border, are:

- **Kopanang**, which is bound to the south by the Jersey Fault, has a single shaft system to a depth of 2,600m. It exploits the Vaal Reef almost exclusively, producing gold as its primary output and uranium oxide as a by-product.
- **Moab Khotsoang**, AngloGold Ashanti's newest South African mine, is located in the Free State and has three vertical shaft systems mining to a depth of 3,100m. Given the geological complexity of the Vaal Reef, the mine's principal reef, scattered mining is employed. Great Noligwa's operating infrastructure and employees were fully incorporated with those of Moab Khotsoang during 2015.

### West Wits

The West Wits mining district's operations, situated southwest of Johannesburg, on the border between Gauteng and North West Province, are:

- **Mponeng**, the world's deepest gold mine and our flagship South African operation, exploits the Ventersdorp Contact Reef (VCR) at depths of between 2,400m and 3,900m via a twin-shaft system. Ore is treated and smelted at the mine's gold plant.
- **TauTona's** three-shaft system exploits both the Carbon Leader Reef (CLR) and the VCR, with the secondary and tertiary shafts sinking to depths of between 2,900m and 3,480m. The full integration of Savuka into TauTona's infrastructure was completed with a link between the two mines reducing dependency on a single infrastructure system. TauTona's infrastructure is being used to access the remaining Ore Reserve at Savuka. Hoisting of Savuka ore via TauTona began in the second quarter of 2015. To improve efficiencies, ore mined is processed at Mponeng's gold plant.

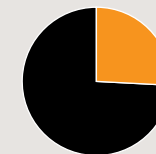
### Surface Operations

- **Surface Operations** extracts gold from marginal ore dumps and tailings storage facilities on surface at various Vaal River and West Wits operations. The hard rock business processes material from underground as well as from marginal ore dumps. Surface Operations also includes Mine Waste Solutions (MWS) which operates independently and processes slurry material reclaimed hydraulically from the various tailings storage facilities. Uranium is produced as a by-product, as is backfill that is used as mining support in underground mined out areas.

 [View map](#)

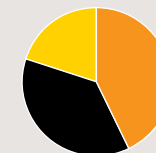
## OVERVIEW

Contribution to group production – 2015 (%)



- South Africa 26
- Rest of AngloGold Ashanti 74

Contribution to regional production (excluding technology) – 2015 (%)



- West Wits 43
- Vaal River 37
- Surface Operations 20

## REGIONAL REVIEWS continued

### South Africa

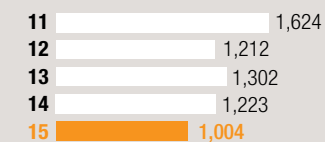
#### Key statistics

	Units	2015	2014	2013
<b>Operational performance</b>				
Tonnes treated/milled	Mt	36.8	38.4	39.2
Pay limit <sup>(1)</sup>	oz/t	0.39	0.39	0.36
	g/t	14.38	14.35	13.37
Recovered grade <sup>(1)</sup>	oz/t	0.225	0.239	0.204
	g/t	7.70	8.19	7.00
Gold production	000oz	1,004	1,223	1,302
Total cash costs	\$/oz	881	849	850
Total production costs	\$/oz	1,091	1,087	1,070
All-in sustaining costs <sup>(2)</sup>	\$/oz	1,088	1,064	1,120
Capital expenditure	\$m	206	264	451
Productivity	oz/TEC	3.74	4.40	4.47
<b>Safety</b>				
Number of fatalities		9	4	6
AIFR	per million hours worked	10.81	11.85	12.63
<b>People</b>				
Average no. of employees: total		28,325	29,511	32,406
– Permanent employees		25,274	26,056	28,526
– Contractors		3,051	3,455	3,880
Employee turnover	%	7	10	12
Training and development expenditure	\$m	29	37	45

See footnotes overleaf

#### Production

(000oz)

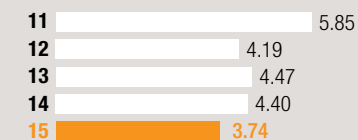


# 1,004,000oz

2015 production

#### Productivity

(oz/TEC)



# 3.74oz/TEC

2015 productivity

# REGIONAL REVIEWS continued

## South Africa

### Key statistics (continued)

	Units	2015	2014	2013
<b>Environment</b>				
Total water consumption	ML	25,182	27,219	27,228
Total water use per tonne treated	kL/t	0.685	0.708	0.694
Total energy usage	PJ	11.41	11.31	11.80
Total energy usage per tonne treated	GJ/t	0.31	0.29	0.30
Total GHG emissions	000t CO <sub>2</sub> e	2,959	2,981	3,025
Total GHG emissions per tonne treated	t CO <sub>2</sub> e/t	0.080	0.078	0.081
Cyanide used	t	9,573	10,100	9,688
No. of reportable environmental incidents		1	1	3
Total rehabilitation liabilities:	\$m	95	84	78
– restoration	\$m	18	12	10
– decommissioning	\$m	77	72	68
<b>Community and government</b>				
Community expenditure <sup>(3)</sup>	\$m	6	8	8
Payments to government	\$m	105	144	157
– Taxation	\$m	4	16	12
– Withholding tax (royalties, etc.)	\$m	5	18	12
– Employee taxes and other contributions	\$m	89	100	122
– Property tax	\$m	3	5	5
– Other (includes skills development)	\$m	4	5	6

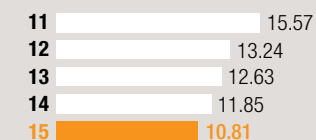
<sup>(1)</sup> Refers to underground operations only.

<sup>(2)</sup> Excludes stockpile write-offs.

<sup>(3)</sup> Includes corporate social investment expenditure.

### AIFR

(per million hours worked)

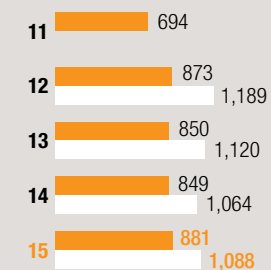


# 10.81

2015 AIFR

### Total cash costs and all-in sustaining costs

(\$/oz)



■ Total cash costs

□ All-in sustaining costs

# \$881/oz

2015 total cash costs

## REGIONAL REVIEWS continued

### South Africa

#### OPERATIONAL PERFORMANCE

##### Production

Production for the year ended December 2015 was lower, predominantly due to safety related stoppages with about 113,000oz lost as a result of these disruptions. Mponeng and Moab Khotsong were most affected.

In addition to the operational effects of the safety-related stoppages, Mponeng also experienced delays to phase 1 of its Below 120 level life-extension project. Mining flexibility was curtailed as production was undertaken on only three levels, at 120 level and above, toward the lateral extremities of the ore body where travelling distances and lower grades hampered efficiency.

A derisking plan was implemented to address seismicity challenges and a decision was taken during the year to withdraw from some of those areas to improve safety, further reducing available mining areas and leading to lower mining extraction rates. This is expected to be alleviated when the higher-grade areas below 120 level – which are currently being developed – are available for mining. The 123 level is now continuing its production ramp-up.

Elsewhere in the West Wits, TauTona mined a smaller area with a decrease in its mine call factor, the measure of gold produced relative to the amount of gold contained in the area mined.

At TauTona, seismic activity and the intense ledging programme affected production.

Much of the ledging had been completed by year-end and good progress was made in establishing raise lines underground at the Savuka section of TauTona. This will create ledging panels that will improve operational efficiency and the availability of face length, which is crucial to the life-of-mine plan.

In addition to – and in some cases as a result of the safety stoppages – production at the Vaal River operations was also negatively affected by a deterioration in the mining mix as the anticipated move into higher-grade areas was delayed. Increased dilution resulted in a decline in head grades.

Safety stoppages and lack of available face length and mining flexibility, a result of the premature halt to mining of low-grade areas, affected production at Kopanang. In mitigation, more concentrated efforts were put in place, prioritising safe practices, and plans are underway to increase available face length and Ore Reserve development. Safety improvements achieved in the last quarter of the year indicated a return to operational stability.

At Surface Operations, a reduction in grades in the marginal ore dump material negatively impacted production. In an attempt to mitigate this, a project was commissioned at the end of November to screen material ahead of the plant.

The Project 500 cost savings initiative is expected to continue during 2016 in an

endeavour to further improve efficiencies. At MWS, the flotation and uranium plants were temporarily stopped during the latter part of the year as these units did not operate at expected efficiencies.

The South Africa region produced 0.9Mlb of uranium in 2015 (2014: 1.3Mlb), as a by-product at its Vaal River operations.

##### Costs

All-in sustaining costs at \$1,088/oz for the year ended December 2015 were 2% higher compared to the previous year. The negative cost impact was marginal, assisted in large part by the weaker rand relative to the US dollar, as well as a modest contribution from the early stages of Project 500 efficiency interventions. Performance was significantly affected by the lower volumes mined as well as ongoing inflationary pressures in South Africa, which is fully exposed to above-inflation administered price increases for critical inputs, like power and water, while gaining little benefit from a lower fuel price.

Project 500 cost optimisation is ongoing and is being introduced to a range of core disciplines in the region. Key areas of focus are labour cost management, reef mining activities, reduced power consumption, improved contractor management, the implementation of service optimisation strategies and a robust critical review of commodity as well as services-related contracts.

Reduced energy consumption in particular has yielded significant savings through efficiency improvements and a focus on compressed air at TauTona. In addition, all hoisting now takes place at TauTona, including that of ore mined in the Savuka section, resulting in improved operating efficiency.

A study is planned for 2016 to investigate ways to further reduce the South Africa region's all-in sustaining cost. This study will focus on the rationalisation of off-mine services and costs, and is expected to include a further footprint reduction in the Vaal River area in particular. This work will be incorporated in the Project 500 framework and could contribute to the viability of key growth projects.

Good progress was made with the integration of the Vaal River operations. This entailed consolidation of the surface infrastructure of the neighbouring Moab Khotsong, Kopanang and Great Nologwa mines as well as some of their underground infrastructure. This is expected to further reduce the surface footprint, enable improved mining flexibility in response to a variable gold price, allow us to take advantage of synergies in the management of mineral and shared services, and improve the profitability and sustainability of these operations. Substantial savings have been realised to date. In 2016, the focus is expected to be on refining and embedding these changes to achieve further cost efficiencies and eliminate duplication.

## REGIONAL REVIEWS continued

### South Africa



#### Growth and improvement

Mponeng Phase 1 below 120 level was delayed, as discussed above, with key infrastructure to service Ore Reserve development lagging behind schedule by more than a year at the end of 2015. The main issues contributing to the schedule delays included safety-related operational disruptions and infrastructure reliability; slower than anticipated secondary support installation rates, which affected construction handover dates; poor trackless equipment availability; and logistics complexity, which constrained the supply of material to and removal of rock from the project area.

To address critical issues, a detailed system capability study was undertaken to determine ore handling and material supply capacity. A high-level revised schedule was completed, based on system capability. The study prioritises capital infrastructure to support Ore Reserve development. The preliminary impact of this schedule indicates a delay of approximately 15 to 18 months in the Below 120 level gold delivery profile.

Given the constraints experienced in phase 1, the approach to phase 2 is being reviewed. Co-extraction of the VCR from the same shaft deepening infrastructure platform is being considered rather than from the decline development employed in phase 1. Phase 2 may therefore be delayed. Work on 126 level is expected to be completed on schedule, and

consequently, there will be no gold gap as a result of the delay.

At Moab Khotsong, project Zaaipplaats remained on hold. Another study has been undertaken to determine the best technical and economically viable options for the project and is expected to recommend alternative investment opportunities. The purpose of this study will be to formulate mine designs to economically extract Zaaipplaats and contiguous blocks from the Moab Khotsong shaft systems and to claw back value through potential schedule, cost and mining-volume gains by applying modern shaft designs and other associated technologies. A further study is expected to begin in 2016 to investigate the impact of the regional cost rationalisation initiative.

#### SUSTAINABILITY PERFORMANCE

##### Safety

The South Africa region has had mixed safety results, with the all-injury frequency rate (AIFR) improving to 10.81 per million hours worked in 2015, from 11.85 in 2014. The lost-time injury frequency rate was 8.63 in 2015 against 9.29 in 2014. Both these were all-time best annual performances.

Surface Operations was awarded the John T Ryan Trophy 2015 as national winner of the Surface Operation category at the MineSAFE awards ceremony. This is the second time this

## REGIONAL REVIEWS continued

### South Africa

award has been won by an AngloGold Ashanti operation. This strengthens our work on the 'people pillar' of our safety strategy, which now comprises two enablers, namely 'knowledge and skills' and 'behaviour/attitude'. While it is recognised that we operate in a high-risk environment, with labour-intensive operations at depth, we will continue to strive for zero harm, making sure every employee returns unharmed from work every day.

Regrettably, in 2015, our safety performance reflected a significant regression in mine fatalities. Tragically, nine of our colleagues lost their lives in separate accidents compared with four in 2014.

We would like to extend our deepest condolences to the families, friends, communities and colleagues of Lebakeng Nkone, Jeffrey Dogo, Tsoabiso Mokoetsi, Tihareseole Kanyane, Thabo Poee, Khosi Machosi, Gabriel Mosoeunyane, Rampatsa Moleleki and Reino Minnaar.

Three fatalities were caused by falls of ground, two by seismic-related falls of ground, one during rail-bound transport operations, one during scraper-winch cleaning operations, one as a result of carbon monoxide inhalation due to the indoor use of a warming brazier, and one was caused by electrocution during the commissioning of an

electrical substation. This marked increase in the number of lives lost in 2015 prompted a strong response from the management and executive team in the South Africa region, culminating in a thorough review and revision of the safety strategy, now referred to as the Safe Production Strategy.

Our Safe Production Strategy aims to develop a culture that delivers predictable control of safe production in a highly-effective compliant organisation. This strategy is based on four pillars around which detailed work plans have been developed. These pillars are: improved knowledge and skills; working on critical aspects of behaviour and attitude; optimising workplans; and, most critically, removing people from risk and improving workplace conditions. This strategy will be underpinned by systems for both people and work management. This strategy has been presented to the board Social, Ethics and Sustainability Committee and work on its various elements has begun. Progress will be monitored internally and reported quarterly to the committee.

As fully detailed in the <SDR>, the work we are doing to make the workplace safe is aligned with the critical control management guideline issued by the International Council on Mining and Metals in 2015, while ensuring compliance with applicable legislation.

We recognise that systems and processes alone cannot create a safe work environment. By encouraging every person to be aware of their workplace conditions and to be accountable for their own safety and that of others, we seek to keep safety at the forefront of everyone's mind and thus create a secure workplace. Line management will be held accountable for safety as we believe that living these leadership behaviours is an important driver to progress the organisation along an improved safety journey. Our target is to eliminate fatalities and injuries in the workplace.

### Health

**Health risk management:** A high-level and preliminary risk assessment (including contributory causes, consequences, and critical controls) of the broad health risks facing our people in the South Africa region was completed. Given the long lag periods associated with most occupational health risks, we aim to review medical risks annually. This data will now be loaded into the newly-designed 'health risk architecture' in AuRisk. All health risks in the region have now been placed into 10 major hazard categories. We have also prioritised the top 12 specific injuries or illnesses that pose the greatest health risks to employees in the region.



## REGIONAL REVIEWS continued

### South Africa

We work constantly to reduce noise exposures at source. Our efforts include the silencing of critical equipment, standardising hearing protection devices (which are selected for comfort and efficacy), as well as improving compliance in the use of hearing protection.

With increasing national and regional attention being given to tuberculosis (TB) across the Southern African Development Community, the South African government's departments of Health and Mineral Resources have launched a major TB screening programme across the South African mining sector. This is a multi-stakeholder initiative with the Chamber of Mines and the country's four largest mining unions. AngloGold Ashanti is involved in the design and implementation of this programme, which also assists smaller companies in implementing screening and testing.

**Healthcare outcomes:** The all-occupational diseases frequency rate (AODFR) remained flat at 12.11 per million hours worked.

The AODFR includes silicosis, occupational TB, NIHL, barotrauma (pressure-related injury to the middle ear following rapid descent/ascent in deep-level mines) and all heat-related illnesses. In all, 822 cases of occupational disease were reported in the year to December 2015 (64 cases of NIHL; 315 of occupational TB; 148 of heat illness; 155 of barotrauma; and 140 of silicosis).

Of concern is NIHL which is on the rise with rates having almost doubled over the past year, from 1.2 per 1,000 to 2.5 per 1,000. The reason for this increase is not intuitive as occupational exposure to noise appears to be controlled.

New TB and HIV infection rates remain at 10-year lows and good progress was made in reducing the number of cases of silicosis. Dust control measures continued to be effective, and our South African operations exceeded the Mine Health and Safety Council milestones for dust control. The number of silicosis cases submitted for compensation declined for the second successive year and early silicosis cases remain at low levels. Stringent South African mining industry targets for reducing silica dust exposure by 2024 require modifications to methods for measuring silica dust exposures and further strengthening of workplace controls.

The TB incidence rate declined from 1.57% in 2014 to 1.26% in 2015. This is consistent with the downward trend of occupational TB over the past decade. Despite significantly higher risk in the gold sector for the development of occupational TB (as a consequence of silica dust exposure and HIV co-infection), the incidence rate reported by the company is in line with that of the general population of South Africa.

We continue to participate in initiatives to manage and, where possible, to deal with TB, such as World TB Day 2015, which we hosted at Vaal River with the Minister of Health. See the [<SDR>](#).

#### **Gold Working Group on silicosis:**

AngloGold Ashanti is working together with other South African mining companies on a solution to the compensation of OLD. Current work streams are focused on improving efficiency at the Medical Bureau for Occupational Disease and the Compensation Commission for Occupational Diseases (CCOD); cleaning of compensation data and compilation of a credible database; preparation for another actuarial valuation of the Occupational Disease in Mines and Works Act (ODMWA) fund; and exploratory work on a potential legacy fund. The fund will also play a part in compensation for silicosis. In addition to the existing one-stop shops in Mthatha and Carletonville, there are also plans to set up two new one-stop shops for the industry in Kuruman and Burgersfort.

Furthermore, the Gold Working Group and the Department of Health launched Project Ku-Riha during 'Workers' Month' (May 2015) at the one-stop shop at Carletonville Hospital. Of the files at the CCOD that have thus far been verified, 50% of eligible individuals have not yet been compensated. The plan is therefore to track and trace, and then formalise a

mechanism to compensate eligible ex-miners over the next few years.

**Total health spend:** Approximately \$58m was spent on health and wellness programmes in the South Africa region in 2015 – \$27m on clinics and hospitals through AngloGold Ashanti Health, and a further \$31m on various medical insurance and compensation costs for occupational and non-occupational injuries and illnesses affecting our employees. Over the past decade, AngloGold Ashanti has managed to contain the unit costs for direct health services. However, these costs are now on the rise. Alternative strategies and models of health service provision are being explored.

#### **Employee and labour relations**

In 2015, employee numbers were slightly down year-on-year, a result of the restructuring that came with the consolidation of certain mines in the region, and the moratorium on external recruitment. However, there was a marginal increase in December with the hiring of employees with specific skills and the reinstatement of those employees who had previously been dismissed at Moab Khotsong – see below.

Wage negotiations took place from June through to October 2015. All unions participated in the central collective-bargaining process with the Chamber of Mines representing the gold producers.

## REGIONAL REVIEWS continued

### South Africa

Notwithstanding the challenging negotiations, a three-year wage settlement was agreed, without any strike action or loss of production. AngloGold Ashanti signed its agreement with NUM, Solidarity and UASA. Regrettably, AMCU did not sign but as the unions that signed represented the majority of employees, the wage agreement was extended to all employees irrespective of union affiliation.

Employers' wage negotiators ensured that unions understood the possible consequences for employment and sustainability of unaffordably high labour-cost increases. Building on our engagement with unions in 2014, we continued to share detailed information on the company's financial position and the industry's precarious position.

A proposed economic and social compact aimed at ensuring the sustainability of the industry, preserving jobs and the sharing of profit was also presented during negotiations.

#### ***The socio-economic compact was based on:***

- an economic model of the gold price, the rand/dollar exchange rate, inflation, geographic conditions, the regulatory environment, costs, safety and productivity
- a social component detailing job retention, guaranteed pay and benefits, housing and accommodation, retirement savings, health and wellness, and education and skills development

In the latter part of the year, the Labour Court ruled in favour of AMCU regarding the dismissal of 542 employees at Moab Khotsong in April 2013. AngloGold Ashanti re-instated the relevant employees and agreed to pay each an amount equivalent to 12-months' basic pay, as ordered by the court. The company did not appeal the judgement and a joint management-AMCU working group was established to oversee and manage the reinstatement process in line with our human resources plan and skills requirements.

**Employee empowerment:** Indebtedness remains a source of profound stress for many South African mine workers supporting extended families. Socio-economic pressures combined with the actions of irresponsible lending practices by financial institutions and micro-lenders can lead to employees finding themselves trapped in a debt spiral that becomes increasingly difficult to escape. Extensive engagement with organised labour and investigation into indebtedness, identified illegal emolument attachment orders (EAOs) as a significant part of the debt problem. EAOs are court orders which compel employers to deduct debt repayments directly from a debtor's salary to pay to debt collectors.

Our Masidibanise Izandla (Managing today, for tomorrow, together) campaign aims to address the problem of indebtedness by

providing accessible financial management assistance. This initiative, which began in 2014 and aims to create awareness, educate and provide financial advice to our employees, has achieved the following:

- Decreased the total number of EAOs, commonly known as garnishee orders, against our employees from 3,110 in May 2014 to 2,321 by December 2015
- 210 EAOs were terminated during 2015
- 22,948 employees have received indebtedness training

Our long-term proactive support programme to address employee indebtedness comprises three elements:

- Practical training – helps employees understand, recognise and avoid debt traps that could be crippling. This training is also incorporated into the induction training that all employees undergo regularly.
- Counselling and referral – ensures that employees have access to appropriate assistance before EAOs are issued against them. It includes access to debt counsellors and debt restructuring.
- Legal assistance – helps employees challenge the legality of the EAOs and identify illegal or irresponsible lending practices.

We also have a toll-free help line for follow-up sessions. Employees can make an appointment with a referral agent who will advise them of their options and, if necessary,

refer them to the appropriate advisor to address their financial problems. The service is free and all interactions with referral agents, debt counsellors and legal advisors are strictly confidential.

By including indebtedness training during induction, we have sought to make remedial action for our employees' debt problems. The approach has worked well, with a marked increase in calls to the toll-free call centre immediately after induction training. In 2016 we will focus on increasing the momentum to further reduce employee indebtedness.

In addition, a sexual awareness and harassment campaign was implemented, in support of gender empowerment.

### Environment

Surface Operations retained its ISO 14001 certification for another year. While our focus remains on reducing tailings pipeline spillages, containing dust from tailings dams and ensuring effective rehabilitation, there was one reportable environmental incident at Vaal River when a pipeline failure spilled tailings into a storm water trench. Remedial action was taken to mitigate any potential damage. The region also had few minor and unreportable environmental incidents in 2015, related mainly to water spills.

West Wits, Vaal River and Surface Operations, including MWS, are actively working to achieve International Cyanide Management Code certification by the end of 2017.



## REGIONAL REVIEWS continued

### South Africa

**Water:** Pumping installations to manage water ingress from neighbouring mines where operations have ceased in the West Wits and Vaal River districts, are expected to be completed in the first half of 2016. These systems are intended to safely intercept water to prevent flooding as well as to re-use the water in surface re-mining activities. Pumping systems at both sites are able to pump water in case of earlier-than-expected decant into our operations.

Drought conditions across most of South Africa and particularly in the Highveld continue to affect the volume of water pumped in the area close to Margaret Shaft (Vaal River) and, over the past three dry seasons, volumes have dropped from around 37ML/day to a current 22ML/day, just enough to supply MWS and Vaal River plant requirements.

As standard practice, for many years our mines have been using this scarce resource responsibly, lessening their consumption by reusing and recycling water<sup>1</sup>. We aim to spend time in 2016 aligning mine closure and regional water management plans with the region's expected operating life. This work will necessitate discussions with regulators and neighbouring mining operations.

**Energy:** As energy-saving projects are completed and brought on line, our energy

consumption continues to decline. The heat-pump project at Kopanang appears to have reduced peak demand by up to 2.5MW and the heat-recovery project at Mponeng is on track and planned for commissioning during the second quarter of 2016. This is expected to bring in another 500kW of recovered energy from waste heat at the compressor stations. Overall, savings in energy consumption were achieved.

The country's electrical generation capacity remains constrained as a result of poor maintenance and late project completion by Eskom. Electricity generation availability remains around 70-73%. Given unplanned outages were around 6,000-9,000MW per day, Eskom has delayed maintenance to counter the shortfall.

Good progress was made regarding the amount of energy used in compressed air control. Improvements at the West Wits operations, a result of greater efficiencies in compressed air controls and progress in automation, are especially noteworthy.

**Rehabilitation:** As part of its ongoing rehabilitation programme, a phytoremediation research project has been underway for two decades and is being implemented in the Varkenslaagte catchment in the West Wits. See the [<SDR>](#).

<sup>1</sup> Material issues and the external environment



## REGIONAL REVIEWS continued

### South Africa

#### Stakeholder engagement and communities

In South Africa, ongoing community engagement involves broad consultation with a wide range of stakeholders to ensure our community development efforts are appropriate, relevant, targeted and effective. This engagement takes place quarterly at Future Forum meetings at both the West Wits and Vaal River operations. Consultation involves employees, community representatives, municipalities, non-governmental organisations, community-based organisations and various government departments. These ongoing consultations take various forms, which include community forums (held quarterly), surveys, and engagement through formal government structures. Meetings provide an opportunity for stakeholders' concerns to be heard and discussed, and for information and updates on progress to be shared.

The consultation process highlighted the need for development and investment in education and health care in host communities and labour-sending areas. In response, our social and labour plans (SLPs) for 2015–2019, which outline our specific commitments to socio-economic development, were created with a focus on these issues. These plans – available on our website, [www.anglogoldashanti.com](http://www.anglogoldashanti.com) – also support the goals of the South African government's National Development Plan.

Mandating and implementing committees were established to give effect to the SLPs. The mandating committee, which comprises municipal mayors and AngloGold Ashanti senior management, meets quarterly to assess the progress of current projects and to discuss issues related to broader socio-economic development. The implementing committee meets at least once a month to report on project implementation and progress.

In South Africa, we exceeded our local procurement targets in terms of the Mining Charter. We have worked closely with suppliers, advising them on capacity building and raising business standards in order to qualify them as potential vendors.

Tender information, supply opportunities, training and facilities such as offices, computers and internet access are available to aspiring suppliers. The intention is not only to enable businesses to supply AngloGold Ashanti, but also to provide broader access to alternative markets and customers.

Our work in this area will be intensified with the implementation of enterprise development centres (EDCs) – business hubs designed to provide information and business services.

The first EDC was launched in October 2015 in the Eastern Cape, an important labour-sending community, as a partnership between AngloGold Ashanti, the unions and

government. The ongoing implementation of EDCs is underway in the Merafong and Matlosana municipalities, where our West Wits and Vaal River operations are located.

#### Community development work:

AngloGold Ashanti continued to make a positive impact on youth development in our host and major labour-sending areas through our community human resources programmes. These programmes include bursaries, internships, learnerships, portable skills training, various school enrichment and school leadership development initiatives.

The Youth Technical Skills Development Programme, a collaboration between AngloGold Ashanti and the Department of Higher Education, the Mining Qualifications Authority (MQA) and the OR Tambo District Municipality was launched in March 2015 in Mthatha. This programme, sponsored by the MQA, covers skills such as welding, bricklaying, plumbing and carpentry with about 750 youths as beneficiaries.

AngloGold Ashanti, in conjunction with the Future Forums, also successfully participated in the annual International Nelson Mandela Day projects and programmes in three municipalities – Merafong, Matlosana and OR Tambo. In addition to government and municipal dignitaries, our CEO, the regional COO and the chairman of the Social, Ethics and Sustainability Committee, all participated

in the day's events. This event was sponsored by our Social and Institutional Development Fund and corporate office's corporate social investment fund, which assist in addressing critical social and institutional challenges identified by the Sustainable Development Goals (previously the Millennium Development Goals) and government priorities such as education, health and poverty alleviation in our host and major labour-sending areas. A total of \$0.4m was contributed in 2015, bringing the total since 2012 to \$4.4m.

Challenges remain regarding access by small, medium and micro enterprises (SMMEs) to our procurement system, even though we have surpassed the DMR's target of 15% local procurement – AngloGold Ashanti's procurement with local host communities was 23% at the end of September 2015. We will endeavour to develop more SMMEs in our local and host communities from 2016, once the three enterprise development projects in the Merafong, Matlosana and OR Tambo district municipalities are fully operational.

Other challenges relate to the high levels of poverty and unemployment in our host and major labour-sending areas. The especially high rate of unemployed youths resulted in a picket by members of the community in Khuma at our MWS site in November 2015. AngloGold Ashanti and the Matlosana local municipality continue to engage jointly with this grouping.

## REGIONAL REVIEWS continued

### South Africa

#### Regulatory compliance

The South Africa region has complied with the requirements of the MPRDA and has submitted all required reports and plans to the DMR. However, for 2015, employment equity at senior management level for Vaal River was 37.1% and 40.2% for West Wits, against the Mining Charter's target of 40%. The rating level for the region overall was 39%. This will be remedied by the end of the first quarter of 2016.

Gold mining companies in the Vaal River/ West Wits areas have had disputes with the municipalities. AngloGold Ashanti, Sibanye and Harmony were successful in their appeal to the Valuation Appeal Board against the Merafong Municipality's significantly increased property valuations. We subsequently served the Merafong City Local Municipality with a letter of demand for refunds, including notice of intention to institute legal proceedings against the municipality to comply with its duties and obligations in terms of the Municipal Property Rates Act. The municipality has taken the ruling to the High Court for review. The Merafong municipality has indicated that the demand for refunds for rates and taxes will likely bankrupt the Municipality and cause social unrest in the area. This

matter has drawn public attention and was discussed with the Minister of Mineral Resources in September 2015. AngloGold Ashanti, Sibanye and Harmony are acting jointly on this matter as all three companies are affected parties.

In addition, the Merafong Local Municipality has applied to the Constitutional Court to appeal the Supreme Court of Appeal's decision regarding the water services' surcharges. The application for leave to appeal, and appeal, were heard on 18 February 2016, the decision on which is pending. The amounts owed by the Merafong municipality to the mines are significant – AngloGold Ashanti alone is owed more than R150m (approximately \$11.75m at 31 December 2015).

As South Africa is a signatory to the Nuclear Non-Proliferation Treaty and the Comprehensive Safeguards Agreement with the International Atomic Energy Agency (IAEA) – the Department of Energy is ultimately responsible for the implementation of IAEA's safeguards – we comply fully with the IAEA's safeguards regarding the sale and transport of uranium produced. Day-to-day safeguard activities are overseen and monitored by the safeguards division of the South African Nuclear Energy Corporation, NECSA.



## REGIONAL REVIEWS continued

### Continental Africa

 [View map](#)

AngloGold Ashanti has seven mines in the region, six of which are producing mines and processing operations, and five of which AngloGold Ashanti manages. Obuasi mine is on limited operations, and closure is underway at Yatela.

#### Democratic Republic of the Congo

- **Kibali**, which began commercial production in October 2013, has achieved full production. The mine, adjacent to the town of Doko and 180km from Arua on the Ugandan border, is co-owned by AngloGold Ashanti (45%), Randgold Resources Limited (45%) and Société Minière de Kilo-Moto (SOKIMO) (10%), a state-owned gold mining company. Randgold Resources operates the mine. Kibali is expected to be one of the largest mines of its kind in Africa.

#### Ghana

- **Iduapriem**, which comprises the Iduapriem and Teberebie properties in a 110km<sup>2</sup> concession, is located in the Western Region of Ghana, some 70km north of the coastal city of Takoradi and 10km southwest of the Tarkwa mine. Iduapriem is an open-pit mine and its processing facilities include a carbon-in-pulp (CIP) plant with a gravity circuit. The gravity feed recovers about 30% of the gold, with the remainder being recovered by the CIP plant.

- **Obuasi** is located in the Ashanti Region, approximately 60km south of Kumasi. Mining operations have primarily been underground, to a depth of 1,500m. Following a two-year review of operational efficiencies, the mine was placed on limited operating status at the end of 2014.

#### Guinea

- **Siguiri** is a multiple open-pit oxide gold mine in the relatively remote district of Siguiri, around 850km northeast of the country's capital, Conakry. The gold processing plant treats about 30,000t daily. AngloGold Ashanti holds an 85% interest in Siguiri, with the remaining 15% held in trust for the nation by the Government of Guinea. Siguiri, which comprises multiple open pits containing oxide gold, is contractor-mined using conventional open-pit techniques. The area has significant potential for gold mining and has long been an area of traditional artisanal mining.

#### Mali

- **Morila** is a joint venture between AngloGold Ashanti and Randgold Resources, which operates the mine, and in which each has a 40% interest. The Government of Mali owns the remaining 20%. Morila is situated 180km southeast of Bamako, the country's capital. The operation ceased mining operations in 2009 and currently treats low-grade stockpiles and mineralised waste. The plant, which incorporates a conventional carbon-

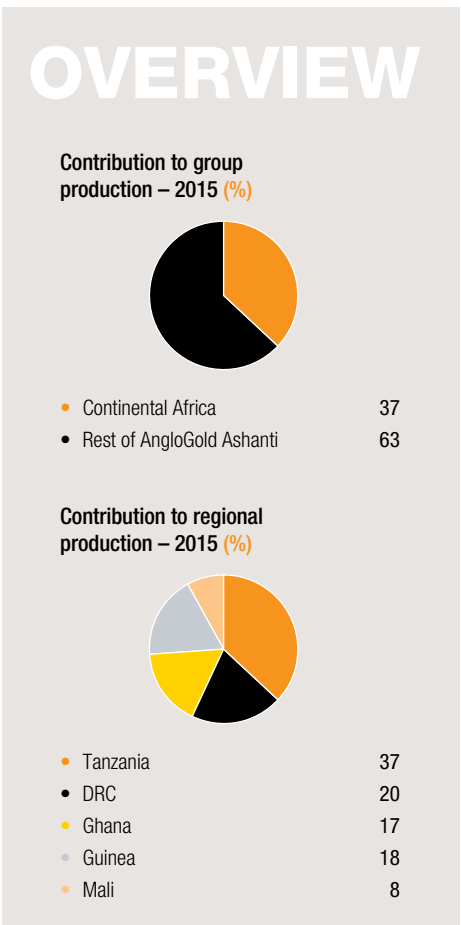
in-leach (CIL) process with an up-front gravity section to extract the free gold, has an annual throughput capacity of 4.3Mt. In 2015, the mine processed 3.1Mt of ore.

- **Sadiola** is a joint venture between AngloGold Ashanti (41%) and IAMGOLD (41%). The Government of Mali owns the remaining 18%. The Sadiola mine is situated in south-western Mali, some 77km south-southwest of the regional capital Kayes. On-site surface infrastructure includes a 4.9Mt per annum CIL gold plant where the ore is eluted and smelted. The mine, which began operating in 1996, has multiple open pits.
- **Yatela**, which began operating in 2001, is situated in southwestern Mali, some 25km north of Sadiola and approximately 50km south-southwest of the regional capital Kayes. As Yatela's ore body has been depleted and the pits have reached the end of their lives, activities during 2016 will focus on preparing the mine for closure.

#### Tanzania

- **Geita**, one of our flagship mines, is located in northwestern Tanzania, in the Lake Victoria goldfields of the Mwanza Region, about 120km from Mwanza and 4km west of the town of Geita. The Geita gold deposit, mined solely as a multiple open-pit operation until now, has begun to transition to underground mining at the Star & Comet pit. The mine is currently serviced by a 5.2Mt

per annum CIL processing plant. While Geita generates its own power, the operation of its power-generating facility is outsourced and fuel is delivered by road.



## REGIONAL REVIEWS continued

### Continental Africa

#### Key statistics

	Units	2015	2014	2013
<b>Operational performance</b>				
Tonnes treated/milled	Mt	27.2	29.9	26.9
Pay limit	oz/t	0.036	0.039	0.049
	g/t	1.233	1.345	1.669
Recovered grade	oz/t	0.053	0.054	0.054
	g/t	1.64	1.66	1.69
Gold production (attributable)	000oz	1,435	1,597	1,460
Total cash costs	\$/oz	678	783	869
Total production costs	\$/oz	900	977	1,086
All-in sustaining costs <sup>(1)</sup>	\$/oz	815	968	1,202
Capital expenditure <sup>(2)</sup>	\$m	315	454	839
Productivity	oz/TEC	20.61	14.36	9.97
<b>Safety</b>				
Number of fatalities		1	0	2
AIFR	per million hours worked	0.50	1.56	1.97
<b>People</b>				
Average no. of employees: total		11,942	16,070	16,625
– Permanent employees		5,061	8,739	10,778
– Contractors		6,881	7,331	5,847
Employee turnover <sup>(3)</sup>	%	16	64	11
Training and development expenditure	\$m	3	2	11

See footnotes overleaf

#### Production

(000oz)

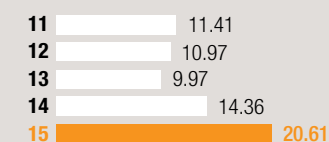


# 1,435,000oz

2015 production

#### Productivity

(oz/TEC)



# 20.61oz/TEC

2015 productivity

# REGIONAL REVIEWS continued

## Continental Africa

### Key statistics (continued)

	Units	2015	2014	2013
<b>Environment</b>				
Total water consumption	ML	16,931	17,582	21,031
Total water use per tonne treated	kL/t	0.603	0.553	0.671
Total energy usage	PJ	8.00	<sup>(4)</sup> 9.09	12.01
Total energy usage per tonne treated	GJ/t	0.28	<sup>(4)</sup> 0.28	0.38
Total GHG emissions	000t CO <sub>2</sub> e	663	<sup>(4)</sup> 795	969
Total GHG emissions per tonne treated	t CO <sub>2</sub> e/t	0.024	0.025	0.030
Cyanide used	t	8,405	10,549	13,720
No. of reportable environmental incidents		2	4	5
Total rehabilitation liabilities:	\$m	425	463	411
– restoration	\$m	261	292	273
– decommissioning	\$m	164	171	138
<b>Community and government</b>				
Community expenditure	\$m	6	4	13
Payments to government	\$m	291	306	320
– Dividends	\$m	12	16	21
– Taxation	\$m	97	79	72
– Withholding tax (royalties, etc.)	\$m	85	108	106
– Other indirect taxes and duties	\$m	24	27	46
– Employee taxes and other contributions	\$m	52	69	64
– Property tax	\$m	1	1	5
– Other (includes skills development)	\$m	20	6	6

<sup>(1)</sup> Excludes stockpile write-offs.

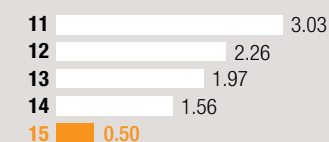
<sup>(2)</sup> Includes equity-accounted investments.

<sup>(3)</sup> The 2014 number includes the retrenchment of the entire workforce at Obuasi.

<sup>(4)</sup> Energy use restated at Sadiola.

### AIFR

(per million hours worked)

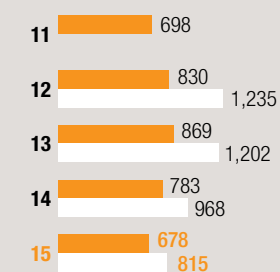


# 0.50

2015 AIFR

### Total cash costs and all-in sustaining costs

(\$/oz)



■ Total cash costs

■ All-in sustaining costs

# \$678/oz

2015 total cash costs

## REGIONAL REVIEWS continued

### Continental Africa

#### OPERATIONAL PERFORMANCE

##### Production

Despite the decline in overall output for the region in 2015, Geita, Kibali and Iduapriem all recorded higher production. Underground production at Kibali continued to ramp up on schedule and Geita continued as the star performer, helping to make up some of the production lost by Obuasi's limited operations following the suspension of underground mining operations at the end of 2014.

Increased production at Geita was driven by an increase in recovered grade from ore sourced from Nyankanga Cut 7. Mining volumes were maintained despite abnormally heavy rainfall and a decline in plant throughput in the last quarter of the year due to planned maintenance.

At Kibali, the ramp up of plant operations to design capacity and increased plant availability, resulted in a 23% increase in tonnage throughput, and a concomitant increase in gold produced. Production at Iduapriem improved given the increase in the recovered grade and the ramp up from limited mining operations the previous year.

Production at Morila increased by 17% with an increase in recovered grade as higher-grade tonnes were sourced from the cutback of the main pit that was commissioned in the latter part of 2014. Reduced operational

flexibility and a decline in the availability of higher-grade oxide ore contributed to reduced production from Sadiola.

Siguiri's production was negatively impacted by a planned fall in recovered grade, driven by depletion of the higher-grade ore in mined areas owing to delayed access to the Soloni pit. This was compounded by a decrease in tonnage throughput following unplanned maintenance that occurred during the year. Production however, started improving in the last quarter of the year as delays in accessing mining areas were resolved and the mine began processing ore from the Soloni pit.

##### Costs

Overall costs for the region improved significantly year-on-year, declining by 13% (total cash costs) and 16% (all-in sustaining costs). These improvements were the result of the cumulative benefits of operating and cost management initiatives that have been implemented since 2013.

Costs specifically benefitted from increased production and improved efficiencies at the larger operations. The Continental Africa operations were also able to take advantage of lower oil prices, especially the open-pit operations which run large mining fleets and/or generate all or part of their own power from diesel or heavy fuel oil. Reduced capital requirements at Kibali and Obuasi also helped to contain costs.

In addition, the region was able to capitalise to some extent on exposure to weaker local currencies by in-country sourcing of goods, services and labour and by targeting operational efficiencies.

##### Growth and improvement

An extensive pipeline of project opportunities is planned, targeted mainly at energy cost savings and mine-life extensions. These opportunities include:

- progressing to underground mining at Geita's Star & Comet ore body
- accessing additional Mineral Resources at Iduapriem – to this end exploration work is to be conducted within the concession and the mine plan revised
- extending Siguiri's life of mine as proven by the recently completed feasibility study

Although the portion of hard sulphide ore tonnes milled at Geita remained high during the year, the plant nevertheless managed to process 5.2Mt as a result of the better quality of feed and improved fragmentation control.

Earlier planned access to Nyankanga Cut 8 and the Geita Hill East Cut 1, along with the inclusion of ore from underground operations at Star & Comet and Nyankanga, has led to an upgraded production profile for 2017 – 2020. In January 2016, the first blast for development of the Star & Comet portal for underground operations took place.

Power supply challenges in Ghana have affected plant operations at Iduapriem. Major modification and repair work was completed on the milling circuit, resulting in improved milling rates and availability. The mine's strategy in the short term is to explore for high-grade, low-strip ratio ore bodies within the concession to further drive costs down, and to improve efficiencies across the entire operation while working towards cutbacks in Blocks 7 and 8 in 2018. To improve plant recovery, the current CIP leaching and adsorption circuit configuration is planned to be modified to a hybrid CIP circuit configuration in the fourth quarter of 2016.

In line with Obuasi's Amendment to the Programme of Mining Operations, at the end of 2014, the mine successfully transitioned to limited operations. Tailings retreatment and maintenance activities continued and the mine produced 53,000oz of gold.

Development of a decline from surface to the existing underground mining blocks progressed. This decline is expected to allow development of the infrastructure necessary for the mechanisation of operations and to debottleneck the mine. By year end, the decline had reached an overall distance of 3,000m, allowing access to Sansu 3 and Block 8L, from where the bulk of early ore extraction is expected to be done once operations resume. Work continued on a

## REGIONAL REVIEWS continued

### Continental Africa



feasibility study into the redevelopment of the mine.

AngloGold Ashanti continues to work closely with the Government of Ghana to conclude a suitable investment agreement for the redevelopment of Obuasi, provided market conditions are suitable. Once concluded, the search for a suitable joint venture partner will resume (see page 79 for comment on the status of artisanal and small-scale mining at Obuasi).

In Mali, mining continued in Sadiola's satellite pits. These had previously been considered uneconomical, but have now been included in the mine plan as a result of the lower cost base. Their inclusion has helped to extend the life of mine of the oxide ore body until the end 2017. The Sadiola Sulphide Project remains on hold. At Morila, production is expected to decrease during 2016 as the operation continues to wind down. During 2016, the mine will continue to process the mineralised waste stockpile. At Yatela, closure is underway. Consultation continues with the relevant authorities for full approval to proceed with closure activities. Approval is expected to be received in the second quarter of 2016. Rehabilitation is planned for completion early in 2019, with final relinquishment of the mining rights expected in 2020.

Kibali contributed substantially to overall group production and a containment of overall costs

per ounce, aided by increased output and optimisation of the hydropower generation system during the year. Sinking of the vertical shaft reached shaft bottom at a depth of 751.2m and equipping of the crusher and production levels was completed. Construction of Ambarau, the second hydropower station, was delayed following the failure of the temporary berm wall owing to high river flows. Repair work continues and the first phase is now expected to be completed in the second quarter of 2016, with full completion and commissioning of the power station scheduled for the latter part of the year. Once operational, Ambarau is expected to deliver 11MW. A third hydropower station, Azambi, also expected to generate 11MW, is planned to come on line in 2018.

At Siguiri, a range of projects is targeted at reducing energy costs and extending mine life. The feasibility study on the Combination Plant Project to improve plant performance and extend the life of mine was completed. It is expected that this project will involve the conversion of the Siguiri process plant into a hard rock treatment plant, enabling the treatment of fresh and transitional material. The project remains conditional on securing access to the Area 1 mining zone with the local Kintinian community and realisation of an acceptable amendment to the fiscal Convention de Base, the stability agreement with the Guinean government. Siguiri is

currently party to a mining convention, an agreement concluded with the Guinean government in November 1993.

On 9 September 2011, the government adopted a new mining code which was subsequently amended on 8 April 2013 (the New Code). As part of the new legal regime, the New Code provides for the audit and review of existing mining titles and conventions and the negotiation of related amendments. Given the timing of the Siguiri Combination Plant Project and that the current convention will expire in a few years, discussions are currently underway through a Technical Committee established by the Guinean government.

## SUSTAINABILITY PERFORMANCE

### Safety

Tragically, there was one fatality in the region, the result of a work-related incident at Obuasi.

The overall safety performance in the region continued to improve with Iduapriem, the winner of our 2014 and 2015 global safety awards, continuing its sterling safety performance and recording zero injuries for the second year in succession. In Mali, Sadiola also maintained its safety performance and recorded a second year with zero lost time injuries. The AIFR for the region improved to 0.50 per million hours worked, from 1.56 in 2014. This was a record best.



## REGIONAL REVIEWS continued

### Continental Africa

#### Health

The principal occupational health concern in the region is NIHL. This has primarily been a concern at Obuasi. Now that mining operations have been suspended with that mine being on limited operations, the incidence of new cases of NIHL has dropped dramatically with few cases diagnosed in 2015. No new cases of silicosis were diagnosed in the region during 2015.

Although we continued to make progress, malaria remains endemic at all our operations in the region. Our integrated malaria control programmes, which include our operational sites and local communities, continued to make good progress. These multi-faceted programmes, undertaken in partnership with communities and local governments and health authorities, have had positive impacts for the company and surrounding communities, and support the United Nations Sustainable Development Goals.

#### Employees and labour relations

The labour relations climate remained positive in the Continental Africa region during 2015, despite a small number of grievances lodged by union leadership at Iduapriem in Ghana and at Siguiri in Guinea. Stakeholder engagement activities are ongoing at each operation between site management and the recognised trade unions with the support of the Continental Africa regional office.

Challenges included union relations at Siguiri, work stoppages at Iduapriem and management of the change to limited operations at Obuasi. Despite these challenges, positive engagement and successful wage negotiations, underpinned by sound working relationships, have enabled business continuity.

At Siguiri, the 2015 annual wage negotiations were successfully concluded within the first mandate. In Mali, annual wage negotiations and a review of the existing collective agreements began in 2015, and discussions between management and two recognised trade unions are currently underway and are expected to be concluded in the first half of 2016. A stable and peaceful labour relations climate was maintained throughout the year.

In Tanzania, in preparation for the 2016 annual wage negotiations, Geita management and union representatives underwent joint capacity building training. Wage negotiations for 2016 were concluded successfully and ahead of schedule. A one-year agreement was reached with the Tanzanian Mines Energy Construction and Allied Workers Union (TAMICO).

Localisation and the skills development of nationals is a particular focus at our Continental African operations. Our approach includes a progressive reduction in the company's dependence on skilled expatriates. The aim is localisation at all levels, from technical skills

functions to leadership and managerial roles. In line with our employee localisation programme, the first Guinean national was appointed General Manager at Siguiri. In addition, following implementation of limited operations at Obuasi, 17 Ghanaian nationals from the Obuasi talent pool were seconded to AngloGold Ashanti's international operations – in Guinea, Australia and South Africa – for further work experience and technical training.

#### Environment

There were two reportable environmental incidents in the region, both at Obuasi and both involving spillages of cyanide-containing process water into trench areas. Authorities were notified, corrective rehabilitative action was taken and ferrous sulphate was applied to neutralise the cyanide. Corrective remedial actions were also taken. In addition, the region had a few minor unreportable environmental incidents in 2015.

The effects of reduced rainfall in several countries in the Continental Africa region, combined with energy supply issues across multiple national power grids, impacted operating costs and production reliability.

Measures were taken to improve and stabilise power security, including intervention with national utilities, development of self-generation projects and the investigation of renewable energy sources. Solutions have been reviewed using environmental criteria and

those appropriate to each regional location are expected to be implemented in 2016.

In addition to the launch of the AngloGold Ashanti's energy management system, sites within Continental Africa implemented a number of energy efficiency improvements. These included the automation of pumping systems; updated conveyor controls; conversion of pit dewatering from diesel to efficient electrical power and LED lighting retrofits. The expansion of energy metering and monitoring systems facilitated improved performance analytics. These systems are expected to be expanded further in 2016.

Updates of International Cyanide Management Code (ICMC) certification in the region were as follows:

- Yatela was re-certified for a three-year period
- Iduapriem was audited in December 2015 and recommended for full certification
- Geita is currently working towards certification

Extensive progress has been made with environmental rehabilitation at Yatela. Most of the waste rock dumps have been rehabilitated and the pits are being secured to achieve safe landforms in the post-closure era. Unused roads have been rehabilitated and some mine infrastructure has already been removed. The major components still to be decommissioned and rehabilitated are the heap leach pads and associated processing infrastructure. The mine is still in discussion with the Malian

## REGIONAL REVIEWS continued

### Continental Africa

government regarding the list of infrastructure to be transferred to the State, which includes the mine village.

Final ratification of Yatela's integrated closure plan by the Malian Council of Ministers remains pending. Rehabilitation and mine closure activities are planned for completion in 2019 and site relinquishment in 2020. To read more about this, see the [<SDR>](#).

Several closure activities were undertaken at Obuasi, including in particular, the rehabilitation of the historic Diawuoso tailings area and the watercourse that runs through it. Re-mining of the tailings was completed and rehabilitation of the cleared footprint is planned to continue in 2016. A new tailings management strategy, (which would be implemented in the initial years of mine redevelopment), is being developed in line with Obuasi's feasibility study. This strategy involves the separate deposition of two tailings streams – the first stream of large, relatively benign flotation tailings from which sulphide minerals have been removed; and the second stream of BIOX<sup>®</sup> tailings, which are cyanide-bearing and have higher contamination potential. Environmental permit approvals are pending completion of the feasibility study currently underway.

#### Communities

The first of a series of stakeholder perception surveys to be undertaken in the region was conducted at Geita and focused on

understanding the local socio-economic landscape and identifying risks related to conflict and low levels of trust. In addition to surveying 200 employees, focus group discussions were held in four villages around Geita and in three villages in nearby Kahama. The survey highlighted the need for closer working relationships with local communities and district officials in the design and implementation of local developmental projects. The need for greater collaboration with authorities to co-ordinate contributions to education, technical training and alternative livelihood initiatives was also highlighted as an important element in improving community relations. The survey also provided useful insights into developing guidelines for business activities that impact communities.

While every effort is made to avoid the need for community resettlement and displacement, when necessary this involves a complex process that is dealt with in a highly sensitive manner and requires in-depth community engagement. There are currently three resettlement processes underway:

- **Iduapriem:** agreement was successfully reached with the developers, the local chief and Tarkwa Municipality pertaining to a dispute involving the acquisition of Teberebie land by competing developers.
- **Iduapriem (Mankessim resettlement):** As at 31 December 2015, 37 community members had taken occupation of newly

built houses. Negotiations continue with the remaining community members affected and the Minerals Commission.

- **Siguiri:** agreement regarding access to a portion of land at Siguiri was reached with the community of Kintinian, granting access to the area, subject to resettlement conditions agreed with the community currently living in the area. The construction of houses for resettlement is expected to begin in the first half of 2016.

The Geita Economic Development Programme (GEDP), sponsored by the mine, is aimed at stimulating and diversifying the local economy through infrastructure growth, enterprise development, skills training and the expansion of local agriculture. The primary goals of the programme are to stimulate the development of an alternative economy independent of the mine and to increase local procurement – a priority at all operations.

At Geita, we are piloting a project that encourages our large global suppliers to channel more of their procurement spend into local economies.

In 2015, Geita launched three small and medium enterprise projects, which include boiler making, tailoring, embroidery and knitting, welding and brick making.

Phase 1 of the GEDP agricultural project, aimed at increasing small-scale farming productivity, was launched in partnership with local and regional authorities and community groups.

We supported local agriculture to promote local procurement and create jobs.

*See the case study "Youth Groups in Tanzania"*

The Geita water project was delivered in partnership with government, sanitation authorities and the community. We supplied infrastructure to pipe water from Lake Victoria and treat it to potable standards, while Tanzanian authorities manage distribution.

In consultation with the communities around Yatela and Sadiola over the last two decades, we have jointly identified several opportunities to support and assist local community members to develop livelihoods independent of our mining operations. This is a critical factor in mitigating any potentially negative impacts on the communities as the mines close.

Initiatives implemented over a period of several years have included microfinance facilities to stimulate the development of small enterprises, as well as various programmes designed to assist local farmers to increase productivity expand their operations, and improve water security for crops and animal husbandry.

## REGIONAL REVIEWS continued

### Continental Africa

Following on from the update of the group policy on anti-bribery and anti-corruption, an anti-bribery and anti-corruption policy localisation project is being piloted at Siguiri.

#### Artisanal and small-scale mining

Efforts to formalise artisanal and small-scale mining (ASM) activities are part of an ongoing process. As ASM is largely unregulated, most of our activities in support of formalisation depend on direction from the relevant government authorities in each area.

Progress in 2015 regarding the government-led Multi-Stakeholder Partnership Initiative (MSPI) launched in the Geita region of northern Tanzania was delayed due to a lack of funding by the World Bank. We expect that with a more stable political climate, funding will improve and the project will advance as planned. The initiative, initially piloted through the Lwamgasa project, is aimed at improving the conditions and livelihoods of artisanal miners, decreasing environmental degradation and facilitating peaceful co-existence between ASM and large-scale mining companies.

In early February 2016, the military contingent that had provided security to Obuasi since March 2013, in terms of an agreement between Ghana's military and members of the country's Chamber of Mines, was withdrawn from the site. No

reason was given for the withdrawal and Obuasi was the only operation affected among dozens which enjoy this form of security. Shortly after the withdrawal, the site was invaded by hundreds of illegal miners who immediately began mining activities in the northern part of the concession. Police were unable to repel these miners, known as Galamsey in Ghana. Several acts of vandalism and arson were reported. Tragically, John Owusu, a long-time employee and colleague, was killed in a vehicle accident when a contingent of AngloGold Ashanti employees, observing the activities of the illegal miners, fled following an unprovoked attack on their position by the Galamsey.

AngloGold Ashanti immediately withdrew employees engaged in non-essential work on the site, while critical services, such as water pumping and treatment, medical services and the provision of electricity (including to some local communities), continued. We maintained correspondence and direct engagement with local, regional and national authorities at the highest level, to ensure a peaceful return to law and order at the site. This engagement continued for more than a month, with the illegal miners operating unchecked, and in the process causing significant damage to infrastructure and to the ore body.

As of publication of this report, the authorities in Ghana had not restored law and order to the site, and the illegal mining activities at Obuasi Mine continued unchecked, causing damage to infrastructure and undermining the quality of the ore body, its principle asset. AngloGold Ashanti has, since the start of this incursion, continued to lobby vigorously at all levels of government for the authorities to bring a peaceful end to the illegal occupation of parts of its concession by these illegal miners, and restore AngloGold Ashanti Ghana's rights as the lawful and sole permit holder of the concession.

There was an increase in illegal ASM activities utilising heavy machinery within Siguiri's concession. As part of a country-wide clamp down on illegal ASM activities in Guinea by the authorities, the heavy machinery on our concession was removed in November 2015.

In Mali, four government ministries, (Mining, Security, Administration, and Environment) issued a decree calling for a suspension of all legal and illegal community mining activities from 15 June to 30 September each year. This suspension aims to encourage citizens to participate in agricultural activities during the rainy season and to nurture this sector as a sustainable alternative livelihood. The decree became effective in 2015, but several community

mining sites remained operational on our Sadiola and Yatela concessions. As a result, our Sadiola and Yatela operations have, in partnership with the national and local government, developed a strategic plan to address illegal mining issues. As part of the plan, engagements with ASM miners will highlight the key risks associated with ASM activities.

Geita continued to experience a high number of intrusions by trespassers and illegal miners, including several from outside local communities. As local authorities and traditional leaders have no influence over these people, current efforts to curb negative impacts have been ineffective. Their presence has regrettably led to incidents of community fatalities and injuries during illegal mining activities which remain at a worrying level. Mine security personnel continue to monitor the concession, while we engage with the community and local and national authorities to find a lasting solution.

#### Human rights

Our human rights due diligence standard identifies current and future human rights risks, allowing us to address important issues as they arise. A localised due diligence assessment pilot project, using an internally developed assessment tool, was concluded in January 2016 at Geita. The findings will be assessed in the context of our Human Rights Policy.

## REGIONAL REVIEWS continued

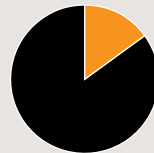
### Australasia

AngloGold Ashanti's operations in the Australasia region are Sunrise Dam and Tropicana. Tropicana, one of our newest mines, delivered its one millionth ounce as it completed its second full year of production in 2015.

- **Sunrise Dam**, which is wholly-owned, is located 220km northeast of Kalgoorlie and 55km south of Laverton in Western Australia. Mining of the Crown Pillar at the base of the 490m deep pit was completed in early 2014. Underground mining, which is conducted by a contract mining company, is now the primary source of ore. Ore is treated via conventional gravity and a CIL processing plant which is owner-managed.
- **Tropicana**, a joint venture between AngloGold Ashanti (70% and manager) and Independence Group NL (30%), is located 200km east of Sunrise Dam and 330km east-northeast of Kalgoorlie. First gold was poured ahead of schedule and on budget in September 2013, following development approval in November 2010. The open pit operation features a large-scale, modern processing plant which uses conventional CIL technology and includes high-pressure grinding rolls for energy-efficient comminution. Mining is carried out by a contract mining company and the plant is owner-managed.

## OVERVIEW

### Contribution to group production – 2015 (%)



- Australasia 15
- Rest of AngloGold Ashanti 85

### Contribution to regional production – 2015 (%)



- Sunrise Dam 39
- Tropicana 61



 [View map](#)

## REGIONAL REVIEWS continued

### Australasia

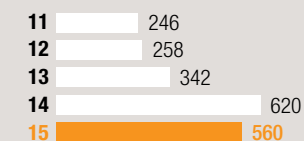
#### Key statistics

	Units	2015	2014	2013
<b>Operational performance</b>				
Tonnes treated/milled	Mt	8.2	7.8	4.3
Pay limit	oz/t	0.06	0.07	0.09
	g/t	1.85	2.29	2.82
Recovered grade	oz/t	0.068	0.078	0.081
	g/t	2.12	2.43	2.51
Gold production (attributable)	000oz	560	620	342
Total cash costs	\$/oz	702	804	1,047
Total production costs	\$/oz	919	1,070	1,333
All-in sustaining costs <sup>(1)</sup>	\$/oz	875	986	1,376
Capital expenditure (attributable)	\$m	78	91	285
Productivity	oz/TEC	55.84	62.00	49.64
<b>Safety</b>				
Number of fatalities		0	0	0
AIFR	per million hours worked	8.56	10.73	7.91
<b>People</b>				
Average no. of employees: total		836	832	925
– Permanent employees		195	194	281
– Contractors		641	638	644
Employee turnover	%	13	15	22
Training and development expenditure	\$m	0.9	1	2

See footnotes overleaf

#### Production

(000oz)

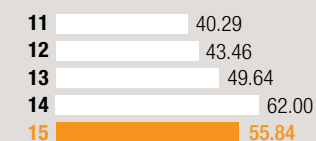


**560,000oz**

2015 production

#### Productivity

(oz/TEC)



**55.84oz/TEC**

2015 productivity

# REGIONAL REVIEWS continued

## Australasia

### Key statistics (continued)

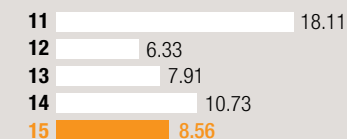
	Units	2015	2014	2013
<b>Environment</b>				
Total water consumption <sup>(2)</sup>	ML	6,648	6,749	3,925
Total water use per tonne treated	kL/t	0.662	0.708	0.834
Total energy usage	PJ	5.14	5.52	2.81
Total energy usage per tonne treated	GJ/t	0.51	0.58	0.60
Total GHG emissions	000t CO <sub>2</sub> e	336	359	174
Total GHG emissions per tonne treated	t CO <sub>2</sub> e/t	0.033	0.037	0.040
Cyanide used	t	4,130	<sup>(3)</sup> 4,398	1,658
No. of reportable environmental incidents		0	0	2
Total rehabilitation liabilities:	\$m	61	66	53
– restoration	\$m	32	32	22
– decommissioning	\$m	29	34	31
<b>Community and government</b>				
Community expenditure	\$m	0.3	0.2	0.5
Payments to government	\$m	42	67	49
– Taxation	\$m	2	8	7
– Withholding tax (royalties, etc.)	\$m	16	19	16
– Employee taxes and other contributions	\$m	24	40	26

<sup>(1)</sup> Excludes stockpile write-offs.

<sup>(2)</sup> Water imports at Sunrise Dam for 2011-2014 were corrected to exclude an internal recirculation stream from the tailings facility.

<sup>(3)</sup> The increase in cyanide consumption in the Australasia region in 2014 was a consequence of Tropicana's completing its first year of full production in 2014.

**AIFR**  
(per million hours worked)

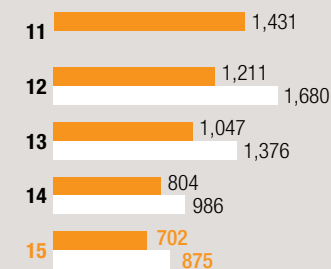


**8.56**

2015 AIFR

**Total cash costs and all-in sustaining costs**

(\$/oz)



■ Total cash costs

□ All-in sustaining costs

**\$702/oz**

2015 total cash costs

## REGIONAL REVIEWS continued

### Australasia



### OPERATIONAL PERFORMANCE

Total gold production for the Australasian region was lower than the previous year, although within guidance. This decline was largely due to an 18% decrease in production at Sunrise Dam.

At Sunrise Dam, underground ore was the primary source of mill feed and underground ore mined at 2.7Mt, was 15% higher than in 2014. This ore is then blended with stockpiled intermediate grade ore (average 1.45g/t) to meet annual processing plant capacity, which was maintained at 3.8Mt in 2015, above planned levels and design throughput. Improved efficiency and a focus on engineering reliability contributed to lower processing costs.

Production at Sunrise Dam in 2015 was 46,000oz lower than in 2014, due primarily to lower mined grades. The lower grade of this ore was largely due to the nature and location of the zones mined, which were on the periphery of the main ore bodies and generally more variable than those mined in 2014. The dominant source of ore in 2014 was the GQ ore body and the mine is now transitioning to the Vogue ore body, which will

become the primary source of ore for several years to come. Access to the Vogue ore body will require considerable drilling, planning and development work to establish.

Tropicana achieved guidance in 2015, producing 491,000oz, of which 344,000oz was AngloGold Ashanti's share. The mine reached its one millionth ounce on schedule, just over two years since pouring first gold. Production was 4% lower than in 2014 due to the decrease in the average head grade to 2.57 g/t, which is consistent with the grade streaming strategy that underpins the life-of-mine plan, premised on higher grades being treated in the first years of production, gradually declining to the life-of-mine head grade of approximately 2.0 g/t.

The lower grades in 2015 were partially offset by an increase in throughput in the processing plant to 6.2Mt (2014: 5.7Mt). Metallurgical recoveries remained steady at approximately 90%. Mill-to-mine reconciliation, in terms of both tonnes and grade, continues to align well.

During the year, mining was carried out in the Tropicana, Havana and Boston Shaker pits. Mining productivity improved significantly, resulting in better-than-planned volumes of material and ore mined.

## REGIONAL REVIEWS continued

### Australasia

#### Costs

Total cash costs for the Australasian region declined to \$702/oz compared to \$804/oz in 2014, helped by favourable currency movements and lower oil prices.

#### Growth and improvement

At Sunrise Dam, work is being carried out to assess the viability of an underground crusher and conveyor system for haulage via a new decline at the northern end of the operation. The conveyor decline will also provide exploration drilling access to the northern parts of the ore body that have been difficult and costly to drill from surface due to the surface waste dumps and salt lake.

At Tropicana, studies are being carried out to assess an alternative, low-cost approach to mining the down-dip extensions of the Havana and Tropicana pits, along with extensions to the north and south.

The mining study is examining at the application of mining techniques that are used more commonly in mining other commodities such as coal. The work is based on a starter pit followed by strip mining of a large cutback, then backfilling the mined-out areas. This approach, which is aimed at extending the mine life, would reduce stripping costs substantially with

in-pit dumping of waste and shorter haulage distances.

A substantive Mineral Resource definition programme is being carried out as part of this study, supported by data generated by 3D seismic surveys conducted in 2014 and 2015. This data has enabled the mineralised zones down-dip of the Tropicana ore bodies to be imaged, generating a structural model to help cost-effectively target deep drill holes. The first drill testing of these targets in 2015 returned encouraging results and confirmed the structural interpretation. It is expected that approximately 130,000m of drilling will be carried out at Tropicana in 2016.

Processing plant optimisation work is also underway at the site to debottleneck the processing plant, maximise usage of the larger pieces of equipment, and increase throughput from annual nameplate capacity of 5.8Mt to between 7.0Mt and 7.5Mt, through staged increases.

The increase in throughput will offset the production decline that will occur as grades decrease over time, as per the mine plan. Upgrade work will be conducted during 2016 with the benefits expected to be realised from 2017 onwards.

## SUSTAINABILITY PERFORMANCE

### Safety and health

Overall safety performance improved at both mines in the region, but particularly at Tropicana which recorded its best performance to date. There were again no fatalities.

At Sunrise Dam, monitoring during the year for diesel particulate matter in the underground mine demonstrated all samples were below the prescribed exposure level, reflecting continual improvement in reducing this hazard.

### Employees and labour relations

Following board approval and implementation of AngloGold Ashanti's Gender Equity Policy, all countries are applying specific initiatives to improve gender equity. Good progress has been made regarding gender equality at the Australasian operations.

Anti-bullying legislation came into effect in 2014 in Australia under the Fair Work Act. During the same year, AngloGold Ashanti conducted a global employee engagement survey to better understand and highlight employee concerns. In response to this, during 2015, the Australasia region developed and began the roll out of an employee

training programme entitled Fairness @ AGAA to focus on the importance of the company's values as a guide to leadership behaviour. The programme incorporates hands-on exercises and real-life case studies to help participants understand unlawful discrimination, harassment and workplace bullying. These concepts are explained both in terms of legislation and AngloGold Ashanti Australia's Fairness in Employment Policy and Grievance Process.

In Australia, national and state laws cover equal employment opportunity (EEO) and anti-discrimination in the workplace. The Fairness @ AGAA programme aligns with EEO best practice in helping to create a workplace that is free of discrimination and harassment. Training has been well received at Sunrise Dam, Tropicana and our regional office in Perth. All employees are expected to have been trained by mid-2016.

### Environment

For the second consecutive year, there were no reportable environmental incidents in the Australasia region.

Completion of the Eastern Goldfields Pipeline in December 2015 delivered natural gas ahead of schedule to the Sunrise Dam and Tropicana mines in Western Australia.



## REGIONAL REVIEWS continued

### Australasia

Constructed by APA Group under long-term agreements signed with AngloGold Ashanti Australia in July 2014, the 293km-long pipeline will provide a clean source of energy for power generation at the mines, reducing exposure to diesel price volatility and reducing the number of annual truck movements to the remote sites by more than half.

Construction of the pipeline began in March 2015 and delivery of gas was scheduled to begin in January 2016, but successful completion ahead of time enabled early commissioning at both sites.

The switch to natural gas at Sunrise Dam, which had been running on a combination of liquefied natural gas and diesel, involved the installation of two new gas generation sets. At Tropicana, 17 new gas generators were installed to replace the diesel generators. Although both mines will run on 100% natural gas, they will retain diesel back-up capability. The pipeline construction exceeded all production and safety targets and its fauna management programme won an environment award. The pipeline was officially opened by the Western Australian Minister for Mines and Petroleum, the Hon. Bill Marmion, in February 2016.

Water supply constraints at Tropicana have been effectively addressed with the successful expansion of the process water supply borehole field during the first half of 2015. This has increased annual water abstraction from 7GL to 9GL. To operate, the mine requires up to 25ML/day of water over a 15-year mine life.

The Great Victoria Desert Biodiversity Trust (GVDBT) was established by the Tropicana joint venture in 2014 as part of its offset strategy for the Tropicana mine in Western Australia under the federal Environmental Protection and Conservation Act 1999.

The independent Trust represents a new structure of offset delivery and operates as a unique partnership model between industry and government.

Offset funds from the Tropicana joint venture will be used by the Trust to fund scientific research and conservation activities in the remote Great Victoria Desert where the mine is located. The Trust has been structured to enable funding contributions by other organisations.

In 2015, the GVDBT reached agreement to fund several projects in the region, including the Great Victoria Desert Adaptive Management Group – a collaborative partnership between traditional owners and

five key stakeholders. The first stage of this work will involve development of a bioregional plan for the Great Victoria Desert. Other funded projects relate directly to research on threatened species in the region.

Tropicana is working actively towards International Cyanide Management Code certification. Sunrise Dam remains certified in terms of this code.

Both Sunrise Dam and Tropicana have achieved ISO 14001 and OSHAS 18001 certification.

### Community

The Tjuntjuntjara Punu Project, initiated by the community with support from AngloGold Ashanti, focuses on transferring traditional woodworking skills from older to younger generations within the local indigenous community. This award-winning initiative fosters strong connections between elders and young people and was adopted as part of the Tjuntjuntjara community school curriculum for 2015 – a clear sign that it has a sustainable future. Aside from adding important cultural and social aspects to the school curriculum, the project also associates practical skills training with learning about safe work practices, developing literacy and numeracy, and promoting skills sharing in the broader community.

AngloGold Ashanti's Australasian operations, together with the principal mining contractor at Tropicana, Macmahon Holdings, are sponsoring and providing in-kind support to the Earbus Foundation of Western Australia. The Foundation operates regular, mobile, ear health and hearing screening and treatment clinics to playgroups, kindergartens and schools in the state of Western Australia's remote Goldfields-Esperance region, which includes Laverton and our operations.

The foundation's principal aim is to conduct outreach programmes into regional and remote communities in Western Australia and to treat and reduce the incidence of middle ear disease among indigenous children to below the World Health Organization's benchmark of 4%.

The mobile clinics, which screen for middle ear disease, provide systematic and opportunistic screening, treatment and surveillance. The region targeted is home to around 1,400 indigenous children of seven years or younger as well as to another 450 children under four years of age.

The Earbus Foundation is making a significant contribution to the health and educational outcomes of children in this region.

## REGIONAL REVIEWS continued

### Americas

AngloGold Ashanti has three mining operations – open pit and deep level mining – in its Americas region. In addition, an active greenfields exploration programme is underway in Colombia.

#### Argentina

- **Cerro Vanguardia**, in which AngloGold Ashanti has a 92.5% stake, is the company's sole operation in Argentina. Fomicruz, a state company operating in the province of Santa Cruz, owns the remaining 7.5%. Located to the northwest of Puerto San Julián in the province of Santa Cruz, Cerro Vanguardia operates multiple small open-pits with high stripping ratios and multiple narrow-vein underground mines. The metallurgical plant has a daily capacity of 3,000t and includes a cyanide recovery facility.

#### Brazil

- **AngloGold Ashanti Córrego do Sítio Mineração** (AGA Mineração), wholly owned by AngloGold Ashanti, comprises two operational units (complexes) located in the state of Minas Gerais, close to the city of Belo Horizonte:
  - The **Cuiabá complex** includes the Cuiabá and Lamego mines and the Cuiabá and Queiroz plants. Cuiabá has been in operation for 30 years, while Lamego is

a more recently developed underground mine in operation for six years. Ore from the Cuiabá and Lamego mines is processed at the Cuiabá gold plant. The concentrate produced is transported 15km by aerial ropeway to the Queiroz plant for processing and refining. Total annual capacity of the complete Cuiabá circuit is 1.75Mt. The Queiroz hydrometallurgical plant also produces around 200,000t of sulphuric acid as a by-product, which is sold commercially in local Brazilian markets. The mining method was changed during the year from cut-and-fill to sub-level stoping, increasing the contribution from narrow-vein ore bodies from 15% to 40% of the mine's production, and improving rock engineering controls.

- The **Córrego do Sítio complex** has been in operation since 1989 and consists of two operations, one oxide open pit mine (treated by heap leach) and two sulphide underground mines (treated at a pressure leaching plant). The distance from the main underground mine, Mina I, to the metallurgical plant is around 15km. The annual capacity of Córrego do Sítio is 1.1Mt. Currently, Córrego do Sítio employs the sub-level stoping mining method. The gold produced by both operations is transported by road to the company's own refinery at Queiroz plant, about 140km away.

- **Serra Grande**, wholly owned by AngloGold Ashanti, is located in central Brazil in the state of Goiás, about 5km from the city of Crixás. It comprises three mechanised underground mines: Mina III (ore body IV), Mina Nova (the Pequizão ore body) and Palmeiras. Two open pits, one in the final stage of mining the outcrop of the Mina III ore body, and another currently in production at the open pit ore body V. One dedicated metallurgical plant treats all ore mined from these operations. Annual plant capacity is 1.3Mt, which has grinding, leaching, filtration, precipitation and smelting facilities.

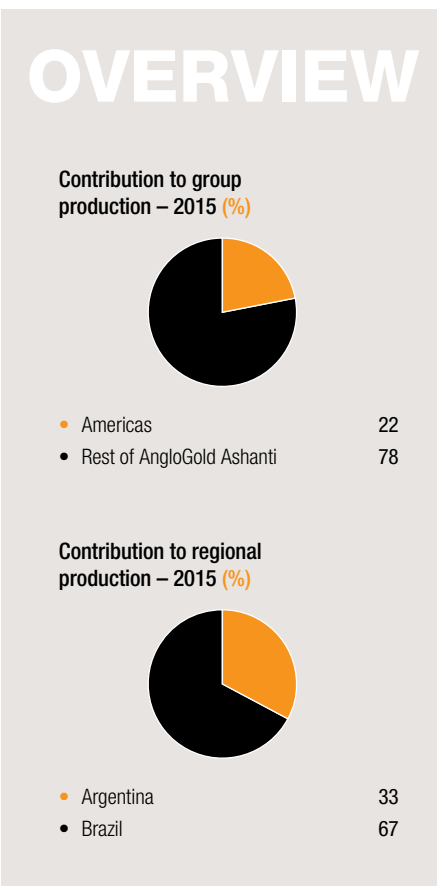
#### United States

- **Cripple Creek & Victor (CC&V)**: On 3 August 2015, AngloGold Ashanti concluded the sale of CC&V, its sole mine in the United States, to Newmont Mining Corporation, for \$819m in cash plus a net smelter return royalty. This operation is reported as discontinued and group financial and operating performance comparatives have accordingly been restated.

#### Colombia

Exploration activities were undertaken at three advanced exploration projects in Colombia – **La Colosa**, **Gramalote** and **Nuevo Chaquiro**. Exploration is also being conducted in the region by AngloGold Ashanti alone, or in joint venture partnerships.

 [View map](#)



## REGIONAL REVIEWS continued

### Americas

#### Key statistics

	Units	2015	2014	2013
<b>Operational performance <sup>(1)</sup></b>				
Tonnes treated/milled	Mt	7.0	6.8	5.9
Pay limit	oz/t	0.098	0.092	0.096
	g/t	3.351	3.152	3.294
Recovered grade	oz/t	0.108	0.104	0.120
	g/t	3.71	3.58	4.13
Gold production (attributable)	000oz	948	996	1,001
– Continuing operations		831	785	770
– Discontinued operations		117	211	231
Silver (attributable)	Moz	4.4	3.1	3.3
Total cash costs	\$/oz	576	676	653
Total production costs	\$/oz	845	918	892
All-in sustaining costs <sup>(2)</sup>	\$/oz	792	974	1,011
Capital expenditure (100% basis)	\$m	196	225	253
– Attributable (including Colombia)	\$m	191	221	248
– Attributable (excluding Colombia)	\$m	184	219	234
Productivity	oz/TEC	15.05	14.38	14.25
<b>Safety</b>				
Number of fatalities		1	2	0
AIFR	per million hours worked	5.61	3.79	4.74
<b>People</b>				
Average no. of employees: total <sup>(3)</sup>		7,679	8,588	8,374
– Permanent employees		5,492	5,944	5,979
– Contractors		2,187	2,644	2,395
Employee turnover	%	8	13	14
Training and development expenditure (excluding Colombia)	\$m	1.6	2	3

See footnotes overleaf

#### Production from continuing and discontinued operations (000oz)



# 948,000oz

2015 production

#### Productivity from continuing operations (oz/TEC)



# 15.05oz/TEC

2015 productivity

# REGIONAL REVIEWS continued

## Americas

### Key statistics (continued)

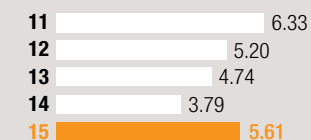
	Units	2015	2014	2013
<b>Environment (excludes Colombia)</b>				
Total water consumption	ML	10,839	12,170	11,732
Total water use per tonne treated	kL/t	0.588	0.462	0.439
Energy usage	PJ	4.86	6.05	6.06
Total energy usage per tonne treated	GJ/t	0.26	0.23	0.23
Total greenhouse gas (GHG) emissions	000t CO <sub>2</sub> e	376	448	399
Total GHG emissions per tonne treated	t CO <sub>2</sub> e/t	0.020	0.017	0.013
Cyanide used	t	5,044	6,428	6,203
No. of reportable environmental incidents		1	0	0
Total rehabilitation liabilities (includes Colombia):	\$m	138	273	237
– restoration	\$m	100	222	195
– decommissioning	\$m	38	51	42
<b>Community and government (includes Colombia)</b>				
Community expenditure	\$m	4	4	6
Payments to government	\$m	235	261	314
– Dividends	\$m	3	–	8
– Taxation	\$m	57	69	103
– Withholding tax (royalties, etc.)	\$m	48	38	47
– Other indirect taxes and duties	\$m	8	8	8
– Employee taxes and other contributions	\$m	82	97	100
– Property tax	\$m	3	2	3
– Other	\$m	34	47	45

<sup>(1)</sup> Operational performance data for the Americas region is for the continuing operations (excludes CC&V which was sold effective 3 August 2015), unless otherwise stated. Comparative data for operational performance has been restated.

<sup>(2)</sup> Excludes stockpile write-offs.

<sup>(3)</sup> 100% basis and excluding Colombia and Denver regional office.

### AIFR (per million hours worked)

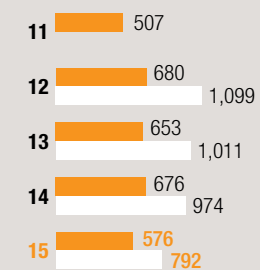


# 5.61

2015 AIFR

### Total cash costs and all-in sustaining costs

(\$/oz)



■ Total cash costs

□ All-in sustaining costs

## REGIONAL REVIEWS continued

### Americas

#### OPERATIONAL PERFORMANCE

##### Production

Increased production in the Americas – up more than 5% from the previous year (excluding production from CC&V) – was driven principally by 13% growth at Cerro Vanguardia and a 4% rise in AGA Mineração's production. These increases were partially offset by lower output from Serra Grande. The region also produced 4Moz of silver as a by-product.

Cerro Vanguardia continued to deliver a strong performance with record production driven by a planned improvement in grade with a greater proportion of mill feed coming from underground and better recoveries.

Increased production at AGA Mineração was a result of higher tonnage and better feed grades from both the Córrego do Sítio and Cuiabá complexes.

##### Costs

Teams in the region continued to sharpen their focus on limiting cost increases in increasingly challenging inflationary environments in both Argentina and Brazil, by focusing on a range of operational improvements.

Cost control efforts were aided by higher gold and silver production levels, the removal of the higher-cost CC&V production and also local currency depreciation. On average, the Brazilian real was 42% weaker and the Argentinian peso 14% weaker versus the US dollar in 2015. Efficiency initiatives covered

a range of areas, including labour and contractor costs, energy, consumables and stay-in-business capital, as well as a drive to increase production.

Cerro Vanguardia continued with implementation of phase II of the Project 500 efficiency initiative with a focus on optimising mill throughput, improving silver recovery, delivering more underground ore to the mill, and improving the overall effectiveness of key administration areas such as procurement and warehousing.

In Brazil, the cost management programme begun in 2013, continued into its third year, yielding a range of productivity improvements including optimisation of operational processes, reductions in the price of power and materials and lower administrative expenses. At Córrego do Sítio, higher grades contributed an additional 20,000oz from the Carvoaria ore body and increased development rates further aided cost improvements. Other productivity improvements were realised in the oxide mine.

In May, Serra Grande began implementing our analyse-and-improve project, which sees participants from various disciplines undergoing rigorous training and then working in groups to develop practical projects – focusing on sustainable innovation and cost efficiency – to further enhance the mine's performance in a low gold price environment. The programme has already begun yielding significant benefits.



## REGIONAL REVIEWS continued

### Americas

#### Capital expenditure

The region's capital expenditure of \$196m (including Colombia and excluding CC&V), was 13% lower than the previous year. While sharp currency devaluations had a negative effect on the purchase of imported items, it benefited expenditure on Ore Reserve development and locally-produced items.

Various alternatives were evaluated to reduce and/or contain capital expenditure during the year including a strategic review and a change in the scope of primary development work, thus saving on additional equipment; contractor negotiations on jumbo drill rigs; and capitalising on import restrictions in Argentina, by postponing or eliminating stay-in-business purchases.

#### Growth and improvement

At Cerro Vanguardia, the expansion project to increase underground production over the next five years is underway and remains on schedule. During 2015, an initiative to accelerate open pit and underground operations using an external contractor was approved in order to improve the production profile. Additional cost reductions are planned by further increasing plant throughput and recovery as well as by optimising shift

configuration and backfilling mined-out pits with waste material to reduce haul distances. Additionally, in February 2016, an exploration and option agreement was signed to acquire mineral rights adjacent to Cerro Vanguardia, where exploration will be focused in the next few years.

The focus at Cuiabá remained on ventilation and transport projects to support mining at increased depth, as well as the overall drive to maintain stable production levels in coming years. Córrego do Sítio continued initiatives to improve production in the medium term including development of the underground Mina I ore body, which is expected to be the main contributor in 2016. Drilling programmes aimed at opening a new pit at Mina III and new underground sites at Mina II and São Bento Deep are underway.

At Serra Grande, underground diamond directional drilling proved the continuity of one of the Mina III high-grade gold-bearing quartz veins, at depths from 900m to 1,150m. Importantly, this vein appears to increase in both thickness and length along strike. Palmeiras Sul targets were drilled in the mine's tenements confirming the addition of a high-grade Mineral Resource. Surface and underground drilling continued to define the Inga ore body, which is expected to begin production in 2016. New open-pit potential was also confirmed, creating a pipeline of small pits expected to continue producing until 2021

at least. This is also expected to provide an avenue to additional discoveries.

Colombia remains a key area of focus and its exploration programme continues to yield encouraging results. The Nuevo Chaquiro target is a porphyry-related, copper-gold mineralised stockwork system, located within the Western Cordillera, where long intersections of significant copper mineralisation with gold credits were intersected during 2013 and 2014. Diamond drilling was undertaken in 2015 to delineate the limits of the higher-grade core and increase confidence in the highest-grade portion of the ore body to support a small, phase I concept design. Advanced studies to complete the concept study are planned for 2016.

Colombian authorities formally approved the environmental impact study submitted in February 2015, after verifying it complies with Colombian regulation as well as with international standards and best practices. The study reflects Gramalote's commitment to develop a sustainable and responsible commercial, large-scale mining project.

The environmental licence, the first of its kind, coming after decades since Colombia last licensed a large-scale mining project, was granted in full. The licence covers an initial approximate three-year period prior to the start of construction that will be dedicated to resettling physically and/or economically the individuals living in the immediate area of

influence. The resettlement process will be conducted in compliance with national and international relocation standards, including those of the World Bank and the International Finance Corporation.

Project planning work will continue, at reduced expenditure levels, as we continue to evaluate this project against, other projects and opportunities for capital deployment, with prevailing market conditions in mind. Gramalote exploration focused on regional exploration drilling as well as drilling to improve definition of the low-grade saprolite (oxide ore) Mineral Resource. The Mineral Resource model was updated for the three Gramalote deposits: Gramalote Central, Monjas West and Trinidad, incorporating the latest drill-hole information, reviewed estimation parameters and changes in the geo-statistical methodology (localised uniform conditioning).

At the La Colosa project, drilling focused on data collection at infrastructure locations. No Mineral Resource drilling was conducted. The geological model was updated during the year and reported an in-pit Mineral Resource of 28Moz (the main deposit remains open to the north-west and at depth). In early 2015, geotechnical and hydrogeological drilling was initiated at the proposed tailings management facility and the waste rock facility. Mine planning continues on validating current base-case opportunities and a small mine concept, with several alternatives under evaluation.

## REGIONAL REVIEWS continued

### Americas

Metallurgical test work completed in 2015 was conducted to validate process opportunities, including an increase in recovery and plant throughput. A trade-off study is in progress and is expected to be finalised in early 2016.

## SUSTAINABILITY PERFORMANCE

### Safety

One fatality was reported in the Americas in 2015 (2014: 2), when an employee died in a fall-of-ground incident at Lamego. The AIFR for the region was 5.61 per million hours worked in 2015 (2014: 3.79).

In Brazil, emergency plans for all mines were revised with assistance from an external specialist, and more intensive use was made of the bow-tie analysis risk mitigation method. Major hazard control guidelines were verified at AGA Mineração and Serra Grande. Employee safety performance is being more actively monitored and recognised, and contractors are more active participants in audits, inspections and monthly meetings, where work safety issues are raised and actions resulting from field inspections are followed up.

At Cerro Vanguardia, the bow-tie safety risk analysis was employed and work has been done to mitigate all identified risks. Also, compliance and effectiveness of critical controls are being monitored in order to be considered in the operation.

### Health

Several training sessions were conducted at Cerro Vanguardia to reinforce awareness of health issues and employee medical examinations were performed.

At the Brazilian operations, preventive campaigns included hypertension prevention, drug abuse prevention and immunisation against influenza and H1N1. Awareness campaigns covered topics including anti-smoking and obesity, breast and prostate cancer and HIV/ AIDS. Occupation hygiene measures remain in place to reduce noise and dust pollution.

South America has experienced an outbreak of Zika fever, caused by the Zika virus. Awareness campaigns are being conducted in addition to those run by governments and other organisations. These include close monitoring and control measures put in place to prevent and/or eliminate mosquitoes, including the removal of stagnant water sources that can easily become breeding sites.

### Employees

Over the last two years our operations in Brazil have implemented training for all employees on compliance and ethics with a particular focus on anti-bribery and anti-corruption. The training forms one of the key elements of the compliance programme and incorporates online training, printed materials and seminars. Senior managers have also

been trained with regard to the Clean Company Act in Brazil. In 2015, training was extended to contractors and government intermediaries in particular.

As part of the group-wide human rights ambassador programme, roll out of human rights training is currently underway in Brazil and Colombia.

### Environment

The one reportable environmental incident (2014: 0) in the region was the result of a leak of process water from Córrego do Sítio's metallurgical plant into the Conceição River. Responsive action was taken immediately. Follow-up actions included an environmental clean-up and related environmental and water-quality monitoring. The region also had a few minor unreportable incidents in 2015.

All the Americas operations remained compliant with ISO 14001.

During 2015, Cerro Vanguardia and Queiroz and Córrego do Sítio I, both at AGA Mineração, were recertified in terms of the International Cyanide Management Code for an additional three-year period. Serra Grande was audited at the end of 2015 and recommended for full recertification while Córrego do Sítio II is actively working towards certification. At Cerro Vanguardia, a cyanide recovery plant facilitates the removal of cyanide from waste products and tailings, to prevent it posing an environmental threat.

This process is part of our responsible management of cyanide during the mining process, which helps to limit the environmental impact and our long-term closure liability.

Severe drought over the last few years has resulted in reduced hydroelectric power capacity in Brazil. In response, several immediate measures were implemented to reduce energy consumption, eliminate the need to purchase power from the open market, and reduce capacity strain on the national power grid. These actions benefitted both the company and community while the short-term power supply crisis persisted in the region.

The regional launch of our Energy Management System standard was coupled with a local project to implement the ISO 50001 Energy Management System at our Brazilian operations. The development of related tools and processes was completed during 2015 and implementation will continue into 2016. Energy efficiency measures include ventilation-on-demand control systems, the installation of high-performance motors and expansion of energy metering and monitoring systems.

### Communities

In Brazil, our social investment strategy prioritises projects relating to job and income generation, education, culture and environment. AngloGold Ashanti works with local institutions to make social projects more sustainable and to minimise dependency on mining operations

## REGIONAL REVIEWS continued

### Americas

in the long term. Major projects and activities implemented in Brazil are:

- **Public Call for Projects:** Community investment projects are selected following public requests for specific initiatives and evaluation by a committee comprising professionals from AngloGold Ashanti, social project specialists and community representatives. The Public Call for Projects has supported 122 projects over five years in the municipalities neighbouring our operations, with direct benefit to around 20,000 people. In 2015, the Public Call for Projects added an environmental focus.
- **Local suppliers programme:** Serra Grande, together with the Federation of Industries of the State of Goiás and other mining companies, sponsored a programme to develop and certify local suppliers. The regional Business Roundtable gathered 45 local suppliers from five municipalities to provide local mining companies with greater knowledge of the products and services supplied by the participants, in order to stimulate increased purchases in the north region of Goiás.
- **Volunteer programme:** Created by AngloGold Ashanti in 2004, the Holding Hands Programme has benefitted around 27,000 people and 66 social institutions through the participation of 2,400 volunteers over the last 10 years. The programme

encourages company employees to be involved with and to contribute to social causes in local municipalities.

- **The Good Councils project,** run by Serra Grande supports local municipalities in the care of and to promote the rights of elderly people through workshops and by assisting in providing the necessary qualifications to local civil servants. Eighty people have been assisted to date.
- **The Good Neighbourhood Programme** aims to strengthen our relationship with local communities. Regular public meetings are held at which community members participate and suggest topics for discussion. A public newspaper is produced specifically to report on topics of community interest and concern.

In Argentina, Cerro Vanguardia engages with the community of San Julián through the local development agency that was established in 2004 as a collaboration between the mine and local and provincial authorities, the local university, the rural association and the Chamber of Commerce. In 2015, we renewed our corporate social responsibility agreement with the agency. Current projects include the construction of a gymnasium for the Club Atletico and two student lodges, one for the Racing Club of San Julián and the other for the University

of Southern Patagonia. The latter involved the refurbishment of a historic building. In the area of health, we equipped the local hospital with a modern video endoscope.

Community investment in Colombia in 2015 amounted to \$1.2m and was spent on social infrastructure, education, small-medium enterprise support and institutional strengthening projects. All projects were developed in collaboration with communities, and most with the support of government. This has helped ensure the sustainability of the projects and their ownership by the communities. A key component and a major achievement in Gramalote is in the area of public participation.

In response to community concerns that AngloGold Ashanti's activities would reduce community access to land and negatively affect their livelihoods, we embarked on a community engagement campaign known as 'Mining Wednesdays' at our Quebradona project. Interested parties (community members, NGOs and local councillors) are invited to participate in public forums, held every second Wednesday, during which mining-related topics of interest and concern to the community are discussed. 'Mining Wednesdays' allow us to engage openly and positively with the community by listening and replying to concerns, as well as educating

community members about our operations, shared values and environmental and community support mechanisms.

### Artisanal and small-scale mining

At our Gramalote project in Colombia, we are making progress in the design and implementation of a co-existence project aimed at formalising a group of ASMs. This is a joint initiative with the Colombian Ministry of Mines, the Antioquia Secretary of Mines, and the artisanal miners. This government-led model of co-existence is designed to create a separate legal operation for the miners, subject to environmental compliance and other applicable regulations. In addition, the miners will be provided with the tools and resources to work safely in an environmentally responsible manner in designated areas with good artisanal mining potential. Expert resources have been engaged to conduct technical and financial feasibility studies to determine the viability of the model. Plans to train and develop artisanal miners in mining process best practices are being formulated. It is expected that once the model has been validated and approved, construction of a small, formal operating mine should be initiated.



## FIVE-YEAR STATISTICS: BY OPERATION

Operational, financial and sustainability statistics

### Production volumes

	Attributable tonnes treated/milled (Mt)				
	2015	2014	2013	2012	2011
<b>South Africa</b>	<b>36.8</b>	38.4	39.2	22.2	16.4
<b>Vaal River</b>					
Great Nologwa <sup>(1)</sup>		0.4	0.4	0.5	0.5
Kopanang	0.7	0.8	1.0	0.9	1.5
Moab Khotsong	0.9	0.7	0.7	0.6	0.9
<b>West Wits</b>					
Mponeng	0.8	1.1	1.6	1.3	1.6
Savuka <sup>(2)</sup>				0.2	0.2
TauTona <sup>(2)</sup>	0.8	0.9	1.0	0.8	1.0
<b>Surface Operations</b>					
Surface Operations <sup>(3)</sup>	33.6	34.5	34.5	17.9	10.7
<b>Continental Africa</b>	<b>27.2</b>	29.9	26.9	27.8	26.3
<b>DRC</b>					
Kibali (45%) <sup>(4)</sup>	3.1	2.5	0.4		
<b>Ghana</b>					
Iduapriem	4.7	4.9	4.8	4.6	4.3
Obuasi <sup>(5)</sup>	1.0	2.2	1.7	2.1	2.0
<b>Guinea</b>					
Siguiri (85%)	10.0	10.1	10.2	10.1	9.7
<b>Mali</b>					
Morila (40%)	1.2	1.3	1.4	1.8	1.8
Sadiola (41%)	2.1	2.1	2.0	1.9	2.0
Yatela (40%) <sup>(6)</sup>		0.9	1.0	1.1	1.1
<b>Namibia</b>					
Navachab <sup>(7)</sup>		0.7	1.4	1.4	1.5
<b>Tanzania</b>					
Geita	5.2	5.2	4.0	4.8	3.9

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Production volumes (continued)

	Attributable tonnes treated/milled (Mt)				
	2015	2014	2013	2012	2011
<b>Australasia</b>	<b>8.2</b>	7.8	4.3	3.4	3.6
<i>Australia</i>					
Sunrise Dam	3.9	3.8	3.4	3.4	3.6
Tropicana (70%) <sup>(4)</sup>	4.3	4.0	0.9		
<b>Americas</b>	<b>7.0</b>	6.8	5.9	4.8	3.3
<i>Argentina</i>					
Cerro Vanguardia (92.5%)	3.1	3.0	2.3	1.7	1.0
<i>Brazil</i>					
AGA Mineração	2.6	2.5	2.3	2.2	1.7
Serra Grande <sup>(6)</sup>	1.3	1.3	1.3	0.9	0.6
<b>CONTINUING OPERATIONS</b>	<b>79.1</b>	82.9	76.3	58.2	49.6
<i>Discontinued operations</i>					
Cripple Creek & Victor <sup>(9)</sup>	11.3	19.3	20.8	20.9	20.3
	<b>90.4</b>	<b>102.2</b>	<b>97.1</b>	<b>79.1</b>	<b>69.9</b>

<sup>(1)</sup> Great Noligwa and Moab Khotsong are treated as one cash-generating unit from 1 January 2015.

<sup>(2)</sup> In 2013, Savuka and TauTona were combined under TauTona as one cash-generating unit.

<sup>(3)</sup> For the purposes of this report, Surface Operations includes MWS, which is operated and managed as a separate cash-generating unit.

<sup>(4)</sup> Kibali and Tropicana began production in the fourth quarter of 2013.

<sup>(5)</sup> Obuasi was placed on limited operations at the end of 2014.

<sup>(6)</sup> Yatela mine in closure from 2015.

<sup>(7)</sup> Sold effective 30 June 2014.

<sup>(8)</sup> AngloGold Ashanti's holding increased to 100% (from 50%) from 1 July 2012.

<sup>(9)</sup> Cripple Creek & Victor was sold on 3 August 2015.

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Production volumes (continued)

	Average grade recovered (g/t)					Attributable gold production (000oz)				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>South Africa</b>						<b>1,004</b>	1,223	1,302	1,212	1,624
<i>Vaal River</i>										
Great Nologwa <sup>(1)</sup>		6.44	6.15	5.72	5.58		78	83	84	94
Kopanang	<b>5.43</b>	5.55	5.23	5.40	6.47	<b>117</b>	140	178	164	307
Moab Khotsong	<b>8.50</b>	11.04	9.47	8.16	9.39	<b>254</b>	234	212	162	266
<i>West Wits</i>										
Mponeng	<b>8.44</b>	8.99	7.10	9.40	9.71	<b>219</b>	313	354	405	500
Savuka <sup>(2)</sup>				6.09	6.69				37	49
TauTona <sup>(2)</sup>	<b>8.46</b>	8.21	7.34	7.63	7.55	<b>209</b>	232	235	189	244
<i>Surface Operations</i>										
Surface Operations <sup>(3)</sup>	<b>0.18</b>	0.20	0.22	0.30	0.48	<b>193</b>	223	240	172	164
<i>Technology</i>										
Technology						<b>12</b>	3			
<b>Continental Africa</b>						<b>1,435</b>	1,597	1,460	1,521	1,570
<i>DRC</i>										
Kibali (45%) <sup>(4)</sup>	<b>2.93</b>	2.95	3.41			<b>289</b>	237	40		
<i>Ghana</i>										
Iduapriem	<b>1.27</b>	1.13	1.43	1.22	1.44	<b>193</b>	177	221	180	199
Obuasi <sup>(5)</sup>	<b>1.47</b>	4.67	4.94	4.79	4.82	<b>53</b>	243	239	280	313
<i>Guinea</i>										
Siguiri (85%)	<b>0.80</b>	0.89	0.82	0.76	0.79	<b>255</b>	290	268	247	249
<i>Mali</i>										
Morila (40%)	<b>1.24</b>	1.06	1.23	1.41	1.70	<b>49</b>	44	57	81	99
Sadiola (41%)	<b>1.04</b>	1.28	1.34	1.64	1.90	<b>69</b>	85	86	100	121
Yatela (40%) <sup>(6)</sup>		0.59	0.93	1.06	1.04		11	27	29	29
<i>Namibia</i>										
Navachab <sup>(7)</sup>		1.44	1.39	1.59	1.46		33	63	74	66
<i>Tanzania</i>										
Geita	<b>3.18</b>	2.86	3.54	3.47	3.98	<b>527</b>	477	459	531	494

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Production volumes (continued)

	Average grade recovered (g/t)					Attributable gold production (000oz)				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>Australasia</b>						<b>560</b>	620	342	258	246
<i>Australia</i>										
Sunrise Dam	1.97	2.13	2.46	2.39	2.16	216	262	276	258	246
Tropicana (70%) <sup>(4)</sup>	2.48	2.78	2.40			344	358	66		
<b>Americas</b>						<b>831</b>	785	770	706	624
<i>Argentina</i>										
Cerro Vanguardia (92.5%)	6.88	6.08	6.58	6.48	6.23	278	246	241	219	196
<i>Brazil</i>										
AGA Mineração	5.63	5.65	5.70	6.07	7.43	421	403	391	388	361
Serra Grande <sup>(6)</sup>	3.27	3.28	3.42	3.36	3.59	132	136	138	98	67
<b>CONTINUING OPERATIONS</b>						<b>3,830</b>	4,225	3,874	3,697	4,064
<i>Discontinued operations</i>										
Cripple Creek & Victor <sup>(9)</sup>	0.35	0.32	0.34	0.40	0.39	117	211	231	247	267
						<b>3,947</b>	<b>4,436</b>	<b>4,105</b>	<b>3,944</b>	<b>4,331</b>

<sup>(1)</sup> Great Noligwa and Moab Khotsong are treated as one cash-generating unit from 1 January 2015.

<sup>(2)</sup> In 2013, Savuka and TauTona were combined under TauTona as one cash-generating unit.

<sup>(3)</sup> For the purposes of this report, Surface Operations includes MWS, which is operated and managed as a separate cash-generating unit.

<sup>(4)</sup> Kibali and Tropicana began production in the fourth quarter of 2013.

<sup>(5)</sup> Obuasi was placed on limited operations at the end of 2014.

<sup>(6)</sup> Yatela mine in closure from 2015.

<sup>(7)</sup> Sold effective 30 June 2014.

<sup>(8)</sup> AngloGold Ashanti's holding increased to 100% (from 50%) from 1 July 2012.

<sup>(9)</sup> Cripple Creek & Victor was sold on 3 August 2015.

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Productivity (oz/TEC)

	2015	2014	2013	2012	2011
<b>South Africa</b>	<b>3.74</b>	4.40	4.47	4.19	5.85
<b>Vaal River</b>					
Great Noligwa <sup>(1)</sup>		2.69	2.51	2.34	2.72
Kopanang	2.41	2.68	3.11	2.61	4.79
Moab Khotsong	3.44	4.74	4.22	3.05	5.03
<b>West Wits</b>					
Mponeng	3.48	4.74	5.33	6.33	8.38
Savuka <sup>(2)</sup>				3.98	4.83
TauTona <sup>(2)</sup>	3.70	4.17	4.01	4.03	5.13
<b>Surface Operations</b>					
Surface Operations <sup>(3)</sup>	8.12	8.95	9.35	9.86	21.32
<b>Continental Africa</b>	<b>20.61</b>	14.36	9.97	10.97	11.41
<b>DRC</b>					
Kibali (45%) <sup>(4)</sup>	72.34	68.50	83.56		
<b>Ghana</b>					
Iduapriem	16.32	20.14	18.41	15.61	16.97
Obuasi <sup>(5)</sup>	5.76	6.10	4.10	5.19	5.68
<b>Guinea</b>					
Siguiri (85%)	14.59	15.64	12.88	12.10	12.03
<b>Mali</b>					
Morila (40%)	15.98	10.13	17.88	35.72	42.00
Sadiola (41%)	13.46	14.23	10.56	12.27	15.53
Yatela (40%) <sup>(6)</sup>		10.73	10.21	8.82	8.89
<b>Namibia</b>					
Navachab <sup>(7)</sup>		6.97	5.63	6.43	7.00
<b>Tanzania</b>					
Geita	27.78	19.50	15.55	19.20	18.11

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Productivity (oz/TEC) (continued)

	2015	2014	2013	2012	2011
<b>Australasia</b>	<b>55.84</b>	62.00	49.64	43.46	40.29
<i>Australia</i>					
Sunrise Dam	45.09	58.29	50.22	43.46	40.29
Tropicana (70%) <sup>(4)</sup>	65.69	65.03	47.37		
<b>Americas</b>	<b>15.05</b>	14.38	14.25	14.72	16.86
<i>Argentina</i>					
Cerro Vanguardia (92.5%)	22.82	21.14	20.89	18.21	17.64
<i>Brazil</i>					
AGA Mineração	13.58	13.03	12.97	14.22	17.41
Serra Grande <sup>(5)</sup>	10.97	11.32	11.19	11.45	12.98
<b>CONTINUING OPERATIONS</b>	<b>8.87</b>	<b>9.30</b>	<b>7.77</b>	<b>7.66</b>	<b>8.86</b>
<i>Discontinued operations</i>					
Cripple Creek & Victor <sup>(9)</sup>	29.63	33.33	37.45	37.46	44.31

<sup>(1)</sup> Great Noligwa and Moab Khotsong are treated as one cash-generating unit from 1 January 2015.

<sup>(2)</sup> In 2013, Savuka and TauTona were combined under TauTona as one cash-generating unit.

<sup>(3)</sup> For the purposes of this report, Surface Operations includes MWS, which is operated and managed as a separate cash-generating unit.

<sup>(4)</sup> Kibali and Tropicana began production in the fourth quarter of 2013.

<sup>(5)</sup> Obuasi was placed on limited operations at the end of 2014.

<sup>(6)</sup> Yatela mine in closure from 2015.

<sup>(7)</sup> Sold effective 30 June 2014.

<sup>(8)</sup> AngloGold Ashanti's holding increased to 100% (from 50%) from 1 July 2012.

<sup>(9)</sup> Cripple Creek & Victor was sold on 3 August 2015.

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Costs

	Total cash costs (\$/oz produced)					All-in sustaining costs <sup>(1)</sup> (\$/oz sold)			
	2015	2014	2013	2012	2011	2015	2014	2013	2012
<b>South Africa</b>	<b>881</b>	849	850	873	694	<b>1,088</b>	1,064	1,120	1,189
<i>Vaal River</i>									
Great Noligwa <sup>(2)</sup>		1,074	1,100	1,226	1,194		1,185	1,305	1,530
Kopanang	<b>1,014</b>	1,023	918	1,015	681	<b>1,226</b>	1,256	1,255	1,497
Moab Khotsong	<b>798</b>	685	797	1,040	689	<b>1,018</b>	903	1,223	1,634
<i>West Wits</i>									
Mponeng	<b>874</b>	746	719	639	546	<b>1,170</b>	981	1,016	883
Savuka <sup>(3)</sup>				1,041	864				1,607
TauTona <sup>(3)</sup>	<b>883</b>	882	920	924	818	<b>1,044</b>	1,059	1,149	1,316
<i>Surface Operations</i>									
Surface Operations <sup>(4)</sup>	<b>912</b>	941	883	943	660	<b>1,006</b>	1,153	969	754
<b>Continental Africa</b>	<b>678</b>	783	869	830	698	<b>815</b>	968	1,202	1,235
<i>DRC</i>									
Kibali (45%) <sup>(5)</sup>	<b>609</b>	578	471			<b>642</b>	588	529	
<i>Ghana</i>									
Iduapriem	<b>995</b>	865	861	955	800	<b>1,020</b>	1,020	1,025	1,437
Obuasi <sup>(6)</sup>	<b>966</b>	1,086	1,406	1,187	862	<b>1,185</b>	1,374	2,214	2,201
<i>Guinea</i>									
Siguiri (85%)	<b>827</b>	799	918	938	849	<b>965</b>	917	1,085	1,105
<i>Mali</i>									
Morila (40%)	<b>698</b>	1,162	773	767	810	<b>815</b>	1,298	1,051	765
Sadiola (41%)	<b>818</b>	1,028	1,334	1,169	816	<b>886</b>	1,133	1,510	1,249
Yatela (40%) <sup>(7)</sup>		1,438	1,530	1,758	1,530		1,795	1,653	1,888
<i>Namibia</i>									
Navachab <sup>(8)</sup>		752	691	1,036	1,012		719	781	1,329
<i>Tanzania</i>									
Geita	<b>480</b>	599	515	427	350	<b>717</b>	890	833	816

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Costs (continued)

	Total cash costs (\$/oz produced)					All-in sustaining costs <sup>(1)</sup> (\$/oz sold)			
	2015	2014	2013	2012	2011	2015	2014	2013	2012
<b>Australasia</b>	<b>702</b>	804	1,047	1,211	1,431	<b>875</b>	986	1,376	1,680
<i>Australia</i>									
Sunrise Dam	970	1,105	1,110	1,126	1,367	1,110	1,214	1,321	1,470
Tropicana (70%) <sup>(5)</sup>	492	545	568			671	752	1,113	
<b>Americas</b>	<b>576</b>	676	653	680	507	<b>792</b>	974	1,011	1,099
<i>Argentina</i>									
Cerro Vanguardia (92.5%)	625	692	622	576	368	873	938	912	935
<i>Brazil</i>									
AGA Mineração	518	644	646	696	529	712	966	1,023	1,114
Serra Grande <sup>(9)</sup>	635	748	719	821	768	861	1,062	970	1,168
<b>CONTINUING OPERATIONS</b>	<b>712</b>	<b>785</b>	<b>836</b>	<b>842</b>	<b>712</b>	<b>910</b>	<b>1,020</b>	<b>1,195</b>	<b>1,285</b>
<i>Discontinued operations</i>									
Cripple Creek & Victor <sup>(10)</sup>	894	829	732	638	564	1,030	1,147	927	817

<sup>(1)</sup> All-in sustaining costs are available from 2012 only.

<sup>(2)</sup> Great Noligwa and Moab Khotsong are treated as one cash-generating unit from 1 January 2015.

<sup>(3)</sup> In 2013, Savuka and TauTona were combined under TauTona as one cash-generating unit.

<sup>(4)</sup> For the purposes of this report, Surface Operations includes MWS, which is operated and managed as a separate cash-generating unit.

<sup>(5)</sup> Kibali and Tropicana began production in the fourth quarter of 2013.

<sup>(6)</sup> Obuasi was placed on limited operations at the end of 2014.

<sup>(7)</sup> Yatela mine in closure from 2015.

<sup>(8)</sup> Sold effective 30 June 2014.

<sup>(9)</sup> AngloGold Ashanti's holding increased to 100% (from 50%) from 1 July 2012.

<sup>(10)</sup> Cripple Creek & Victor was sold on 3 August 2015. Numbers have been included to the date of disposal.



## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Capital expenditure (\$m)

	2015	2014	2013	2012	2011
<b>South Africa</b>	<b>206</b>	264	451	583	532
<i>Vaal River</i>					
Great Noligwa <sup>(1)</sup>		7	13	27	29
Kopanang	21	26	52	94	92
Moab Khotsong	47	45	117	159	147
<i>West Wits</i>					
Mponeng	85	97	171	195	172
Savuka <sup>(2)</sup>				20	8
TauTona <sup>(2)</sup>	28	35	59	73	79
<i>Surface Operations</i>					
Surface Operations <sup>(3)</sup>	17	46	39	15	5
<i>Technology</i>					
Technology	8	8			
<b>Continental Africa</b>	<b>315</b>	454	839	925	569
<i>DRC</i>					
Kibali (45%) <sup>(4)</sup>	124	179	341	263	73
Mongbwalu (86.22%)				77	1
<i>Ghana</i>					
Iduapriem	15	21	28	95	73
Obuasi <sup>(5)</sup>	23	82	196	185	132
<i>Guinea</i>					
Siguiri (85%)	25	26	25	28	15
<i>Mali</i>					
Morila (40%)	6	6	13	1	1
Sadiola (41%)	2	6	42	37	14
Yatela (40%)			3	2	1
<i>Namibia</i>					
Navachab <sup>(6)</sup>		1	5	15	48
<i>Tanzania</i>					
Geita	116	129	154	216	206
<i>Other and non-controlling interests</i>	4	4	32	6	5

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Capital expenditure (\$m) (continued)

	2015	2014	2013	2012	2011
<b>Australasia</b>	<b>78</b>	91	285	369	102
<i>Australia</i>					
Sunrise Dam	29	31	39	49	27
Tropicana (70%) <sup>(4)</sup>	48	59	241	315	73
Other	1	1	5	5	2
<b>Americas</b>	<b>196</b>	225	253	309	399
<i>Argentina</i>					
Cerro Vanguardia (92.5%)	62	54	64	88	81
<i>Brazil</i>					
AGA Mineração	89	127	123	162	261
Serra Grande <sup>(7)</sup>	33	38	40	33	22
<i>Other and non-controlling interests</i>	<b>12</b>	6	26	26	35
<b>Other</b>	<b>4</b>	6	8	36	17
<b>CONTINUING OPERATIONS</b>	<b>799</b>	1,040	1,836	2,222	1,619
<i>Discontinued operations</i>					
Cripple Creek & Victor <sup>(8)</sup>	58	169	157	100	67
Sub-total	857	1,209	1,993	2,322	1,686
Equity-accounted investments	(131)	(191)	(411)	(303)	(89)
	<b>726</b>	<b>1,018</b>	<b>1,582</b>	<b>2,019</b>	<b>1,597</b>

<sup>(1)</sup> Great Noligwa and Moab Khotsong are treated as one cash-generating unit from 1 January 2015.

<sup>(2)</sup> In 2013, Savuka and TauTona were combined under TauTona as one cash generating unit.

<sup>(3)</sup> For the purposes of this report, Surface Operations includes MWS, which is operated and managed as a separate cash generating unit.

<sup>(4)</sup> Kibali and Tropicana began production in the fourth quarter of 2013.

<sup>(5)</sup> Obuasi was placed on limited operations at the end of 2014.

<sup>(6)</sup> Sold effective 30 June 2014.

<sup>(7)</sup> AngloGold Ashanti's holding increased to 100% (from 50%) from 1 July 2012.

<sup>(8)</sup> Cripple Creek & Victor was sold on 3 August 2015.

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

Average no. of employees (permanent and contractor employees)

	2015	2014	2013	2012	2011
<b>South Africa</b>	<b>28,325</b>	29,511	32,406	34,186	32,082
<i>Vaal River</i>					
Great Nologwa <sup>(1)</sup>		2,207	2,731	3,063	2,967
Kopanang	4,052	4,424	5,365	6,014	5,892
Moab Khotsong	6,469	4,573	5,692	6,645	6,581
<i>West Wits</i>					
Mponeng	6,249	6,737	6,516	6,262	5,788
Savuka <sup>(2)</sup>				1,157	815
TauTona <sup>(2)</sup>	4,656	4,712	5,256	4,472	4,507
<i>Surface Operations</i>					
Surface Operations <sup>(3)</sup>	2,929	3,058	2,142	1,874	745
<i>Other</i>	3,970	3,800	4,704	4,699	4,787
<b>Continental Africa</b>	<b>11,942</b>	16,070	16,625	16,621	16,539
<i>DRC</i>					
Kibali (45%) <sup>(4)</sup>	2,061	2,245	158		
<i>Ghana</i>					
Iduapriem	1,565	1,352	1,590	1,549	1,543
Obuasi <sup>(5)</sup>	856	3,541	5,194	5,373	5,538
<i>Guinea</i>					
Siguiri (85%)	3,445	3,494	3,673	3,643	3,666
<i>Mali</i>					
Morila (40%)	389	500	390	319	328
Sadiola (41%)	585	654	810	783	756
Yatela (40%) <sup>(6)</sup>		226	367	407	377
<i>Namibia</i>					
Navachab <sup>(7)</sup>		793	938	953	790
<i>Tanzania</i>					
Geita	3,041	3,265	3,504	3,594	3,541

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Average no. of employees (permanent and contractor employees) (continued)

	2015	2014	2013	2012	2011
<b>Australasia</b>	<b>836</b>	832	925	494	509
<i>Australia</i>					
Sunrise Dam	400	374	457	494	509
Tropicana (70%) <sup>(4)</sup>	436	458	468		
<b>Americas</b>	<b>7,679</b>	7,441	7,542	7,204	6,808
<i>Argentina</i>					
Cerro Vanguardia (92.5%)	1,687	1,640	1,696	1,884	1,644
<i>Brazil</i>					
AGA Mineração	4,546	4,398	4,377	4,239	3,825
Serra Grande <sup>(5)</sup>	1,446	1,403	1,469	1,081	1,339
<b>Other, including corporate and non-gold producing subsidiaries</b>	<b>2,731</b>	3,056	8,104	6,625	4,723
<b>CONTINUING OPERATIONS</b>	<b>51,513</b>	56,910	65,602	65,130	60,661
<i>Discontinued operations</i>					
Cripple Creek & Victor <sup>(9)</sup>	753	1,147	832	692	581
	<b>52,266</b>	<b>58,057</b>	<b>66,434</b>	<b>65,822</b>	<b>61,242</b>

<sup>(1)</sup> Great Noligwa and Moab Khotsong are treated as one cash-generating unit from 1 January 2015.

<sup>(2)</sup> In 2013, Savuka and TauTona were combined under TauTona as one cash-generating unit.

<sup>(3)</sup> For the purposes of this report, Surface Operations includes MWS, which is operated and managed as a separate cash-generating unit.

<sup>(4)</sup> Kibali and Tropicana began production in the fourth quarter of 2013. The 2014 number for Kibali includes 3,249 employees who were working on projects.

<sup>(5)</sup> Obuasi was placed on limited operations at the end of 2014.

<sup>(6)</sup> Yatela mine in closure from 2015.

<sup>(7)</sup> Sold effective 30 June 2014.

<sup>(8)</sup> AngloGold Ashanti's holding increased to 100% (from 50%) from 1 July 2012.

<sup>(9)</sup> Cripple Creek & Victor was sold on 3 August 2015. Employee numbers have been included to the date of disposal.

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Safety

	All injury frequency rate <sup>(1)</sup>					Number of fatalities				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>South Africa</b>	<b>10.81</b>	11.85	12.63	13.24	15.57	<b>9</b>	4	6	11	9
<i>Vaal River</i>										
Great Noligwa <sup>(2)</sup>		15.44	12.06	17.72	23.92		0	0	1	1
Kopanang	<b>17.50</b>	13.56	17.58	19.92	23.18	<b>1</b>	1	0	0	4
Moab Khotsong	<b>13.54</b>	18.62	16.35	17.14	20.48	<b>2</b>	0	1	2	1
<i>West Wits</i>										
Mponeng	<b>13.37</b>	16.33	17.86	14.49	15.39	<b>3</b>	3	3	3	2
Savuka <sup>(3)</sup>				21.23	8.39				2	0
TauTona <sup>(3)</sup>	<b>11.88</b>	12.60	14.16	10.63	13.36	<b>1</b>	0	1	3	0
<i>Surface Operations</i>										
Surface Operations <sup>(4)</sup>	<b>5.14</b>	5.42	5.08	6.71	6.44	<b>1</b>	0	0	0	0
<i>Other</i>						<b>1</b>	0	1	0	1
<b>Continental Africa</b>	<b>0.50</b>	1.56	1.97	2.26	3.03	<b>1</b>	0	2	5	3
<i>DRC</i>										
Mongbwalu		1.98	6.15	4.47	11.04		0	0	1	0
<i>Ghana</i>										
Iduapriem	<b>0.00</b>	1.06	1.98	3.08	6.61	<b>0</b>	0	1	1	0
Obuasi <sup>(5)</sup>	<b>1.28</b>	3.01	2.39	2.13	2.37	<b>1</b>	0	1	2	3
<i>Guinea</i>										
Siguiri	<b>0.13</b>	0.39	0.64	1.09	1.27	<b>0</b>	0	0	0	0
<i>Mali</i>										
Sadiola	<b>0.51</b>	0.50	1.28	2.21	2.44	<b>0</b>	0	0	0	0
Yatela	<b>0.95</b>	0.00	0.00	0.36	1.52	<b>0</b>	0	0	0	0
<i>Namibia</i>										
Navachab <sup>(6)</sup>		6.39	5.58	8.22	2.00		0	0	0	0
<i>Tanzania</i>										
Geita	<b>0.47</b>	0.51	0.98	1.62	3.60	<b>0</b>	0	0	1	0

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Safety (continued)

	All injury frequency rate <sup>(1)</sup>					Number of fatalities				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>Australasia</b>	<b>8.56</b>	10.73	7.91	6.33	18.11	<b>0</b>	0	0	0	0
<i>Australia</i>										
Sunrise Dam	<b>11.59</b>	12.54	11.19	5.46	19.40	<b>0</b>	0	0	0	0
Tropicana <sup>(7)</sup>	<b>6.80</b>	9.96	8.60	15.75	27.72	<b>0</b>	0	0	0	0
<b>Americas</b>	<b>5.61</b>	3.79	4.74	5.20	6.33	<b>1</b>	2	0	1	2
<i>Argentina</i>										
Cerro Vanguardia	<b>1.63</b>	1.40	0.58	1.72	1.59	<b>0</b>	0	0	1	0
<i>Brazil</i>										
AGA Mineração	<b>5.51</b>	4.22	5.94	5.82	4.05	<b>1</b>	2	0	0	1
Serra Grande <sup>(8)</sup>	<b>9.49</b>	4.53	6.10	5.15	3.48	<b>0</b>	0	0	0	0
<i>Colombia</i>										
Cripple Creek & Victor	<b>19.47</b>	9.54	9.89	12.75	19.80	<b>0</b>	0	0	0	0
<b>Greenfield exploration</b>	<b>7.96</b>	3.57	4.20	6.76	19.83	<b>0</b>	0	0	1	1
<b>AngloGold Ashanti</b>	<b>7.18</b>	<sup>(9)</sup> <b>7.36</b>	<b>7.48</b>	<b>7.83</b>	<b>9.76</b>	<b>11</b>	<b>6</b>	<b>8</b>	<b>18</b>	<b>15</b>

<sup>(1)</sup> Per million hours worked.

<sup>(2)</sup> Great Noligwa and Moab Khotsong are treated as one cash-generating unit from 1 January 2015.

<sup>(3)</sup> In 2013, Savuka and TauTona were combined under TauTona as one cash-generating unit.

<sup>(4)</sup> For the purposes of this report, Surface Operations includes MWS, which is operated and managed as a separate cash-generating unit.

<sup>(5)</sup> Obuasi was placed on limited operations at the end of 2014.

<sup>(6)</sup> Sold effective 30 June 2014.

<sup>(7)</sup> Tropicana began production in the fourth quarter of 2013.

<sup>(8)</sup> AngloGold Ashanti's holding increased to 100% (from 50%) from 1 July 2012.

<sup>(9)</sup> All injury frequency rate for the group adjusted for earthquake impact is 7.15.

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Environmental performance <sup>(1)</sup>

	Energy usage (PJ)					Water usage (ML)				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>South Africa</b>	<b>11.42</b>	11.31	11.80	11.65	11.68	<b>25,182</b>	27,219	27,228	23,813	18,821
<i>Vaal River</i> <sup>(2)</sup>	<b>5.66</b>	5.31	5.63	5.87	6.09	<b>13,259</b>	13,402	14,331	14,748	13,572
<i>West Wits</i> <sup>(2)</sup>	<b>5.03</b>	5.24	5.55	5.57	5.59	<b>3,949</b>	2,626	3,160	4,501	5,249
<i>Mine Waste Solutions</i>	<b>0.73</b>	0.76	0.62	0.21		<b>7,974</b>	11,191	9,737	4,564	
<b>Continental Africa</b>	<b>7.99</b>	8.95	12.01	12.13	11.51	<b>16,931</b>	17,582	21,031	19,132	20,203
<b>Ghana</b>										
Iduapriem	<b>0.89</b>	0.62	1.25	1.00	0.98	<b>750</b>	342	795	582	408
Obuasi <sup>(3)</sup>	<b>0.56</b>	1.46	1.77	1.74	1.52	<b>3,129</b>	3,696	3,685	3,820	4,047
<b>Guinea</b>										
Siguiri	<b>2.09</b>	1.97	2.31	2.34	2.43	<b>5,145</b>	5,375	6,478	4,650	6,097
<b>Mali</b>										
Sadiola <sup>(3)</sup>	<b>1.40</b>	1.59	2.10	2.17	2.00	<b>4,625</b>	4,051	4,330	3,837	3,602
Yatela	<b>0.12</b>	0.24	0.52	0.70	0.62	<b>33</b>	17	254	1,578	1,036
<b>Namibia</b>										
Navachab <sup>(4)</sup>			0.74	0.75	0.59			1,005	990	1,043
<b>Tanzania</b>										
Geita	<b>2.93</b>	3.21	3.32	3.43	3.37	<b>3,249</b>	4,101	4,484	3,675	3,970
<b>Australasia</b>	<b>5.14</b>	5.52	2.81	2.08	2.15	<b>6,648</b>	6,749	3,925	1,700	1,572
<b>Australia</b>										
Sunrise Dam <sup>(5)</sup>	<b>1.97</b>	2.29	2.07	2.08	2.15	<b>1,771</b>	1,866	1,829	1,700	1,572
Tropicana <sup>(6,7)</sup>	<b>3.17</b>	3.23	0.74			<b>4,877</b>	4,883	<sup>(5)</sup> 2,097		

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Environmental performance <sup>(1)</sup> (continued)

	Energy usage (PJ)					Water usage (ML)				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>Americas</b>	<b>4.86</b>	6.04	6.06	5.88	5.25	<b>10,839</b>	12,170	11,732	7,456	6,749
<b>Argentina</b>										
Cerro Vanguardia	<b>1.69</b>	1.71	1.72	1.59	1.48	<b>1,121</b>	1,079	964	923	939
<b>Brazil</b>										
AGA Mineração	<b>1.53</b>	1.48	1.41	1.35	1.18	<b>5,959</b>	6,233	6,346	4,213	3,174
Serra Grande	<b>0.48</b>	0.48	0.51	0.48	0.45	<b>1,506</b>	1,921	1,380	459	429
<b>United States</b>										
Cripple Creek & Victor	<b>1.16</b>	2.37	2.42	2.46	2.14	<b>2,252</b>	2,937	3,042	1,860	2,207
<b>AngloGold Ashanti</b>	<b>29.41</b>	<b>31.95</b>	<b>32.68</b>	<b>31.74</b>	<b>30.59</b>	<b>59,601</b>	<b>63,720</b>	<b>63,916</b>	<b>52,101</b>	<b>47,346</b>

<sup>(1)</sup> Refer to the <SDR> for definitions of these environmental indicators.

<sup>(2)</sup> These include consumption by Surface Operations' facilities located in these areas.

<sup>(3)</sup> Water usage data for Obuasi and Sadiola for the years 2009-2012 have been adjusted to exclude domestic water consumption from the calculation.

<sup>(4)</sup> Sold effective 30 June 2014.

<sup>(5)</sup> Water imports at Sunrise Dam for 2011-2014 were corrected to exclude an internal recirculation stream from the tailings facility.

<sup>(6)</sup> Excludes pre-production water use at Tropicana.

<sup>(7)</sup> Tropicana began production in the fourth quarter of 2013.



## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Environmental performance <sup>(1)</sup> (continued)

	GHG emissions (000t CO <sub>2</sub> e)					No. of reportable environmental incidents				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>South Africa</b>	<b>2,960</b>	2,981	<sup>(2)</sup> 3,025	<sup>(2)</sup> 3,009	<sup>(2)</sup> 2,930	<b>1</b>	1	3	10	12
<i>Vaal River</i> <sup>(3)</sup>	<b>1,436</b>	1,360	1,415	<sup>(2)</sup> 1,482	<sup>(2)</sup> 1,498	<b>1</b>	0	0	3	10
<i>West Wits</i> <sup>(3)</sup>	<b>1,331</b>	1,420	1,445	<sup>(2)</sup> 1,473	<sup>(2)</sup> 1,432	<b>0</b>	0	0	0	2
<i>Mine Waste Solutions</i>	<b>193</b>	201	165	<sup>(2)</sup> 54	–	<b>0</b>	1	3	7	0
<b>Continental Africa</b>	<b>663</b>	796	969	978	938	<b>2</b>	4	5	5	14
<b>Ghana</b>										
Iduapriem	<b>95</b>	74	113	94	89	<b>0</b>	0	1	2	0
Obuasi	<b>79</b>	198	199	197	187	<b>2</b>	1	3	1	14
<b>Guinea</b>										
Siguiri	<b>158</b>	150	175	177	184	<b>0</b>	0	0	0	0
<b>Mali</b>										
Sadiola	<b>104</b>	118	156	161	148	<b>0</b>	0	0	1	0
Yatela	<b>9</b>	18	38	52	46	<b>0</b>	0	0	0	0
<b>Namibia</b>										
Navachab <sup>(4)</sup>			42	43	31		0	0	0	0
<b>Tanzania</b>										
Geita	<b>218</b>	238	246	254	253	<b>0</b>	3	1	1	0
<b>Australasia</b>	<b>336</b>	359	174	125	130	<b>0</b>	0	2	1	1
<b>Australia</b>										
Sunrise Dam	<b>116</b>	135	123	125	130	<b>0</b>	0	0	1	1
Tropicana <sup>(5)</sup>	<b>220</b>	224	51			<b>0</b>	0	2		

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Environmental performance <sup>(1)</sup> (continued)

	GHG emissions (000t CO <sub>2</sub> e)					No. of reportable environmental incidents				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>Americas</b>	<b>375</b>	449	399	389	348	<b>1</b>	0	0	0	0
<i>Argentina</i>										
Cerro Vanguardia	<b>115</b>	118	119	111	103	<b>0</b>	0	0	0	0
<i>Brazil</i>										
AGA Mineração	<b>41</b>	36	32	29	25	<b>1</b>	0	0	0	0
Serra Grande	<b>15</b>	14	15	14	13	<b>0</b>	0	0	0	0
<i>United States</i>										
Cripple Creek & Victor	<b>204</b>	281	233	235	207	<b>0</b>	0	0	0	0
<b>AngloGold Ashanti</b>	<b>4,334</b>	<b>4,584</b>	<b>4,567</b>	<b>4,501</b>	<b>4,343</b>	<b>4</b>	<b>5</b>	<b>10</b>	<b>16</b>	<b>27</b>

<sup>(1)</sup> Refer to the <SDR> for definitions of these environmental indicators.

<sup>(2)</sup> In South Africa, the Eskom grid emission factor was revised by the National Business Initiative in consultation with Eskom, leading to a change in the electricity-related emissions reported for 2012 and 2013. The figure reported for 2012 included Nufcor.

<sup>(3)</sup> These include consumption by Surface Operations' facilities located in these areas.

<sup>(4)</sup> Sold effective 30 June 2014.

<sup>(5)</sup> Tropicana began production in the fourth quarter of 2013.

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Social performance <sup>(1)</sup>

Community investment (\$000)	2015	2014	2013	2012	2011
<b>South Africa</b> <sup>(2)</sup>	6,288	8,073	8,391	7,700	3,670
<b>Continental Africa</b>	6,008	3,933	13,279	13,341	13,502
<b>Ghana</b>					
Iduapriem	134	148	302	465	513
Obuasi	204	208	1,197	2,007	2,704
Corporate office	–	–	–	70	47
<b>Guinea</b>					
Siguiri (85%)	501	220	1,326	1,083	772
<b>Mali</b>					
Morila (40%)	42	81	56	198	48
Sadiola (41%) and Yatela (40%)	241	175	126	572	429
<b>Namibia</b>					
Navachab <sup>(3)</sup>		44	59	201	54
<b>Tanzania</b>					
Geita	3,757	1,973	5,489	4,834	4,302
<b>DRC</b>					
Kibali (45%) <sup>(4)</sup>	1,129	654	4,140	976	1,299
Mongbwalu (86.22%)		430	584	2,935	3,335
<b>Australasia</b>	344	247	463	464	276
<b>Australia</b>					
Sunrise Dam	344	247	301	464	276
Tropicana <sup>(4)</sup>	–	–	125		

See footnotes overleaf

## FIVE-YEAR STATISTICS: BY OPERATION continued

### Operational, financial and sustainability statistics

#### Social performance <sup>(1)</sup> (continued)

Community investment (\$000)	2015	2014	2013	2012	2011
<b>Americas</b>	<b>4,159</b>	3,659	5,761	5,148	4,939
<i>Argentina</i>					
Cerro Vanguardia (92.5%)	712	1,223	1,096	1,520	2,067
<i>Brazil</i>					
AGA Mineração	1,574	712	1,297	813	791
Serra Grande <sup>(5)</sup>	142	153	472	719	268
<i>Colombia</i>	<b>1,154</b>	993	1,905	1,188	1,210
<i>United States</i>					
Cripple Creek & Victor	577	578	991	908	603
Sub-total	<b>16,799</b>	15,912	27,894	26,653	22,387
Equity-accounted investments	<b>(1,571)</b>	(1,113)	(5,358)	(1,746)	(1,775)
<b>AngloGold Ashanti</b>	<b>15,228</b>	<b>14,799</b>	<b>22,536</b>	<b>24,907</b>	<b>20,612</b>

<sup>(1)</sup> Refer to the <SDR> for the definition of this social indicator.

<sup>(2)</sup> Community investment at the South African operations is aggregated and is overseen via the corporate entity and includes corporate community investment.

<sup>(3)</sup> Sold effective 30 June 2014.

<sup>(4)</sup> Kibali and Tropicana began production in the fourth quarter of 2013.

<sup>(5)</sup> AngloGold Ashanti's holding increased to 100% (from 50%) from 1 July 2012.

## MINERAL RESOURCE AND ORE RESERVE – SUMMARY

The AngloGold Ashanti Mineral Resource and Ore Reserve are reported in accordance with the minimum standards described by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition), and also conform to the standards set out in the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2007 edition and amended July 2009).

The Mineral Resource is inclusive of the Ore Reserve component unless otherwise stated. In complying with revisions to the JORC code the changes to AngloGold Ashanti's Mineral Resource and Ore Reserve have been reviewed and it was concluded that, excluding the disposal of CC&V, none of the changes are material to the overall valuation of the company. AngloGold Ashanti has therefore once again resolved not to provide the detailed reporting as defined in Table 1 of the code. The company will however continue to provide the high level of detail it has in previous years in order to comply with the transparency requirements of the code.

AngloGold Ashanti strives to actively create value by growing its major asset – the Mineral Resource and Ore Reserve. This drive is based on active, well-defined brownfields and greenfields exploration programmes, innovation in both geological modelling and mine planning and continual optimisation of the asset portfolio.

*“AngloGold Ashanti strives to actively create value by growing its major asset – the Mineral Resource and Ore Reserve.”*



### GOLD PRICE

The following local prices of gold were used as a basis for estimation in the December 2015 declaration:

Gold price	Local prices of gold				
		South Africa	Australia	Brazil	Argentina
as at 31 December 2015	US\$/oz	ZAR/kg	AUD/oz	BRL/oz	ARS/oz
2015 Ore Reserve	1,100	431,000	1,436	3,360	10,143
2015 Mineral Resource	1,400	450,000	1,704	3,501	10,788

The JORC and SAMREC Codes require the use of reasonable economic assumptions. These include long-range commodity price forecasts which are prepared in-house.

## MINERAL RESOURCE AND ORE RESERVE – SUMMARY continued

### MINERAL RESOURCE

The total Mineral Resource decreased from 232.0Moz as at 31 December 2014 to 207.8Moz as at 31 December 2015. A gross annual decrease of 7.2Moz occurred before depletion and disposals, while the net decrease after allowing for depletion and disposals is 24.2Moz. Changes in economic assumptions from December 2014 to December 2015 resulted in 13.4Moz decrease to the Mineral Resource, while exploration and modelling resulted in an increase of 6.6Moz. Depletion from the Mineral Resource for the year totalled 4.9Moz and the sales of CC&V and Mongbwalu totalled 12.3Moz. The Mineral Resource has been estimated at a gold price of US\$1,400/oz (2014: US\$1,600/oz).

# 207.8Moz

Mineral Resource (as at 31 December 2015)

### Mineral Resource

		Moz
<b>Mineral Resource as at 31 December 2014</b>		<b>232.0</b>
<b>Disposal</b>	CC&V	(9.8)
	Mongbwalu	(2.5)
	Sub-total	<b>219.7</b>
<b>Depletion</b>		<b>(4.9)</b>
Sub-total		<b>214.8</b>
<b>Additions</b>		
Obuasi	Historic data recapture and re-estimation of the Mineral Resource in critical areas.	0.7
Sunrise Dam	Increased gold price on the back of a weakening Australian dollar and additions from underground reverse circulation grade-control drilling	0.6
Other	Additions less than 0.5Moz	1.5
Sub-total		<b>217.6</b>
<b>Reductions</b>		
Kopanang	Cost increases and some economic write-off of Mineral Resource	(0.5)
Moab Khotsong	Cost increases and some economic write-off of Mineral Resource	(0.8)
Iduapriem	The gold price reductions were partially countered by new Mineral Resource additions	(0.8)
Geita	Increased costs and a reduced price	(1.8)
La Colosa	The reduced gold price and the introduction of a revised Mineral Resource classification system	(4.7)
Other	Reductions less than 0.5Moz	(1.2)
<b>Mineral Resource as at 31 December 2015</b>		<b>207.8</b>

*Rounding of numbers may result in computational discrepancies.*

## MINERAL RESOURCE AND ORE RESERVE – SUMMARY continued

### ORE RESERVE

The AngloGold Ashanti Ore Reserve reduced from 57.5Moz as at 31 December 2014 to 51.7Moz as at 31 December 2015. This gross annual decrease of 5.8Moz includes depletion of 4.3Moz and the sale of CC&V 3.7Moz. The balance of 2.2Moz additions in Ore Reserve, results from changes in economic assumptions between 2014 and 2015 which resulted in additions of 0.1Moz to the Ore Reserve, while exploration and modelling changes resulted in further additions of 1.6Moz. Other factors resulted in a further 0.5Moz increase. The Ore Reserve has been estimated using a gold price of US\$1,100/oz (2014: US\$1,100/oz).

# 51.7Moz

Ore Reserve (as at 31 December 2015)

### Ore Reserve

		Moz
<b>Ore Reserve as at 31 December 2014</b>		<b>57.5</b>
<b>Disposal</b>	CC&V	(3.7)
	Sub-total	<b>53.8</b>
<b>Depletion</b>		(4.3)
	Sub-total	<b>49.5</b>
<b>Additions</b>		
Iduapriem	Exploration success and mine optimisation as well as the addition of new areas such as the spent heap leach and Block 5	0.8
Obuasi	Updated feasibility study and introduction of a revised mining method for narrow lodes and inclusion of Cote D'or	0.5
Other	Additions less than 0.3Moz	1.4
	Sub-total	<b>52.2</b>
<b>Reductions</b>		
Kopanang	Revised mining strategy in order to maximise the cash flow.	(0.4)
Other	Reductions less than 0.3Moz	(0.1)
<b>Ore Reserve as at 31 December 2015</b>		<b>51.7</b>

*Rounding of numbers may result in computational discrepancies.*

## MINERAL RESOURCE AND ORE RESERVE – SUMMARY continued



### BY-PRODUCTS

Several by-products will be recovered as a result of the exploitation of our gold Ore Reserve. The by-product Ore Reserve includes 53,700t of uranium oxide from the South African operations, 0.29Mt of sulphur from Brazil and 26.0Moz of silver from Argentina.

### COMPETENT PERSONS

The information in this report relating to exploration results, Mineral Resources and Ore Reserves is based on information compiled by or under the supervision of the Competent Persons as defined in the JORC or SAMREC Codes. All Competent Persons are employed by AngloGold Ashanti, unless stated otherwise, and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking. The Competent Persons consent to the inclusion of exploration results, Mineral Resource and Ore Reserve information in this report, in the form and context in which it appears. The legal tenure of each operation and project has been verified to the satisfaction of the accountable Competent Person and is detailed in the <R&R>.

Over more than a decade, the company has developed and implemented a rigorous system of internal and external reviews aimed at providing assurance in respect of Ore Reserve and Mineral Resource estimates. The following operations were subject to an external review in line with the policy that each operation project will be reviewed by an independent third party on average once every three years:

- Mineral Resource and Ore Reserve at Tropicana
- Mineral Resource and Ore Reserve at AGA Mineração: Cuiabá and Lamego
- Mineral Resource and Ore Reserve at Geita
- Mineral Resource and Ore Reserve at Siguiri

The external reviews were conducted by the following companies: Golder Associates (Tropicana), Optiro (AGA Mineração: Cuiabá and Lamego; Geita and Siguiri). Certificates of sign-off have been received from all companies conducting the external reviews to state that the Mineral Resource and/or Ore Reserve comply with the JORC Code and the SAMREC Code.

Numerous internal Mineral Resource and Ore Reserve process reviews were completed by suitably qualified Competent Persons from within AngloGold Ashanti. A documented

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. VA Chamberlain has 28 years' experience in exploration and mining and is employed full-time by AngloGold Ashanti and can be contacted at the following address: 76 Rahima Moosa Street, Newtown, 2001, South Africa.

A detailed breakdown of the Mineral Resource and Ore Reserve and backup detail is provided on the AngloGold Ashanti website ([www.anglogoldashanti.com](http://www.anglogoldashanti.com)) and in <R&R>, available at [www.aga-reports.com](http://www.aga-reports.com).



## MINERAL RESOURCE AND ORE RESERVE – SUMMARY continued

### Mineral Resource by region inclusive of Ore Reserve (attributable)

Gold as at 31 December 2015	Category	Tonnes	Grade	Contained gold	
		million	g/t	Tonnes	Moz
<b>South Africa</b>	Measured	135.26	2.21	299.25	9.62
	Indicated	924.28	1.93	1,787.99	57.49
	Inferred	45.98	10.45	480.50	15.45
	<b>Total</b>	<b>1,105.52</b>	<b>2.32</b>	<b>2,567.74</b>	<b>82.55</b>
<b>Continental Africa</b>	Measured	35.85	0.85	30.56	0.98
	Indicated	436.26	2.97	1,295.50	41.65
	Inferred	166.29	2.93	488.04	15.69
	<b>Total</b>	<b>638.40</b>	<b>2.84</b>	<b>1,814.10</b>	<b>58.32</b>
<b>Australasia</b>	Measured	32.96	1.23	40.66	1.31
	Indicated	90.04	2.11	190.41	6.12
	Inferred	23.09	2.46	56.76	1.82
	<b>Total</b>	<b>146.09</b>	<b>1.97</b>	<b>287.83</b>	<b>9.25</b>
<b>Americas</b>	Measured	47.31	3.17	149.96	4.82
	Indicated	1,044.65	0.95	993.47	31.94
	Inferred	904.38	0.72	648.91	20.86
	<b>Total</b>	<b>1,996.35</b>	<b>0.90</b>	<b>1,792.34</b>	<b>57.63</b>
<b>AngloGold Ashanti total</b>	Measured	251.39	2.07	520.43	16.73
	Indicated	2,495.24	1.71	4,267.37	137.20
	Inferred	1,139.74	1.47	1,674.21	53.83
	<b>Total</b>	<b>3,886.37</b>	<b>1.66</b>	<b>6,462.01</b>	<b>207.76</b>

Rounding of figures may result in computational discrepancies.

Inclusive Mineral Resource by region as at 31 December 2015 (attributable) (%)



• South Africa	40
• Continental Africa	28
• Australasia	4
• Americas	28

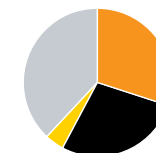
**207.8Moz**  
Total Mineral Resource (inclusive)

## MINERAL RESOURCE AND ORE RESERVE – SUMMARY continued

### Mineral Resource by region exclusive of Ore Reserve (attributable)

Gold as at 31 December 2015	Category	Tonnes	Grade	Contained gold	
		million	g/t	Tonnes	Moz
<i>South Africa</i>	Measured	13.67	14.81	202.48	6.51
	Indicated	255.20	3.26	831.77	26.74
	Inferred	15.28	16.44	251.16	8.08
	<b>Total</b>	<b>284.15</b>	<b>4.52</b>	<b>1,285.41</b>	<b>41.33</b>
<i>Continental Africa</i>	Measured	2.16	3.15	6.80	0.22
	Indicated	216.40	3.29	712.48	22.91
	Inferred	162.41	2.98	483.58	15.55
	<b>Total</b>	<b>380.97</b>	<b>3.16</b>	<b>1,202.86</b>	<b>38.67</b>
<i>Australasia</i>	Measured	7.01	0.77	5.40	0.17
	Indicated	63.61	2.04	129.72	4.17
	Inferred	23.09	2.46	56.76	1.82
	<b>Total</b>	<b>93.71</b>	<b>2.05</b>	<b>191.88</b>	<b>6.17</b>
<i>Americas</i>	Measured	31.52	3.15	99.20	3.19
	Indicated	1,031.00	0.89	917.06	29.48
	Inferred	900.97	0.70	632.91	20.35
	<b>Total</b>	<b>1,963.49</b>	<b>0.84</b>	<b>1,649.16</b>	<b>53.02</b>
<i>AngloGold Ashanti total</i>	Measured	54.37	5.77	313.88	10.09
	Indicated	1,566.21	1.65	2,591.03	83.30
	Inferred	1,101.74	1.29	1,424.41	45.80
	<b>Total</b>	<b>2,722.32</b>	<b>1.59</b>	<b>4,329.31</b>	<b>139.19</b>

Exclusive Mineral Resource by region as at 31 December 2015 (attributable) (%)



• South Africa	30
• Continental Africa	28
• Australasia	4
• Americas	38

**139.2Moz**  
Total Mineral Resource (exclusive)

Rounding of figures may result in computational discrepancies.

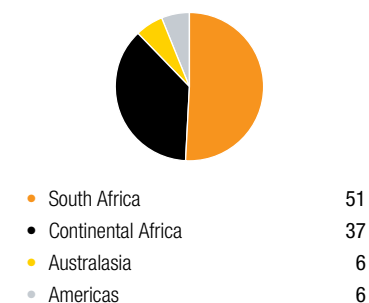
## MINERAL RESOURCE AND ORE RESERVE – SUMMARY continued

### Ore Reserve by region exclusive of Ore Reserve (attributable)

Gold as at 31 December 2015	Category	Tonnes	Grade	Contained gold	
		million	g/t	Tonnes	Moz
<i>South Africa</i>	Proved	123.91	0.62	76.85	2.47
	Probable	698.29	1.05	736.09	23.67
	<b>Total</b>	<b>822.20</b>	<b>0.99</b>	<b>812.93</b>	<b>26.14</b>
<i>Continental Africa</i>	Proved	32.36	0.70	22.52	0.72
	Probable	218.92	2.63	576.65	18.54
	<b>Total</b>	<b>251.27</b>	<b>2.38</b>	<b>599.17</b>	<b>19.26</b>
<i>Australasia</i>	Proved	25.95	1.36	35.27	1.13
	Probable	26.43	2.30	60.69	1.95
	<b>Total</b>	<b>52.38</b>	<b>1.83</b>	<b>95.96</b>	<b>3.09</b>
<i>Americas</i>	Proved	12.22	2.32	28.42	0.91
	Probable	16.04	4.45	71.28	2.29
	<b>Total</b>	<b>28.26</b>	<b>3.53</b>	<b>99.70</b>	<b>3.21</b>
<i>AngloGold Ashanti total</i>	Proved	194.45	0.84	163.05	5.24
	Probable	959.67	1.51	1,444.71	46.45
	<b>Total</b>	<b>1,154.12</b>	<b>1.39</b>	<b>1,607.76</b>	<b>51.69</b>

Rounding of figures may result in computational discrepancies.

Ore Reserve by region  
as at 31 December 2015  
(attributable) (%)



**51.7Moz**  
Total Ore Reserve

# PLANNING FOR THE FUTURE

Our planning for the future encompasses the following:

## Exploration

This is aimed at ensuring that we have available a pipeline of Mineral Resources and Ore Reserves, both at our existing operations and at new projects, with the potential to be developed into future mining operations to ensure the long-term sustainability of our business.

## Technology and innovation

We invest in the skills and technology necessary to enable us to access and exploit, safely and cost efficiently, the extensive deep-level Mineral Resources which will ensure the long-term future of our South African operations.

## Closure and rehabilitation

Given that mining operations exploit a non-renewable resource, we include planning for mine closure right from the start of a mining project. Our closure planning takes into account our environmental remediation and our estimate of social obligations that follow on from the cessation of mining operations and closure. All our mining operations and projects have closure plans in place.

## EXPLORATION

Our exploration programme covers greenfields and brownfields projects. In 2015, exploration and evaluation costs totalled \$140m, including equity-accounted joint ventures. Our exploration is focused on creating significant value by providing long-term optionality and improving the portfolio quality. The objectives are met by:

- **Greenfields exploration**, which aims to discover large, high-value Mineral Resources that will eventually lead to the development of new gold mines. Our greenfields exploration team is recognised as the industry's most successful in Mineral Resource discovery (by SNL\*, a leading industry research group). The team has a proven track record that includes the discovery of world-class ore bodies at La Colosa, Gramalote, Tropicana, and Nuevo Chaquiro. These discoveries are attributed to our committed and professional team of geoscientists working on a portfolio of highly prospective and rigorously prioritised greenfields ground holdings.
- **Brownfields exploration**, which focuses on delivering value through incremental additions to our Ore Reserve in existing mines as well as new discoveries in defined areas around existing operations. Brownfields exploration actively drives the creation of value by growing our Mineral Resource and Ore Reserve, our major assets. Our brownfields exploration programme is based on innovative geological modelling and mine planning, and continual optimisation of our asset portfolio.



\* SNL 2014 *Strategies for Gold Reserves Replacement, best for the period studied from 1999-2013, page 247*

## PLANNING FOR THE FUTURE continued

<sup>1</sup> Americas regional review

### Greenfields exploration

Our greenfields exploration programme has over 12,000km<sup>2</sup> of highly-prospective ground in two countries – Australia and Colombia – and also maintains small ground positions in Argentina and Brazil. Expenditure was \$22.4m in 2015, including over 50,000m of diamond, reverse circulation and aircore drilling. This programme also included focused generative activities in countries with operational synergies.

In Western Australia, exploration activities at the Tropicana project, in joint venture with Independence Group NL (AngloGold Ashanti 70%), progressed well through the year with more than 33,000m of aircore drilling, 8,500m of reverse circulation drilling and 2,200m of diamond drilling completed. Excellent initial results were returned from the Madras prospect approximately 25km south of Tropicana. Significant drill intersections in shallow oxide material included 15m @ 5.08g/t Au from 45m, 25m @ 2.47g/t Au from 35m, and 17m @ 4.22g/t Au from 64m<sup>#</sup>. To date, the Madras mineralisation has been found to be restricted in size and only well developed in the weathered (saprolite) zone.

Airborne geophysical surveys were completed over several new projects wholly owned by AngloGold Ashanti including Strawbridge, Pindabunna, and Neds Creek in Western Australia. Target generation and first phase field work is continuing on these projects. In New South Wales at the Mullion Project (wholly-owned), 2,500m of diamond drilling were completed to follow up bedrock targets identified from geophysical surveys conducted in 2014. Although significant favourable alteration was intersected, only low tenor results were returned.

In Colombia, the Quebradona project was transferred to the projects team early in the year. Greenfields exploration then focused on the Guintar project west of Medellin where mapping outlined an extensive alteration system in sediments overlying a dioritic porphyry intrusion with associated copper-gold and epithermal gold occurrences. An eight-hole drilling programme commenced in the third quarter, with 3,000m completed by year end. Drilling intersected hornfelsed sedimentary rocks and breccia zones with significant pyrrhotite and pyrite in fractures, stringers and fine stockworks returning anomalous geochemical values.

In Brazil, exploration was undertaken early in the year on the Graben project, in joint venture with Graben Mineração (AngloGold Ashanti earning 80%). A programme of 1,800m of diamond drilling was completed. Results did not meet expectations and the joint venture was terminated. Project generation work in other areas in Brazil progressed for the rest of the year.

### Brownfields exploration

Brownfields exploration was carried out in 10 countries, in and around AngloGold Ashanti operations. Expenditure in 2015 totalled \$63m, including equity-accounted joint ventures. A total of 469,818m of diamond and reverse circulation drilling was completed during the year.

**South Africa:** Four surface holes were drilled during the year – three are ongoing at Mponeng's Western Ultra Deep Levels (WUDLs) and one was completed at the Vaal River operations – achieving a total drilled depth of 4,966m.

**Argentina:** At Cerro Vanguardia, drilling programmes for Mineral Resource expansion and exploration continued during the year. The focus was on delineating vein extensions along strike and at depth. Mapping, trenching and channel sampling continued as part of the

reconnaissance programme to identify new drilling targets.

**Brazil:** In the Iron Quadrangle, the underground drilling programmes for Mineral Resource development continued at both the Cuiabá and Lamego mines. At Cuiabá, additional drilling was directed at satellite mineralisation that may be accessible from existing infrastructure. Surface drilling programmes at Córrego do Sítio continued to infill and expand the oxide Mineral Resource while the underground programme added extensions to several ore bodies, including the Inga ore body. See the Americas regional review<sup>1</sup>.

**Colombia:** Exploration in the Gramalote area continued, with programmes in and around the Gramalote Central deposit. Limited drilling programmes were also conducted within the joint venture area.

At La Colosa, the emphasis on other project-related drilling continued, supporting geotechnical, hydrological and site infrastructure studies.

The Quebradona project development drilling programme continued during the year. The programme focus was directed at infill drilling in the higher grade, upper part of the deposit.

<sup>#</sup> See the first quarter 2015 report on exploration activities at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) for full compliant details.

## PLANNING FOR THE FUTURE continued

**Tanzania:** Drilling focused on Mineral Resource delineation, testing both strike and dip extent of current deposits as well as confirming underground potential (Matandani North, Geita Hill East and Star & Comet). Mineral Resource conversion infill-drilling programmes took place at Nyankanga Cut 7, Nyankanga Cut 8 and Star & Comet Cut 3. Pre-resource drilling programmes were undertaken to test targets at Star & Comet Deeps, Matandani North and Geita Hill East Deeps. Vertical seismic profiling and metallurgical test work drilling was conducted at Nyankanga, Geita Hill and Matandani respectively. In all, 50 holes (15,273m) were completed. A 2D ground seismic survey was conducted along two sectional lines across Nyankanga and Geita Hill to confirm the suitability of the geology and mineralisation in these deposits for 3D seismic modelling.

**Guinea:** A total of 46,007m was drilled at Sigiri during the year across a range of programmes including fresh rock projects at several pits and oxide reconnaissance drilling. In all, reverse circulation drilling totalled 35,080m plus limited (1,077m) aircore drilling, with the remainder being diamond drilling or RCDD drilling. The reverse circulation drilling included 4,416m of advanced grade control drilling in a test block within the Kami pit.

**Ghana:** No exploration was conducted at Obuasi. Exploration at Iduapriem during the first half of the year focused on

Mineral Resource infill drilling at Block 5 to upgrade the Inferred Mineral Resource to Indicated. Reconnaissance exploration (soil geochemistry, mapping and limited trenching) was also completed over the Bankyem, Mile 5 and Ajopa northwest targets. In the latter half of the year, drilling was initiated at Bankyem, Block 4S and Mile 5. A total of 6,924m drilling was completed in 2015.

**Democratic Republic of the Congo:** Total diamond drilling for near-mine exploration at Kibali during 2015 totalled 15,883m, with an additional 1,760m drilled on regional projects. The exploration aims to fulfil three main objectives: Mineral Resource – Ore Reserve replacement, the discovery of potential oxide displacement ounces, and identification and development of new targets.

**Mali:** A total of 13,110m of exploration reverse circulation drilling focused on the Sadiola North area and Tabakoto in 2015.

**Australia:** Exploration activities in 2015 were primarily on the Mineral Resource expansion programme at Tropicana with a drilling campaign comprising more than 23,000m of aircore, 27,000m of reverse circulation and 38,000m of diamond drilling completed. Drilling was focused on testing for extensions to mineralisation in the Tropicana, Swizzler, Havana and Havana South areas. An additional block of 3D seismic data was acquired at the southern end of the mine area to aid further exploration.



At Sunrise Dam, underground Mineral Resource development drilling continued throughout the year. Exploration diamond drilling focused primarily on extending the Inferred Mineral Resource as per the mine plan and underground grade control reverse circulation drilling continued to focus on converting the Indicated Mineral Resource into a mineable grade control block model for use in stope development designs. A start was made on the development of key diamond drilling platforms, which will be used over the life of mine to drill test exploration targets along the strike length of the deposit.

A lake aircore drilling programme of just over 9,000m of drilling was completed at the Kraken Project, situated over the western extents of the Lake Carey playa salt lake system, approximately 10km east of Sunrise Dam. Several target areas were drill tested for gold mineralisation. All targets are beneath lake cover sequences.

More detail on the company's exploration work for the year is included under the Exploration updates on the website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com).



### TECHNOLOGY AND INNOVATION

#### Towards a new mining method for ultra-deep South African mines

The AngloGold Ashanti Technology Innovation Consortium continued to make headway, specifically in the development of key technologies and the methodology employed in achieving the project's core objective to "Safely Mine, All the Gold, Only the Gold, All the Time" from our deep-level underground mines in South Africa.

The latest generation reef-boring machine, the MK IV was successfully deployed at TauTona's lower Carbon Leader Reef (CLR) shaft pillar. During 2015, reef-boring cycle times improved from 159 hours per hole to 82 hours per hole, which compares favourably to the 72 hours per hole targeted.

The ultra-high-strength backfill product has also been successfully developed to the stage where it can be pumped over the required distance of 1,000m, a prerequisite for a full mining cycle. This demonstrates progress on the work done that seeks to establish the basis for a safe, automated, deep-level underground mining method at AngloGold Ashanti.

### Reef boring

#### Test site

Since deployment and commissioning of the MK II machine in 2013, a total of 56 holes has been drilled to date. Having completed drilling of the available block of ground, this machine was decommissioned in the third quarter of 2015. The MK IV reef-boring machine was successfully installed and commissioned in September 2015 at the extended test site at TauTona, and had drilled seven holes by year-end.

Commissioning began later in the year, having been delayed by constraints resulting from the use of a contained transport system. This system consists of a collector bin, pipe and the material carrying car. The collector bin has since been redesigned, modified and returned underground for further trials, which are expected to begin in the first half of 2016.

#### Prototype site: medium-range machines

Three MK III machines were commissioned at the prototype sites at TauTona and a total of 81 holes were drilled in 2015. However, technical, work management and operational functionalities posed challenges which affected the machines' performance, as a result of which industrial engineers

## PLANNING FOR THE FUTURE continued

conducted time and motion studies to identify shortcomings and ways to improve the performance of these machines.

Drilling at Moab Khotsong's prototype site, where five holes were drilled within that specific block of ground, was suspended owing to the machine's incompatibility with that block – the geological complexity of the block of ground, where drilling took place, hampered progress with only a low percentage extraction rate achieved. The machine was relocated to TauTona for drilling in the Ventersdorp Contact Reef (VCR) plane. Geological drilling continued to determine the best way forward for either mechanical or conventional extraction at the sites identified at Moab Khotsong.

In the last quarter of 2015, the MK III machines only managed to drill 13 holes and were stopped as, owing to ground conditions, rock engineering recommended that drilling be suspended for safety reasons. This resulted in an unplanned machine move and it was necessary to convert the machine to raise-bore mode. The opportunity was taken to install a new mechanical anchoring system to speed up the set-up times.

In addition, to further improve the machine's performance, a rod handling system has

been fitted to the machine to assist with the installation and removal of drill rods, scheduled for drilling at the VCR site for the first quarter of 2016. Other MK III machines are expected to be similarly equipped, in line with the refurbishment programme.

### *Prototype site: small-range machines*

The geotechnical complexity of the block of ground hampered drilling and only a low percentage extraction was achieved due to the undulating reef plane. Once it was established that the stage gate of 80% extraction could not be achieved, drilling was discontinued.

The HPE machine was first deployed at Great Noligwa's C-reef in 2014. A soft footwall composition associated with this reef plane caused the reamer to continuously fall out of the hole. This led to a decision to test the technology on the Vaal Reef where footwall conditions are more uniform. The machine was moved to Kopanang at the beginning of 2015. Unfortunately, due to an undulation of the Vaal Reef plane in the block drilled, it was found to be uneconomical to ream the holes as the set target could not be achieved, as stated above.

The Sandvik machine modifications were completed and it was delivered to Savuka. Drilling is expected to begin in the first half of 2016.

### **Mechanical development**

This development opens and equips the tunnels in which the reef-boring machines drill. However, the methodology for the opening up of mining grids for continuous reef boring remained a significant technical challenge in 2015. As a result, mechanical development was put on hold while alternative development options are investigated. There have been encouraging results on the technical viability of creating development ends using non-explosive rock-breaking techniques. A product called NONEX has been applied to development at TauTona and to date 135m have been developed with an average daily advance of 1.1m. In addition, the Brokk drilling rig was commissioned successfully for the development of flat reef drives.

### **Ultra high-strength backfill**

Surface trials to reach a pumping distance of up to 1,000m were successful at a product temperature ranging between 30°C and 35°C. This temperature range simulated the underground product temperature range.

A tailings drying plant was successfully constructed and commissioned on surface at TauTona and a VCR plant was successfully constructed on 68 level. Commissioning has begun and the

*“Surface trials to reach a pumping distance of up to 1,000m were successful at a product temperature ranging between 30°C and 35°C.”*

automation process will be completed in the first quarter of 2016.

The Savuka plant was successfully trialed by RULA, the company assisting with design and manufacturing. Construction will begin underground in the first quarter of 2016.

### **Geological drilling**

Despite delays experienced during the year, drilling was conducted in the last quarter of the year aimed at resolving the accuracy and deflection constraints by testing different stabiliser configurations. A total of five wet holes were drilled and plotted, and final analysis is expected to be reported on at the end of the first quarter 2016.

The new fit-for-purpose Bohrmeister drill rig is due to be delivered and commissioned for drilling in the first quarter of 2016.



## PLANNING FOR THE FUTURE continued



### REHABILITATION AND CLOSURE

All mines eventually exhaust their economically viable resources and mining operations cease. At AngloGold Ashanti, planning for mine closure is included from the inception of a project at exploration stage. Responsible closure planning follows a holistic approach, taking into account all aspects of pre-operational planning, operational activities and post-closure activity.

The approach for many of our older mines is to incorporate closure considerations into existing operational plans as far as possible, to reduce operating and final closure costs and to mitigate the socio-economic impacts of closure. To support this goal, we apply a comprehensive closure planning management standard and

guidelines that offer practical assistance to operations on how to apply the standard. The purpose of the closure management standard is to facilitate the design and implementation of closure plans to the extent possible during the life of a mine.

In the case of new operations, planning for closure begins at mine conception and is incorporated in mine design – in essence, new mines are designed with closure in mind. Social considerations are also addressed, as communities close to the mine may be affected by closure. The closure planning standard provides for continuing community engagement and the development, where possible, of alternative livelihoods to mitigate the impact of closure. The objectives for overall closure, including social and workforce aspects, are

clearly identified in closure plans, as these guide the definition of applicable options.

Though site-specific requirements vary, our approach to rehabilitation is governed by our land use and biodiversity management standards. These standards include legal compliance as a minimum. Concurrent rehabilitation is undertaken where feasible, balanced against the need to avoid limiting access to resources in the future. We also undertake research into rehabilitation techniques, in conjunction with universities in several of the countries in which we operate. Where possible, knowledge of local plant species accumulated in the course of rehabilitation work is shared with local communities and academic institutions. This sharing of knowledge helps to build relationships with local scientists, demonstrates our positive contribution to local development and scientific knowledge, and assists governments which are then able to base their biodiversity regulations and management on the latest scientific data.

### Remediation obligations and provisions

The company's long-term environmental remediation obligations include decommissioning and restoration liabilities relating to past operations. These obligations are based on an operation's Environmental Management Plan and the relevant regulatory requirements. An assessment of closure

liabilities is undertaken annually and these liabilities are presented in the table overleaf.

Provisions for remediation costs are made when there is a present obligation, when it is probable that expenditure on remediation work will be required and when the cost can be estimated within a reasonable range of possible outcomes. These costs are based on information currently available, the technology expected to be available at the time of the clean-up, the expected time-frame for remediation, laws and regulations presently or virtually certain to be enacted, and previous experience of remediation. Provision for restoration and decommissioning costs is made at the present value of the expenditures expected to settle the obligation using estimated cash flows based on current prices and discounted at a pre-tax rate that reflects current market assessments of the time value of money.

The decline in the discounted total group rehabilitation obligation to \$683m at the end of 2015, from \$851m at the end of 2014, was a consequence of a number of factors. These included most notably an increase in the group discount rate used in the calculation of the obligation, changes in the timing of the future cash outflows relating to the obligation, as well as the sale of CC&V. The group discount rate increased as a result of increases in longer-term government yield rates.

## PLANNING FOR THE FUTURE continued

### Rehabilitation liabilities per operation (\$m)

Operation	2015			2014
	Restoration	Decommissioning	Total	Total
<b>South Africa</b>	<b>17.9</b>	<b>77.4</b>	<b>95.3</b>	83.5
Great Noligwa	–	–	–	2.5
Moab Khotsong <sup>(1)</sup>	7.3	30.2	37.5	23.2
Kopanang	1.2	12.4	13.6	12.1
TauTona <sup>(2)</sup>	4.0	10.0	14.0	13.0
Mponeng	2.0	3.9	5.9	2.8
Legacy projects				
– Vaal River	–	4.7	4.7	7.4
– West Wits	–	0.3	0.3	3.5
– Other	0.3	–	0.3	0.4
Mine Waste Solutions	3.1	15.1	18.2	17.9
Nufcor SA	–	0.8	0.8	0.7
<b>Continental Africa</b>	<b>260.8</b>	<b>164.3</b>	<b>425.1</b>	463.2
<b>Ghana</b>				
Iduapriem	33.0	8.5	41.5	43.1
Obuasi <sup>(3)</sup>	151.0	58.8	209.8	217.3
Mpasatia (Bibiani pit)	–	–	–	10.0
<b>Guinea</b>				
Siguiri	31.8	29.4	61.2	75.2
<b>Mali <sup>(4)</sup></b>				
Morila	2.4	6.2	8.6	5.0
Sadiola	14.1	12.5	26.6	26.1
Yatela	4.1	10.1	14.2	16.2
<b>DRC</b>				
Mongbwalu	–	–	–	4.6
Kibali <sup>(4)</sup>	–	7.0	7.0	6.9
<b>Tanzania</b>				
Geita	24.4	31.8	56.2	58.8

Operation	2015			2014
	Restoration	Decommissioning	Total	Total
<b>Australasia</b>	<b>32.7</b>	<b>28.7</b>	<b>61.4</b>	65.5
<b>Australia</b>				
Sunrise Dam	20.1	10.2	30.3	32.4
Tropicana	12.6	18.5	31.1	33.1
<b>Americas</b>	<b>99.9</b>	<b>37.6</b>	<b>137.5</b>	272.8
<b>Argentina</b>				
Cerro Vanguardia	43.1	17.2	60.3	57.5
<b>Brazil</b>				
AngloGold Ashanti	42.6	15.4	58.0	75.4
Mineração				
Serra Grande	9.1	5.0	14.1	21.4
<b>United States of America</b>				
Cripple Creek & Victor and other	0.5	–	0.5	112.8
<b>Colombia</b>				
La Colosa	4.6	–	4.6	5.7
<b>Other</b>	<b>6.0</b>	<b>–</b>	<b>6.0</b>	4.0
	<b>417.3</b>	<b>308.0</b>	<b>725.3</b>	889.0
Less equity-accounted investments included above <sup>(4)</sup>	(6.4)	(35.8)	(42.2)	(38.0)
<b>Total discounted estimate</b>	<b>410.9</b>	<b>272.2</b>	<b>683.1</b>	851.0

<sup>(1)</sup> Includes Great Noligwa for 2015.

<sup>(2)</sup> Includes Savuka.

<sup>(3)</sup> Includes Mpasatia (Bibiani pit) for 2015.

<sup>(4)</sup> The equity-accounted investments refer to the Mali assets and Kibali in the DRC.

## ONE-YEAR OUTLOOK

The forecast provided for 2016 takes into account current market conditions, the outlook for commodity prices and the outlook for global economic changes <sup>(1)</sup>

		For the year ended 31 Dec 2016
Production	000oz	3,600 – 3,800
Total cash costs	\$/oz	680 – 720
All-in sustaining costs <sup>(2)</sup>	\$/oz	900 – 960
Capital expenditure	\$m	790 – 850
Non-sustaining capital	\$m	120 – 140
Sustaining capital	\$m	670 – 710

Based on the following assumptions: R15.0/\$, A\$0.70/\$, BRL4.0/\$; AP14.90/\$; Brent crude at \$35 per barrel.

<sup>(1)</sup> Production and cost estimates do not take into account the impacts of any unforeseen operational disruptions, changes to projects or changes to the asset portfolio and/or operating mines.

<sup>(2)</sup> Group level all-in sustaining cost guidance includes corporate costs.

### Other illustrative estimates

\$m	Outlook 2016
Depreciation and amortisation	820
Corporate and marketing costs	75 – 90
Expensed exploration and evaluation costs (including equity-accounted investments)	130 – 150
Interest and finance costs (income statement)	190
Interest and finance costs (cash flow)	175



## ACCOUNTABILITY



# ACCOUNTABILITY

## **ENSURING ACCOUNTABILITY** to all our stakeholders

In this section, we review our performance and philosophy regarding corporate governance, remuneration and assurance of the information presented.

# CORPORATE GOVERNANCE

Good corporate governance is an integral part of the group's sustainability. Adherence to the standards and recommendations set out in the King III Report and other relevant laws and regulations is vital to achieving our strategic priorities.

Corporate governance forms an overarching framework in which the business operates and AngloGold Ashanti is committed to promoting good governance and ethics within all areas of the business. To achieve this, the group continues to enhance and align its governance structures, policies and procedures to support its operating environment and strategy.

## Application of King III principles

Application of and adherence to the King III principles continues to be a key focus. AngloGold Ashanti reviewed its application of the King III principles against the JSE Listings Requirements through the Governance Assessment Instrument tool of the Institute of Directors in Southern Africa and is satisfied that it has applied the King III principles. A detailed analysis of the company's compliance with the King Code of Governance for South Africa, dated March 2016, is available on the company's website, [www.anglogoldashanti.com](http://www.anglogoldashanti.com).

## GOVERNANCE REVIEW

The company is governed by a unitary board of directors, the composition of which promotes the balance of power and of authority and precludes any one director from dominating decision-making. The board is supported by its committees and has delegated certain functions to these committees without abdicating any of its own responsibilities. This process of formal delegation involves approved and documented terms of reference, which are reviewed when required, or at least annually.

It is the responsibility of the board to exercise oversight of governance throughout the organisation. We acknowledge that sound governance principles and practices underpin the creation of value and the sustainability of the business, and are thus crucial to the achievement of the business objectives. AngloGold Ashanti also recognises that strategy, performance, sustainability and risk are inseparable. Our values-driven culture and code of ethics underpins AngloGold Ashanti's governance structures and processes, committing the company to high standards of business integrity and ethics in all its activities.

The governance of the company is guided by internal policies and external laws, rules, regulations and best practice guidelines, details of which are available on the company's website at [www.anglogoldashanti.com/sustainability](http://www.anglogoldashanti.com/sustainability). Governance structures

and processes are reviewed regularly and adapted to accommodate internal developments and to reflect national and international best practices.

## THE BOARD OF DIRECTORS

### Role of the board

The overriding role of the board is to ensure the long-term sustainability and success of the business, for the mutual benefit of all stakeholders. Its overall role is one of strategic leadership. This includes the setting, monitoring and review of strategic targets and objectives, the approval of capital expenditure, acquisitions and disposals, and oversight of governance, internal controls and risk management. The duties, responsibilities and powers of the board, the delegation of authority and matters reserved for the board's authority are all set out in the board charter, which is available on the company's website, [www.anglogoldashanti.com](http://www.anglogoldashanti.com).

### Composition of the board of directors

Board membership at year-end comprised of eleven directors, nine independent non-executive directors and two executive directors. The independence of non-executive directors is contingent upon an evaluation as prescribed by King III.

The board appointed Wiseman Nkuhlu as Deputy Chairman in March 2014. The principal role of the Deputy Chairman is to act when the

*“We acknowledge that sound governance principles and practices underpin the creation of value and the sustainability of the business, and are thus crucial to the achievement of the business objectives.”*

board Chairman is not present or is unable to perform his duties for any other reason, and to serve as liaison between the non-executive directors and the board Chairman.

The group's Chief Executive Officer, Srinivasan Venkatakrisnan, is responsible for the execution of the company's strategy and reports to the board. He chairs the Executive Committee that comprises nine members, and is responsible for the day-to-day management of the group's affairs. The committee's work is supported by country and regional management teams as well as by group corporate functions.

The group has a Chief Financial Officer. This position is held by Christine Ramon. As required by the JSE Listings Requirements, the Audit and Risk Committee, annually considers and expresses its satisfaction at the level of expertise and experience of the Chief Financial Officer.

## CORPORATE GOVERNANCE continued

The Audit and Risk Committee concluded that Christine Ramon, together with other members of the financial management team, had effectively and efficiently managed the group's financial affairs during the period under review as detailed in the Chief Financial Officer's report, which is included in the <AFS>.

### Appointment and rotation of directors

Several factors including the requirements of relevant legislation, best practice recommendations, qualifications and skills of prospective board members and the requirements of the Directors' Fit and Proper Standards of the company, as well as regional demographics are considered in appointing board members. New directors are appointed pursuant to the recommendations of the Nominations Committee, which conducts a rigorous assessment of the credentials of each candidate. All director appointments are subject to shareholder approval at the annual general meeting immediately following the date of their appointment.

In terms of the company's Memorandum of Incorporation (MOI), one third of the directors are required to retire at each annual general meeting and, if they are eligible and available for re-election, will be put forward for re-

election by shareholders. Those directors eligible for re-election at the forthcoming annual general meeting are: Rhidwaan Gasant, Michael Kirkwood, Srinivisan Venkatakrishnan and Dave Hodgson. See the <NOM>.

### Directors' interests

Directors are required to declare their interests annually and to disclose any conflicts of interest, if and when they arise, to determine whether there are any that conflict with their duties at AngloGold Ashanti. Once a conflict has been disclosed, it is managed appropriately by the board. A Declaration of Interest Register is updated by the Company Secretary and circulated at each board meeting.

### Directors' dealings in shares and closed periods

The Company Secretary informs the board and AngloGold Ashanti employees of its closed periods, during which trade in AngloGold Ashanti shares by directors, senior divisional management and by restricted participants in the company's various share incentive schemes is prohibited.

All directors' dealings require the prior approval of the Chairman and the Company Secretary who retains a record of all such share dealings.

### Independence of directors

Determination of director independence is guided by King III, the Companies Act, the requirements of the JSE and the NYSE independence test, the company's internal policy on independence, as well as best practice. All directors were found to be independent in terms of character and judgement.

### Board and committee evaluations

The performance of the board is evaluated annually and includes:

- an assessment of the performance and effectiveness of the board as a whole and that of individual directors
- an evaluation of each committee by members of the committee as well as an evaluation of the chairperson of the committee
- the Company Secretary

An external board evaluation is conducted every third year and for the other two years, the Company Secretary facilitates the process.

The results were discussed by the Nominations Committee and the board in February 2016 and an action plan was developed for areas of refinement.

<sup>1</sup> *The Board*

<sup>2</sup> *Executive Management*

### Company secretary

The Company Secretary, Maria Sanz Perez, is responsible for developing, implementing and maintaining effective processes and procedures to support the board and its committees in the discharge of their duties and responsibilities. She advises the board and individual directors on their fiduciary duties and on corporate governance requirements and best practices.

In line with the JSE Listings Requirements, the board evaluated the qualifications, competence and experience of the Company Secretary in December 2015 and was satisfied that Maria Sanz Perez is qualified to serve as Company Secretary. The board also confirmed the Company Secretary's independence and that the Company Secretary maintains an arms-length relationship with the board when carrying out her duties. The Company Secretary is not a director of the company and has no personal associations with any of the directors. Maria Sanz Perez's qualifications and experience can be viewed in the sections entitled *The Board* <sup>(1)</sup> and *Executive Management* <sup>(2)</sup> in this report and on the website, [www.anglogoldashanti.com](http://www.anglogoldashanti.com).

## BOARD COMMITTEES

### Audit and Risk Committee

#### Brief summary of responsibilities:

The Audit and Risk Committee oversees the integrity of financial reporting, the existence of proper internal controls, the integrity of the <IR> and risk management processes and assesses the company's continuing ability to operate as a going concern. The committee assists the board with the oversight of IT governance, risk management and the implementation of a group ethics and regulatory compliance programme. It ensures the company has qualified external auditors and internal auditors.

More detailed information on the committee's achievements is available in the committee chairman's report in the <AFS>.

The latest approved Audit and Risk Committee Terms of Reference, containing detailed information regarding the committee's responsibilities and mandate, are available on the company's website, [www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx](http://www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx)

### Social, Ethics and Sustainability Committee

#### Brief summary of responsibilities:

The key responsibility of the Social, Ethics and Sustainability Committee is to assist the board in monitoring matters relating to safety, health, the environment and ethical conduct and to ensure that the company develops and behaves as a responsible corporate citizen. The committee ensures that the sustainability strategy positions the company as a leader in mining and that sustainability objectives are effectively integrated into the business.

More information on the committee's achievements is available in a podcast interview with this committee's chairman, which can be accessed in the <SDR>, which is available at [www.aga-reports.com/14/sdr/#messages/chairperson](http://www.aga-reports.com/14/sdr/#messages/chairperson).

The latest approved Social, Ethics and Sustainability Committee Terms of Reference, containing detailed information regarding the committee's responsibilities and mandate, are available on the company's website, [www.anglogoldashanti.com/en/sustainability/policies/Pages/default.aspx](http://www.anglogoldashanti.com/en/sustainability/policies/Pages/default.aspx).

### Remuneration and Human Resources Committee

#### Brief summary of responsibilities:

This Remuneration and Human Resources Committee assists the board in ensuring that AngloGold Ashanti's remuneration policies are in its long-term interests. The committee ensures that in terms of the decisions made, non-executive directors, executive directors, senior management and all other employees are fairly and responsibly remunerated and that shareholder value is delivered. It assists the board in the development of the company's human resources environment.

More information on the achievements of the committee is available in the Remuneration Report <sup>1</sup>.

The latest approved Remuneration and Human Resources Committee Terms of Reference, containing detailed information regarding the committee's responsibilities and mandate, are available on the company's website, [www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx](http://www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx)

### Nominations Committee

#### Brief summary of responsibilities:

The Nominations Committee consists of three independent non-executive directors and is chaired by the Chairman of the board. The committee develops processes to identify, assess and recommend board candidates for appointment as executive and non-executive directors, including the Chairman, Deputy Chairman, Chief Executive Officer and the Company Secretary, and at the same time gives full consideration to succession planning and leadership in the group. It reviews board composition, including the balance of skills, experience and independence. The committee develops and implements the annual evaluation processes, whether internal or external.

The latest approved Nominations Committee Terms of Reference, containing detailed information regarding the committee's responsibilities, mandate and policy on appointments to the board are available on the company's website, [www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx](http://www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx)

## CORPORATE GOVERNANCE continued

### Investment Committee

#### Brief summary of responsibilities:

The Investment Committee assesses individual capital projects and investment and divestment opportunities to ensure that investments, divestments and financing proposals are in accordance with AngloGold Ashanti's primary objective of creating shareholder value on a sustainable long-term basis.

The latest approved Investment Committee Terms of Reference, containing detailed information regarding the committee's responsibilities and mandate, are available on the company's website, [www.anglogoldashanti.com/en/sustainability/policies/Pages/default.aspx](http://www.anglogoldashanti.com/en/sustainability/policies/Pages/default.aspx).

### BOARD AND COMMITTEE MEETING ATTENDANCE

The board meets at least six times a year, with additional meetings arranged when necessary. AngloGold Ashanti's corporate strategies are discussed and agreed with executive management in an annual strategy session.

The directors' attendance at the board and committee meetings during 2015 is disclosed in the table below:

	Board	Audit and Risk Committee	Investment Committee	Remuneration and Human Resources Committee	Social, Ethics and Sustainability Committee	Nomination Committee
<b>Number of meetings in 2015</b>	<b>10</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>4</b>
SM Pityana	10	n/a	n/a	4	5	4
LW Nkuhlu	10	6	4	4	n/a	4
R Gasant	10	6	5	n/a	n/a	n/a
DL Hodgson	10	n/a	5	n/a	5	n/a
NP January-Bardill	10	n/a	n/a	4	5	n/a
MJ Kirkwood	10	6	n/a	4	n/a	4
A Garner	10	6	5	n/a	n/a	n/a
RJ Ruston	10	6	5	n/a	n/a	n/a
M Richter	10	6	n/a	4	n/a	n/a
S Venkatakrishnan	10	n/a	n/a	n/a	5	n/a
KC Ramon	10	n/a	5	n/a	n/a	n/a



## CORPORATE GOVERNANCE continued

### ETHICAL LEADERSHIP AND RESPONSIBLE CORPORATE CITIZEN

The board ensures at all times that the company is, and is seen to be, a responsible corporate citizen. The board not only considers the financial performance of the company, but also strives to enhance and invest in the economic life of the communities in which it operates, society in general and the environment. The Executive Committee is responsible for ensuring these values are adhered to. The board's Social, Ethics and Sustainability Committee ensures the application of these principles.

The Code of Business Principles and Ethics (Our Code), launched in 2010, is the defining document on AngloGold Ashanti's values and ethics. The board and management recognise the importance of ethical behaviour by all employees, directors and related parties at all times as we strive to generate competitive shareholder returns and create value for all stakeholders. The principles of King III facilitate the monitoring of the company's performance from an ethical perspective.

Our Code provides a framework and sets requirements for the implementation of key corporate policies and guidelines. Among other areas, it addresses fraud, bribery and corruption, conflict of interests, gifts, hospitality and sponsorships, use of company assets, privacy and confidentiality, disclosures and insider trading.

Our Code has been translated into four languages and is available on the corporate website, [www.anglogoldashanti.com](http://www.anglogoldashanti.com), the intranet and DVD.

AngloGold Ashanti holds all employees, directors and officers accountable for complying with Our Code and policies, in addition to applicable laws, regulations, standards and contractual obligations in the countries in which AngloGold Ashanti does business. Failure to live up to Our Code may result in disciplinary action being taken, up to and including dismissal. No employee, director or officer will be disciplined or otherwise victimised for raising a concern in good faith.

We have promoted our whistle-blowing communication channels that include hotlines, text messaging, email and web facilities, which are administered by a third party. Use of these facilities is promoted by means of posters at all locations. Employees, directors, officers and external parties may use the hotlines, anonymously if they wish, to report concerns. All concerns are carefully investigated and, wherever possible, feedback is provided to the person raising the concern upon request.

Sustainability is an integral part of how AngloGold Ashanti does business. Our commitment to achieving operational excellence in a safe and responsible way benefits all our stakeholders, including our employees, government and the communities in which we operate. Our efficient use of resources, together

with the provision of a safe and healthy working environment, contributes to the sustainability of our business and the environment.

### LEGAL, ETHICAL AND REGULATORY COMPLIANCE

The group's geographical spread makes its legal and regulatory environment diverse and complex. Given the critical importance of compliance in building a sustainable business, group compliance plays an essential role in co-ordinating compliance with laws and regulations, standards and contractual obligations and in assisting and advising the board and management on designing and implementing appropriate compliance policies and procedures.

During 2015, group compliance activities aimed at enhancing the company's governance. Key among these activities were:

- the continued global roll-out of awareness training on Our Code and anti-bribery and anti-corruption measures by means of both online training, DVD training for those without computer access, and "in person" training on key risk areas
- continued development of a compliance programme aligned with "best practice" principles identified by, among others, bodies responsible for the prosecution of violations of key extra-territorial legislation such as the US Foreign Corrupt Practices Act, and that are adaptable at an operational level to enhance the effectiveness of the compliance framework

- investigations into high-risk issues, including certain whistleblowing and related investigations
- continued implementation of a risk-based third party due-diligence process for both suppliers and agents/intermediaries
- development and utilisation of a methodology for continuous improvement in compliance and a review of compliance policies as well as the use of compliance metrics as part of our combined assurance audit programme
- specific training on various anti-bribery and anti-corruption issues, including conflicts of interest and payments to government officials
- revision and issuance of new policies, procedures and guidance, including a revised anti-bribery and anti-corruption policy, related guidance and a revised conflicts of interest policy
- regular assessment of the automated registers for group gifts, hospitality and sponsorship and conflicts of interest
- enhanced communication on compliance initiatives across the group through, among other channels, bi-monthly newsletters and other corporate communications
- additional efforts to provide automated access to track and monitor compliance with laws and regulations, including self-certification processes and legal registers, by country.

## CORPORATE GOVERNANCE continued

### External and internal standards and voluntary codes

AngloGold Ashanti adheres strictly to legislative and regulatory compliance, including several external and voluntary standards which are listed below.

The company is a member of and a signatory to the:

- International Council on Mining and Metals (ICMM)
- Principles of the United Nations Global Compact (UNGC)
- Extractive Industries Transparency Initiative (EITI)
- United Nations Guiding Principles on Business and Human Rights
- Voluntary Principles on Security and Human Rights (VPSHR)
- World Gold Council's Conflict-Free Gold Standard (WGC CFGS)

The company is committed to complying with the following standards:

- Universal Declaration on Human Rights
- International Bill of Human Rights
- International Labour Organization (ILO) standards

In addition, we have group policies and charters to which we adhere. Increasingly, customers and consumers want assurance that the gold they are purchasing has not contributed to conflict or human rights abuse. This has resulted in a number of measures being introduced by industry-related organisations to prevent gold and other commodities from being used to fund conflict and other violations of human rights.

AngloGold Ashanti's shares are registered with the Securities and Exchange Commission (SEC) in the United States and therefore the company is subject to the various laws regarding securities that are applicable in that country.

### South African Employment Equity Act 55 of 1998

In compliance with Section 21 of the Employment Equity Act 55 of 1998, the company is obliged to file with the Department of Labour, the employment equity statistics for its South African workforce. A report was filed with the Department of Labour on 10 December 2015, covering the period 1 August 2013 to 31 July 2015. A copy of the report is available on the AngloGold Ashanti website, [www.anglogoldashanti.com/sustainability](http://www.anglogoldashanti.com/sustainability), in the section entitled "Employment Equity Reports".

### Governance – supply chain management and procurement policies

Supply chain management is about more than just procuring the right product, at the right time and in the right quantities. Effective supply chain management, undertaken with integrity and in line with our values and governance principles, can add value to our business by improving efficiency, relationships and reputation and, ultimately, can affect our long-term sustainability. As a global company operating on most of the world's continents, responsible management of the supply chain

is an increasingly important ethical and human rights consideration for our business. External ratings agencies and customers are ever more aware of the implications and importance of ethical conduct in the supply chain.

Responsible supply chain management has the potential to add value to communities, local governments and society as a whole, and particularly so in developing countries. We have adopted a cross-functional approach to supply chain management to ensure best practice while complying with international human rights and labour standards and ensuring the economic participation of local stakeholders.

# REMUNERATION AND HUMAN RESOURCES COMMITTEE

## Chairman's Letter



**Michael Kirkwood**  
Chairman: Remuneration and  
Human Resources Committee

### DEAR SHAREHOLDERS

**In the opinion of the Remuneration and Human Resources Committee (Remco), AngloGold Ashanti's leadership team acquitted itself well in one of the most challenging years for the industry in memory, one in which the gold price ground lower for the third consecutive year.**

Gold averaged \$1,160/oz in 2015, down 8% from the previous year and a full 30% lower than the average recorded in 2012, the peak of the cycle. You will be aware that at the end of 2014 the team set an ambitious target of achieving a raft of 'self-help' measures during the course of 2015. The principal aim of these was to deleverage the balance sheet using internally generated cash, to continue driving down operating and corporate costs, as well as to optimise the portfolio of assets. The deleveraging was imperative given the very high cost of equity financing, continued uncertainty in the gold price, and our own view that we needed urgently to strengthen our balance sheet, without diluting shareholders, and – crucially – to reduce the annual interest burden of around \$250m.

These challenging goals were met with understandable scepticism, but I am very gratified to report delivery on almost all of the

objectives set. Looking at the fundamental operating performance, total cash costs in 2015 at \$712/oz were 9% lower than the previous year, while corporate costs fell by an impressive 15%, taking us back, in nominal terms no less, to levels last seen in 2006. Exploration costs were 8% down year-on-year to \$132m as we continued to focus our expenditure on higher-potential areas, and sharper capital allocation pulled our capital expenditure figure down 29% to \$857m. All of this together left the important all-in sustaining cost figure at \$910/oz, down 11% from the previous year. We also met market guidance, (adjusted to take account of discontinued operations), on all metrics.

In June, we concluded the sale of CC&V to Newmont Mining Corp. for \$819m plus a net smelter royalty on future underground production. While selling a core asset is never easy, we were pleased that – despite a depressed market for gold mining equities – we received full value for this transaction. Only days after receiving the proceeds, we applied them to buy back the rump of our highest cost bond, reducing by \$779m the seven-year, 8.5% notes with a principal of \$1.25bn. This decisive act reduces our annual interest burden by around \$60m. Prevailing market conditions hampered the search for joint venture partners for certain of our Colombian assets, but that process will resume when the macroeconomic environment improves.

Despite the operational successes achieved, safety remains a key area that we must improve on. While there were improvements in the all-injury frequency rate, the broadest measure of safety performance, we recorded 11 fatalities during the year, reversing the positive trend seen in 2013 and 2014. All but two of these were in South Africa. Safety is our highest value and a cornerstone of our operational performance. To highlight this, the bonuses of both the CEO and the COO: South Africa region were penalised for the poor safety performance. We are investing significant time and resources in returning to an improving trend across this most crucial metric.

The beginning of the 2015 year also saw Obuasi transition fully to 'limited operations' mode, following the retrenchment of the full workforce. Had we not done this when we did, and kept this loss-making asset operating, it would have bled more than \$300m from our balance sheet at current prices. The intention is to redevelop this operation together with a joint venture partner, but for the moment this century-old mine with a world-class, untapped ore body, will remain idled at a lower cost than seen in prior years.

Aside from ensuring the alignment of our remuneration and human resource practices with the strategic direction of the company, Remco was involved in the following additional activities:

## REMUNERATION AND HUMAN RESOURCES COMMITTEE continued

### Chairman's Letter

- A strong focus was placed on governance and reporting, our remuneration policy, remuneration and integrated reports were all reviewed and benchmarked by an independent external governance body, to further improve the quality and disclosure requirements.
  - A review of the current shortage of shares available under the company share schemes and self-help measures to re-design incentives to better fit the business was a core part of the year's focus.
  - The CEO was reluctant to take an annual increase (having not taken an increase for two consecutive years). However given his cumulative declining market positioning in base pay (and therefore total remuneration) as a result of not taking these increases for 2014 and 2015, he has indicated that he will accept the CPI increase offered for 2016 and donate it in full to his personal scholarship programme at the University of Witwatersrand, the purpose of which is to support deserving, financially underprivileged students registered for a B.Acc or B.Comm degree. Given that the CEO waived his cash bonus for 2013, deferred it to shares in 2014, he was persuaded to take his cash bonus for 2015.
  - Two new non-executive directors were appointed during the year:
- Ms Maria Richter, who is a lawyer, investment banker and accomplished, experienced FTSE 100 non-executive director who has served on a diverse range of UK and international boards, and
  - Mr Albert Garner who has extensive experience in capital markets, corporate finance and mergers and acquisitions having worked with Lazard Frère & Co., LLC for 35 years in various leadership positions.
- During the year Mike O'Hare the COO of South Africa region retired after 38 years of loyal service. Mike was replaced by Chris Sheppard, a 30-year veteran of South Africa's deep underground mining sector, who joined us in June 2015.

With the ongoing focus on our strategic priorities, Remco is addressing a concern that share incentives for our senior leadership cannot be fully realised as the required share pool is insufficient to meet share allocation requirements. The structure of our share incentive schemes along with the declining share price in recent years has accelerated the erosion of the authorised pool of shares more rapidly than anticipated. This unsustainable reward structure has led to a substantive review of share-based incentive and reward structures that currently exist.

A redesign of the incentive structures is underway and will include a strong focus on transparency, simplicity, accountability, and greater focus and further tightening of the performance-related measures which we use to assess and drive the business. Sustainability has been an area where we have focused our efforts to create significant measures and we will focus on more refinement and greater clarity of metrics. Our stakeholders interest in sustainability and our environmental focus has increased and we will be seeking to include further measurable metrics to address these focus areas.

We are working with our external consultants on both our short- and long-term incentive plans, and are investigating the following changes:

- Short Term Incentive Plan (STIP) – Overall simplification by the possible removal of the share component and converting the scheme to a cash-based bonus scheme, payable on achievement of set performance conditions.
- Long Term Incentive Plan (LTIP) – In response to shareholder suggestions we are considering extending and staggering current three-year vesting periods, to periods longer than three years, accompanied by clear performance conditions. We will also take on board shareholder endorsement around our

planned re-think of the performance metrics, so as to not place undue reliance on one metric, i.e. total shareholder return (TSR), but to consider also including other return metrics. The basis for allocations would change from a percentage of remuneration to a performance-driven award within an overall cap of 1.25% of the issued share capital approved in 2015.

In driving this change we are conscious that balance needs to be applied between both the down cycles and the up cycles in an industry where cycle duration can be up to 10 years. Remco therefore endeavours to take you, our stakeholders, with us on this journey of change to implement incentive schemes that can correctly weather the cycles.

Your Remco has focused on improving the transparency of information in this report, recognising that the impending implementation of King IV may add further enhancements to disclosure guidelines. We trust the reader will recognise the enhanced disclosure.

This Remuneration Report covers the period 1 January 2015 to 31 December 2015.

**Michael Kirkwood**

*Chairman: Remuneration and Human Resources Committee*

22 March 2016

# REMUNERATION REPORT

Throughout this report, the term ‘executive directors’ refers to the CEO and the CFO, while the Executive Committee (Exco), which includes the executive directors and prescribed officers, is referred to as the ‘executive management team’.

Remco is responsible for the pay governance associated with these roles and will talk to all three categories or separately highlight individual roles where it is appropriate.

Remco met four times in 2015 with all members present. Details of committee members and meeting attendance can be found in the Corporate Governance section. <sup>1</sup>

## PART 1: REMUNERATION POLICY

At AngloGold Ashanti our remuneration policy is robust and aims to align with AngloGold Ashanti’s strategic objectives while working to deliver on both internal and external stakeholder requirements in line with market lows and highs. This is accomplished by means of a governance and application framework that primarily aims to retain and where necessary attract employees through fair, transparent and competitive remuneration.

### Key principles of the remuneration policy

In order to continue to support our remuneration approach we have a remuneration policy that is based on the following key principles:

- Remunerate to drive and reward the behaviour and performance of our employees and executives which align the organisation, shareholder and employee strategic goals
- Ensure that performance metrics are demanding, sustainable and cover all aspects of the business including both the key financial and non-financial drivers
- Structure remuneration ensuring that our values are maintained and the correct governance frameworks are applied across our remuneration decisions and practices
- Apply the appropriate remuneration benchmarks
- Provide competitive rewards to attract, motivate and retain highly skilled executives and staff vital to the success of the organisation

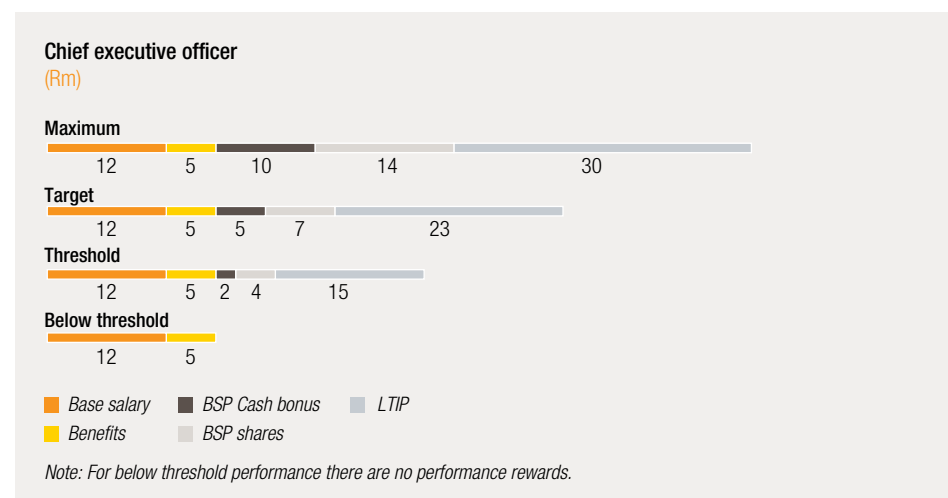
### Remuneration design and pay mix

When determining appropriate remuneration, Remco considers:

1. The potential maximum total remuneration that each member of the executive management team could earn related to performance
2. External influences, primarily being:
  - shareholder views and recommendations associated with executive remuneration
  - economic trends
  - competitive pressure
  - the labour market and the pay-gap between the executive management team and the rest of the employee population in the company
3. Market benchmarks, choosing appropriate benchmarks in a market with similar attributes including, complexity, size and geographic spread

### Pay mix of the executive management team:

The graphs below provide the pay mix for the Executive Management Team at below expected performance, threshold, target and maximum performance:

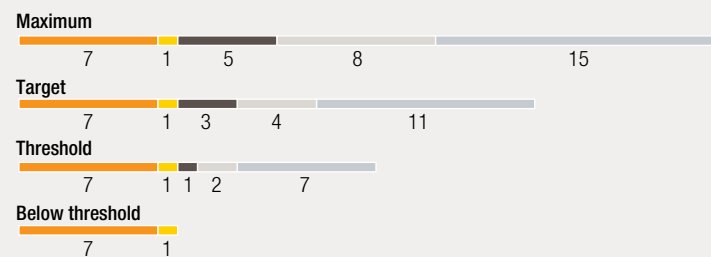


# REMUNERATION REPORT continued



## Chief financial officer

(Rm)

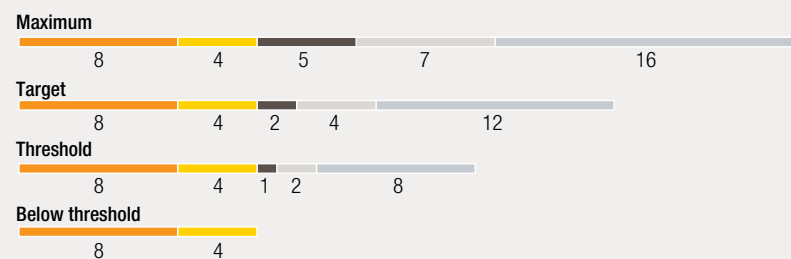


■ Base salary   
 ■ BSP Cash bonus   
 ■ LTIP  
■ Benefits   
 ■ BSP shares

Note: For below threshold performance there are no performance rewards.

## Executive committee

(Rm)



■ Base salary   
 ■ BSP Cash bonus   
 ■ LTIP  
■ Benefits   
 ■ BSP shares

Note: For below threshold performance there are no performance rewards.

## REMUNERATION REPORT continued

### Components of remuneration and their link to strategic objectives

The table below details the remuneration policy for 2016, which is unchanged from 2015, as it relates to the components of remuneration for the executive management team. The table details each component's link to the company strategy, objectives, performance measurement and the maximum opportunity associated with each component:

Remuneration element and link to strategy	Operation and objective	Maximum opportunity	Performance measures
<b>Base salary</b>			
A competitive salary provided to executives to ensure that their experience, contribution and appropriate market comparisons are fairly reflected	<ul style="list-style-type: none"> <li>Base salaries are reviewed annually and are effective 1 January each year</li> <li>Executive base salaries are determined by considering their performance; market conditions against companies with a similar geographic spread, market complexity, size and industry; and internal peer comparisons</li> <li>The CEO makes recommendations on the rest of the team but does not make recommendations on his own base salary which is reviewed by Remco and approved by the board</li> </ul>	Executive base salary increases and increases for all non-bargaining unit employees are closely aligned where practical and this is informed by inflation, which has an upward or downward adjustment to recognise individual performance or to be matched directly to CPI.	Individual performance on a scale of 1 to 5, measured against specific Key Performance Indicators (KPIs) are reviewed by Remco. A CPI increase pool is approved by Remco annually. In high-inflation countries, individual increases may be differentiated according to each individual's performance rating. In low-inflation countries, a flat CPI is applied to all executives and employees.
<b>Pension</b>			
Provides a post retirement benefit aligned to the schemes in the respective country in which he or she operates	<ul style="list-style-type: none"> <li>The funds vary depending on jurisdiction and legislation</li> <li>Defined benefit funds are not available for new employees in line with company policy</li> </ul>	24.75% of base salary for the CEO and lower contributions for others, dependent on their scheme	Not applicable
<b>Medical insurance</b>			
Provides medical aid assistance aligned to the schemes in the respective country in which he or she operates	<ul style="list-style-type: none"> <li>Provided to all executives through either a percentage of fee contribution, reimbursement or company-provided healthcare providers</li> </ul>	In line with approved policy	Not applicable
<b>Benefits</b>			
Provided to ensure broad competitiveness in the respective markets	Benefits are provided based on local market trends and can include items such as life assurance, disability and accidental death insurance, assistance with tax filing, cash in lieu of untaken leave (above legislated minimum leave requirements) and occasional spousal travel as per the executive travel guidelines.	In line with approved policy	Not applicable

## REMUNERATION REPORT continued

Remuneration element and link to strategy	Operation and objective	Maximum opportunity	Performance measures
<p><b>Short-term incentive</b></p> <p>The short-term incentive is known as the Bonus Share Plan (BSP) or Short Term Incentive Plan (STIP) and is designed to focus executives on delivering on the key priorities for the year by achieving the defined company objectives</p> <p>The performance objectives are reviewed and selected annually based on their short to medium term impact on the company</p> <p>The STIP has a deferral element granted in equity awards to ensure that the shareholders and executive focus remains aligned</p> <p><i>Please note the structure of the STIP is under review.</i></p>	<p>STIP metrics are defined annually and weightings are applied to each of the measures. The metrics are defined against the objectives that most strongly drive company performance and are shown below.</p> <p>Each metric is weighted and has a threshold, target and stretch definition based on the company budget and the desired stretch targets for the year.</p> <p>The STIP is delivered as a cash element and a deferred equity element which is fully realised after 24 months.</p> <p>At the end of each financial year, the company and the CEO's performances are assessed by Remco and the board against the defined metrics to determine the award granted.</p> <p>Stratum III employees and above, who are not on production bonuses, qualify for participation.</p> <p>The deferral is intended to be delivered in equity, but Remco retains the discretion to deliver in cash should there be a requirement, for example, where the shares available for issue are below the required amount to satisfy employee allocation needs.</p> <p>Participation in the STIP is at the discretion of Remco.</p>	<p><b>CEO:</b></p> <p>Maximum award – 200% of base salary (cash 80% + deferred equity/ cash award 120%) Target award – 100% (cash 40% + deferred equity/ cash award 60%) Threshold award – 50% (cash 20% + deferred equity/cash award 30%) Below threshold achievement results in a 0% payment</p> <p><b>CFO:</b></p> <p>Maximum award – 175% (cash 70% + deferred equity/cash award 105%) Target award – 87.5% (cash 35% + deferred equity/cash award 52.5%) Threshold award – 43.75% (cash 17.5% + deferred equity/cash award 26.25%) Below threshold achievement results in a 0% payment</p> <p><b>Exco:</b></p> <p>Maximum award – 150% (cash 60% + deferred equity/cash award 90%) Target award – 75% (cash 30% + deferred equity/cash award 45%) Threshold award – 37.5% (cash 15% + deferred equity/cash award 22.5%) Below threshold achievement results in a 0% payment</p>	<p><b>CEO:</b></p> <p>Performance measures: 70% company objectives 30% individual KPIs (as reviewed by the board) Both company and individual performance are assessed over the financial year</p> <p><b>CFO and Exco:</b></p> <p>Performance measures: 60% company objectives 40% individual KPIs (as reviewed by the CEO, Remco and the board) Both company and individual performance are assessed over the financial year.</p> <p>The company metrics measured are:</p> <ul style="list-style-type: none"> <li>• Production</li> <li>• All-in sustaining costs</li> <li>• Free cash flow</li> <li>• Safety, health and environment</li> <li>• Ore Reserve pre-depletion</li> <li>• Project delivery/capital expenditure</li> </ul>

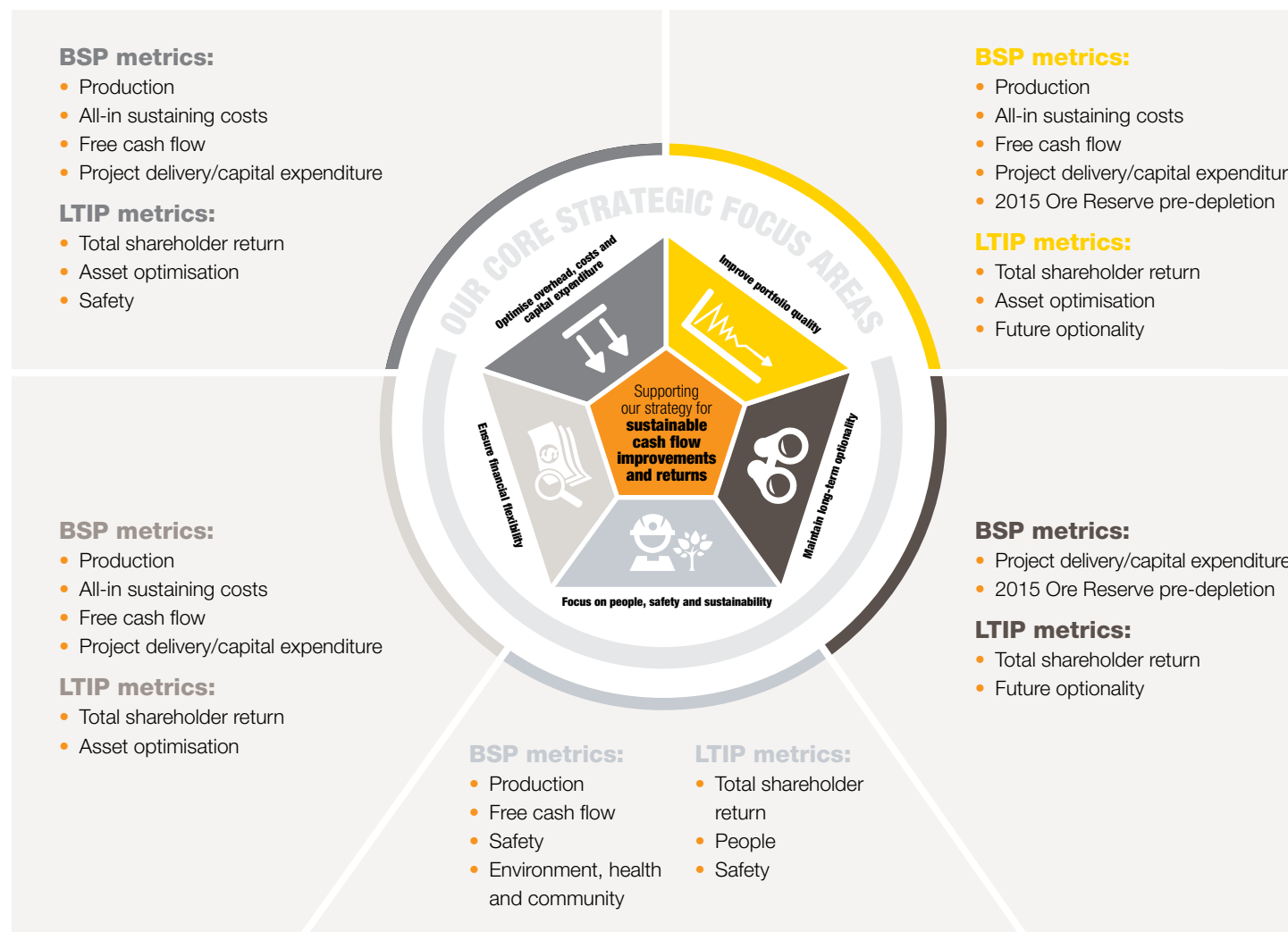


## REMUNERATION REPORT continued

Remuneration element and link to strategy	Operation and objective	Maximum opportunity	Performance measures
<b>Co-Investment Plan</b>			
<p>The Co-Investment Plan (CIP) is a retention plan designed to assist executives to achieve their minimum shareholding requirements. This is accomplished by encouraging them to invest their cash bonus in equity which will be matched by the company in the short to medium term</p>	<p>The CIP is offered annually to create shareholdings held by executives to meet their minimum shareholding requirements (introduced in 2013). These were implemented to achieve the alignment of shareholder and executive interests.</p> <p>The executive invests up to 50% of their net cash bonus in company shares, after 12- and 24-month periods, the company then offers an equity match of shares purchased on market, provided the executive remains in employment and retains the original investment.</p>	<p>150% of the equity originally invested over a deferred 24-month period.</p>	<p>Quantum based on STIP achievement</p>
<b>Long Term Incentive Plan</b>			
<p>The primary intention of the Long Term Incentive Plan (LTIP) is to ensure that the medium-to long-term interests of the executive and the shareholders are aligned, providing reward to the executive and wealth creation to shareholders when the strategic performance drivers are achieved.</p> <p>The strategic drivers are used in defining the LTIP metrics. These are depicted in the strategy diagram on the following page.</p> <p><i>Please note that the structure of the LTIP scheme is under review.</i></p>	<p>The LTIP metrics are reviewed and defined annually in accordance with the strategy. (It is important to note that any amendment would be applied on a go-forward basis to newly allocated awards with no retrospective metric changes to existing awards.)</p> <p>Weightings are provided to the metrics which must be achieved over a three-year period.</p> <p>The TSR is measured against a carefully selected peer group of 10 comparators that was recommended by Remco and approved by the board. The comparator group is retained for measurement for the full three-year review period.</p> <p>The score against all relevant measures contributes towards the percentage of total awards that will vest at the end of the three-year period.</p> <p>Only senior management from Stratum IV and above are eligible to participate in the LTIP.</p> <p>A share under the LTIP is a fully paid ordinary share in the capital of the company, subject to performance vesting restrictions. The dilution may not exceed 5% of the company's ordinary share capital.</p> <p>Participation in the LTIP is at the discretion of Remco.</p>	<p><b>CEO:</b> Range of award: 160 – 250% of base salary</p> <p><b>CFO:</b> Range of award: 140 – 200% of base salary</p> <p><b>Exco:</b> Range of award: 140 – 200% of base salary</p>	<p>The TSR is calculated by the growth in capital from purchasing a share in the company, assuming that the dividends are reinvested each time they are paid. The TSR is then used to rank the performance of the company against its competitors.</p> <p>The remaining 50% performance measurements are:</p> <ul style="list-style-type: none"> <li>Operational performance</li> <li>Future optionality (measured through technology innovation and Mineral Resource and Ore Reserve)</li> <li>Development and attraction of people (measured by the succession cover ratio and talent retention)</li> <li>A safety multiplier applied to the total score which can either enhance or detract from the final score by 20%. The safety multiplier cannot however increase the maximum pay-out above the defined caps</li> </ul>

# REMUNERATION REPORT continued

## ALIGNMENT OF STRATEGY, PAY AND PERFORMANCE



In line with AngloGold Ashanti's strategic objectives, the STIP and LTIP metrics were designed to deliver on these key focus areas.

### (1) Maintain a strong foundation –

**Safety:** Improve safety performance and reduce fatalities;

**People:** Develop and retain the people who are the business; and

**Sustainability:** ensure that we retain our social licences to operate

(2) **Improve financial flexibility** – Being prudent and proactive in balance sheet management by improving earnings; returns and free cash flow; ensuring liquidity and headroom; and mitigating refinancing risks

(3) **Optimise our cost base** – Reduce direct operating costs, overheads and indirect spend and optimise annual total capital spend

(4) **Improve portfolio quality** – A strong focus on selecting only key projects that add value to the portfolio.

(5) **Maintain long-term optionality, albeit at a reasonable cost** – Determining an affordable pace of development against a project plan that focuses on the projects critical to the sustainability of AngloGold Ashanti.

## REMUNERATION REPORT continued

### Recruitment policy

When recruiting executives, a comparative benchmarking exercise will be done to determine the size, nature and complexity of the role and also skills availability in the market prior to making a competitive offer. For new appointments, Remco may compensate for remuneration forfeited from the previous employer. The intention is to not grant more than the executive would have received in a 12-month period. However, Remco does have the discretion to compensate higher values if, through a fair value assessment, it can be demonstrated that the amount forfeited exceeds that granted. Remco will compensate the amount forfeited through a combination of equity and cash.

### Termination policy

The executive management team all have open ended contracts (except where prescribed retirement ages apply) with termination periods defined in their contracts.

In addition, incentive scheme rules clearly specify termination provisions by termination category. In the event of a termination, the company has the discretion to allow the executive to either work out their notice or to pay the base pay for the stipulated notice period in lieu of notice.

### Reason for termination

	Voluntary resignation	Dismissal/ termination for cause	Normal and early retirement, retrenchment and death	Mutual separation
<b>Base salary</b>	Paid over the notice period or as a lump sum	No payment	Base pay is paid for a defined period based on cause and local policy as executives have different employment entities	Paid over the notice period or as a lump sum
<b>Pension</b>	Pension contributions for the notice period will be paid; the lump sum would not include pension contributions unless contractually agreed	No payment	Pension will be paid until such time that employment ceases	Pension contributions for the notice period will be paid; the lump sum would not include pension contributions unless contractually agreed
<b>Medical provisions</b>	Where applicable, medical provision for the notice period will be paid; the lump sum would not include contributions unless contractually agreed	No payment/provision	Medical provision/ payment will be provided until such time that employment ceases	Where applicable medical provision for the notice period will be paid; the lump sum would not include contributions unless contractually agreed
<b>Benefits</b>	Applicable benefits may continue to be provided during the notice period but will not be paid on a lump sum basis	No payment	Benefits will fall away at such time that employment ceases	Applicable benefits may continue to be provided during the notice period but will not be paid on a lump sum basis

## REMUNERATION REPORT continued

### Reason for termination (continued)

	Voluntary resignation	Dismissal/ termination for cause	Normal and early retirement, retrenchment and death	Mutual separation
<b>STIP share awards</b>	Unvested shares lapse	All shares lapse (both vested, un-exercised and unvested)	Pro-rata unvested shares based on the length of employment from date of offer	Remco determines whether a pro-rata portion may be granted
<b>BSP cash bonus</b>	Forfeit, no bonus	No bonus	Discretion to pro-rate for period worked (no matching shares awarded)	Discretion to pro-rate for period worked (no matching shares awarded)
<b>LTIP</b>	Unvested shares lapse	All shares lapse, (both vested, un-exercised and unvested)	Pro-rata unvested shares based on the length of employment from date of offer by applying the last two years' average performance results (death has no performance criteria applied)	Remco determines whether a pro-rata portion may be granted (or board in the case of the executive directors)
<b>CIP</b>	Unallocated matching portion lapses	Forfeit matching portion of shares	Matching shares based on the length of employment from date of purchase	Remco determines whether a pro-rata portion may be granted (or board in the case of the executive directors)

### Minimum shareholding requirements

With effect from March 2013, a minimum shareholding requirement (MSR) was introduced for the executive management team. Remco is of the opinion that share ownership by the executive management team demonstrates their commitment to the success of the company, and serves to reinforce the alignment between executive and shareholder interests.

The MSR requirement and current achievement requirements are as per the table below:

	Within three years of appointment/ from introduction of the MSR	Within six years of appointment/ from introduction of the MSR	Holding requirement
CEO and CFO	100% of net annual base salary	200% of net annual base salary	Indefinite
Exco	75% of net annual base salary	150% of net annual base salary	Indefinite

## REMUNERATION REPORT continued

For the purpose of the MSR calculation only fully owned and vested awards will count towards the determination of the MSR.

The following count towards an individual's MSR:

- JSE shares purchased on the market, either directly or indirectly, for personal reasons including shares purchased by an executive under the CIP
- Vested matching shares purchased by the company under the CIP
- Vested shares from the company's share incentive schemes (BSP and LTIP and any historic schemes)

*The table below reflects MSR achievements as at 31 December 2015:*

Executive	Target achievement date	MSR holding as at 31 December 2015 as % of net base pay	MSR target percentage as at three-year achievement date
<b>Executive directors</b>			
S Venkatakrishnan	March 2016	887%	100%
KC Ramon <sup>(1)</sup>	March 2018	10%	100%
<b>Prescribed officers</b>			
I Boninelli	March 2016	460%	75%
CE Carter	March 2016	193%	75%
GJ Ehm	March 2016	342%	75%
RW Largent <sup>(2)</sup>	March 2016	96%	75%
DC Noko	March 2016	191%	75%
ME Sanz Perez	March 2016	345%	75%
CB Sheppard <sup>(3)</sup>	March 2019	0%	75%

<sup>(1)</sup> The executive director joined the company 1 October 2014 and the three-year MSR achievement is only due in March 2018.

<sup>(2)</sup> RW Largent required to sell shares in order to pay for tax on vesting in US, resulting in reduced share holding.

<sup>(3)</sup> The executive joined the company 1 June 2015 and the three-year MSR achievement is only due in March 2019.

### Service contracts

All members of the executive management team have permanent employment contracts which entitle them to standard group benefits as defined by their specific region and participation in the company's BSP and LTIP. All recently updated executive contracts include details on participation in the CIP.

Certain South African executives (excluding the CEO and the CFO for 2015) are paid offshore remuneration which is detailed under a separate contract. This reflects the percentage of their time spent outside South Africa focused on offshore business requirements. The payment under this contract has been extended to 2016 to include all South African-based executives, including the CEO and the CFO, increased to a maximum cap of 20% of base pay following a review of the amount of time spent outside South Africa on the offshore responsibilities of each executive team member. Where practical, the offshore remuneration is made pensionable.

### Change of control and notice periods

Executive management team contracts are reviewed annually and currently continue to include a change of control provision.

The change of control is subject to the following triggers:

- The acquisition of all or part of AngloGold Ashanti, or
- A number of shareholders holding less than 35% of the company's issued share capital consorting to gain a majority of the board and make management decisions, and
- Executive management contracts are either terminated or their role and employment conditions are curtailed

In the event of a change of control becoming effective, the executive will in certain circumstances be subject to both the notice period and the change of control contract terms. The notice periods applied per category of executive and the change of control periods as at 31 December 2015 were as follows:

Executive Committee member	Notice period (months)	Change of control (months)
Chief Executive Officer	12	12
Chief Financial Officer	6	6
Other executive management team members	6	6

## REMUNERATION REPORT continued

### Non-executive directors remuneration policy

The company's non-executive directors (NEDs) are paid on the basis of their role and there is no differentiation by nationality. The policy is applied using the following principles:

- A board fee is paid for the six annual board meetings and board committee members receive annual committee fees for participation.
- Fees are reviewed annually and increases implemented in July. They are set using a global comparator group which is derived from companies with similar size, complexity and geographic spread
- NEDs receive a travel allowance for travel outside of their home country for site visits and board meetings
- NEDs are not eligible to receive any short- or long-term incentives

### Remuneration consultants

Where appropriate, Remco obtains advice from independent remuneration consultants. The consultants are employed directly by Remco and engage directly with them to ensure independence.

Remco has appointed PwC to provide specialist, independent remuneration advice on all forms of executive and non-executive pay.

Mercer performs an independent bespoke executive survey and their advice is primarily around salary benchmarking for both executive and non-executive pay.

## PART 2 – REMUNERATION JANUARY TO DECEMBER 2015

Part 2 of the Remuneration Report explains the implementation of our remuneration policies by providing detail of the remuneration paid to executive and non-executive directors for the financial year ended 31 December 2015.

### Executive pay

The year 2015 mirrored 2014 when the gold price remained low, cost cutting remained a key imperative and the external market reflected similar challenges. Each member

of the executive management team received a CPI increase. The CEO has elected to donate his increase for 2016 to his personal scholarship programme at the University of Witwatersrand, the purpose of which is to support deserving, financially underprivileged students registered for a B.Acc or B.Comm degree at the university. This amounts to a total donation of R750,000 for 2016.

On behalf of AngloGold Ashanti, Mercer conducts an annual bespoke survey of executive remuneration. For 2015, Remco reviewed the comparator group against

AngloGold Ashanti to ensure that changes in the market had not led to variances that made the current matches inappropriate. The review consisted of a detailed analysis of both existing and proposed companies who it was felt were appropriate for inclusion in the benchmark. The companies included in the comparator group were ranked in terms of a number of criteria selected in areas which were, it was felt, aligned with AngloGold Ashanti. The table below summarises the final comparator group selected and an overview of the more heavily weighted rankings considered in their selection:

### 2014 Comparator benchmark ranking by category (ranked from 1 to 15)

	Geographic spread	Share performance over 5 years (2009-2014)	2014			
			Turnover	Number of employees	Market capital	Total assets
AngloGold Ashanti Limited	3	9	6	1	9	7
Anglo American Platinum Limited	14	6	5	3	4	9
Barrick Gold Corporation	4	8	2	8	3	1
Gold Fields Limited	8	11	10	14	12	11
Goldcorp Inc.	6	5	7	12	2	2
Harmony Gold Mining Company Limited	11	12	13	6	15	13
Impala Platinum Holdings Limited	12	10	9	2	8	10
Kinross Gold Corporation	5	14	8	15	11	6
Lonmin plc	15	13	14	9	13	12
Mondi Limited	1	1	3	7	6	8
Newmont Mining Corporation	7	7	4	10	5	3
Randgold Resources Limited	9	3	15	11	7	14
Sasol Limited	2	2	1	5	1	4
Sibanye Gold Limited	13	–	11	4	14	15
Yamana Inc.	10	4	12	13	10	5

## REMUNERATION REPORT continued

During 2015 there were three changes to the executive management team. These were the early retirement of Mike O'Hare, the COO for the South African region on 30 September 2015, the appointment of his replacement Chris Sheppard on 1 June 2015 and the relocation of the EVP: Strategy and Business Development, Charles Carter, from Johannesburg to the Denver office in the United States. In terms of remuneration in these three cases, the following can be noted:

- Mike O'Hare received no additional payments outside of the standard policies currently in place and applicable to early retirement. He therefore received pro-rata STI and LTI shares and cash in lieu of his BSP share award. He did not qualify for a 2015 short-term incentive.
- Chris Sheppard was given a sign-on bonus in lieu of shares forfeited upon his appointment by AngloGold Ashanti. The sign-on bonus consisted of an up-front cash payment of R1 million with a full claw back in the event of his leaving in the first 24 months of employment and R2 million worth of LTIPs with three-year performance conditions aligned with those of the 2015 LTIP in place for all other executives.
- In January 2015, Charles Carter was relocated to the Denver office and, as a consequence, he was moved to a US-remuneration base. He received a relocation allowance to cover all relocation costs at the time of the transfer.



## REMUNERATION REPORT continued

The table below summarises the executive director and prescribed officer remuneration for 2015. It comprises a full overview of all the pay elements available to the executive management team in the 12-month period ended December 2015.

Figures in thousand	Appointed with effect from	Resigned/retired with effect from	Salary <sup>(1)</sup>	Performance-related payments <sup>(2)</sup>	Pension	Other benefits and encashed leave <sup>(3)</sup>	Sub total	Exercised BSP share award value	Exercised LTIP share award value	Total SA rands	Total US dollars <sup>(4)</sup>
<b>Executive directors</b>											
S Venkatakrishnan <sup>(5)</sup>	2015	Full year	12,000	7,635	2,970	1,728	24,333	–	–	24,333	1,905
	2014	Full year	12,000	–	2,970	1,149	16,119	–	–	16,119	1,488
KC Ramon	2015	Full year	7,448	4,634	931	68	13,081	–	–	13,081	1,024
	2014	1 Oct	1,750	1,284	219	14	3,267	–	–	3,267	302
<b>Prescribed officers</b>											
I Boninelli	2015	Full year	6,092	3,066	647	799	10,604	–	–	10,604	830
	2014	Full year	5,720	2,870	608	99	9,297	–	–	9,297	858
CE Carter <sup>(6)</sup>	2015	Full year	8,640	4,608	254	5,849	19,351	2,641	2,352	24,344	1,906
	2014	Full year	6,891	3,043	732	1,046	11,712	–	864	12,576	1,161
GJ Ehm <sup>(7)</sup>	2015	Full year	7,877	5,639	335	2,627	16,478	644	806	17,928	1,404
	2014	Full year	8,038	7,247	293	10,975	26,553	1,002	–	27,555	2,544
RW Largent <sup>(8)</sup>	2015	Full year	15,166	8,021	2,814	6,439	32,440	3,422	837	36,699	2,873
	2014	Full year	12,503	6,615	211	5,388	24,717	968	–	25,685	2,372
DC Noko <sup>(9)</sup>	2015	Full year	6,097	4,213	648	1,505	12,463	–	–	12,463	976
	2014	Full year	5,590	5,162	594	744	12,090	–	–	12,090	1,116
MP O' Hare <sup>(10)</sup>	2015	30 Sept	5,879	–	1,204	5,655	12,738	179	56	12,973	1,016
	2014	Full year	7,367	3,475	1,509	109	12,460	–	–	12,460	1,151
ME Sanz Perez	2015	Full year	6,071	3,055	645	743	10,514	–	–	10,514	823
	2014	Full year	5,700	3,999	606	157	10,462	–	–	10,462	966
CB Sheppard <sup>(11)</sup>	2015	1 June	3,500	1,552	438	1,028	6,518	–	–	6,518	511
	2014		–	–	–	–	–	–	–	–	–

<sup>(1)</sup> Salaries are disclosed only for the period from or to which office is held, and include car allowances where applicable.

<sup>(2)</sup> The performance-related payments are calculated on the year's financial results.

<sup>(3)</sup> Includes health care, cash in lieu of dividends, 2014 and 2015 vested CIP match awards, secondment/relocation allowances, group personal accident, disability and funeral cover. Surplus leave days accrued are automatically encashed unless work requirements allow for carry over.

<sup>(4)</sup> Values have been converted using the average annual exchange rate for 2015: R12.7719:\$1 (2014: R10.8295:\$1; 2013 R9.6231:\$1).

<sup>(5)</sup> Other benefits of S Venkatakrishnan include encashment due to untaken leave.

<sup>(6)</sup> Other benefits of CE Carter include a relocation allowance in lieu of relocation from South Africa to the Denver, USA office.

<sup>(7)</sup> GJ Ehm's 2015 increase was delivered as a lump sum payment (2.5% adjustment) of R196,927 in January 2016. He received a project bonus in terms of delivering against the Obuasi Project Charter. The bonus was based on 60% of pay, of which 40% was paid in 2015 based on meeting of performance requirements. Other benefits include a secondment allowance for time spent in Ghana.

<sup>(8)</sup> Other benefits of RW Largent include the sale of BSP shares due to US tax requirements.

<sup>(9)</sup> DC Noko received a project bonus in terms of delivering against the Obuasi Project Charter. The bonus was based on 60% of pay, of which 40% was paid in 2015, based on a meeting of performance requirements. Other benefits include a secondment allowance for time spent in Ghana.

<sup>(10)</sup> MP O'Hare retired as at the end of September, pay is however disclosed for the full year. Other benefits include cash in lieu of BSP shares as a result of Mr O'Hare's retirement. No additional payments were made.

<sup>(11)</sup> CB Sheppard commenced employment on 1 June 2015 and as such his pay reflects seven months of the year. A sign-on bonus was paid and is reflected under other benefits. The annual performance bonus was pro-rated.

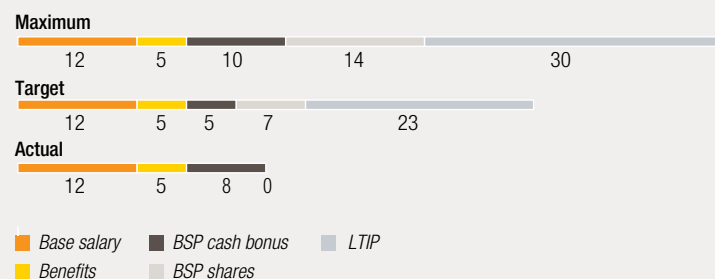


## REMUNERATION REPORT continued

As per 2015 the emolument table on the previous page, the diagram below reflects executive directors' actual earnings against their earning potential:

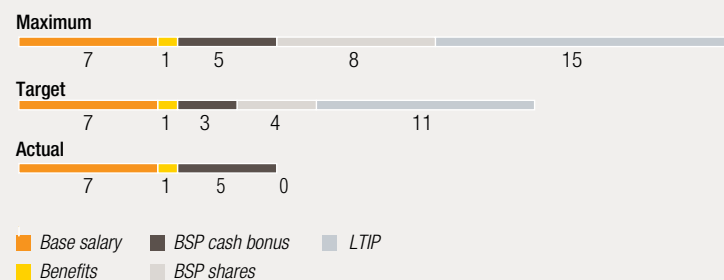
### Chief executive officer: actual earnings against target and maximum earnings potential

(Rm)



### Chief financial officer: actual earnings against target and maximum earnings potential

(Rm)



### Short-term incentive performance outcomes (BSP)

The table below summarises AngloGold Ashanti metrics, their weightings and performance against these metrics applicable to the BSP during 2015:

BSP company performance measure 2015	Target weighting	Achievement	Actual achievement against measures	Threshold measures	Target measures	Stretch measures
Production (000oz)	18%	15.79%	3,947	3,654	3,798	4,090
All-in sustaining costs (\$/oz)	22%	22%	1,008	1,204	1,120	1,015
Free cash flow (\$m)	10%	10%	263	(695)	(409)	7
Project delivery/capital expenditure	15%	9.66%	Measured against a detailed project plan			
2015 Ore Reserve pre-depletion (Moz)	10%	10%	Plus 2.2	Plus 0.78	Plus 1.25	Plus 1.57
Safety, health and environment	25%	14.03%	Measured against detailed metrics			
Total % for company performance	100%	81.47%				

## REMUNERATION REPORT continued

Safety was an important challenge for AngloGold Ashanti at its South African operations in 2015. Of the 25% allocated to safety, health and environment, 15% of the measure is directly apportioned to safety. There was a zero achievement against the all injury frequency rate (AIFR) and the fatal injury frequency rate (FIFR) which resulted in a low score on this metric. Nine of the 11 fatalities took place in the South Africa region and individual performance scores for the CEO and the COO: South Africa region were penalised for the safety results.

Achievement against all-in sustaining costs and free cash flow were exceptionally good and led to a high overall rating (consistent with the 2014 results). This was achieved by improving the fundamental cost performance of the business, and a very good operating performance from our international mines.

Net debt improved by almost \$1bn, from the end of 2014, to the \$2.19bn achieved at the end of 2015. Net debt to adjusted EBITDA, a measure closely watched by out lenders and shareholders to determine the resilience of our balance sheet in prevailing market conditions, improved from 1.9 times at the end of 2014 to our target of 1.5 times at the end of 2015. This was a result of the successful sale of CC&V, improved cash flow from the business and a partial take out of the high-yield bonds.

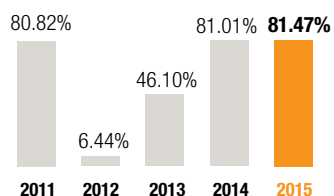
The calculation below demonstrates how the bonus performance translates into the 2015 cash bonus payment for the CEO and the CFO:

Performance measures	Weighting	Outcome	
		S Venkatakrishnan	KC Ramon
<b>Financial performance targets</b>			
Production (000oz)	18%	15.79%	15.79%
All-in sustaining costs (\$/oz)	22%	22.00%	22.00%
Free cash flow (\$m)	10%	10.00%	10.00%
Project delivery/capital expenditure	15%	9.66%	9.66%
2015 Ore Reserve pre-depletion (Moz)	10%	10.00%	10.00%
Safety, health and environment	25%	14.03%	14.03%
Total % for company performance	100%	81.47%	81.47%
		x	x
Organisational performance weighting		70.00%	60.00%
		=	=
<b>A – Organisational performance weighted outcome</b>		<b>57.03%</b>	<b>48.88%</b>
<b>Individual performance results</b>			
Actual individual targets and strategic objectives are not disclosed in order to maintain commercial confidentiality in competitive markets			
Individual performance weighting		30.00%	40.00%
		x	x
Maximum performance rating bonus correlation		75.00%	100.00%
		=	=
<b>B – Maximum bonus opportunity based on individual performance</b>		<b>22.50%</b>	<b>40.00%</b>
Total % of maximum bonus pay opportunity (A + B)		79.53%	88.88%
		x	x
Maximum bonus opportunity (as % of base pay)		80.00%	70.00%
		=	=
<b>Final bonus result (as % of base pay)</b>		<b>63.62%</b>	<b>62.22%</b>
		x	x
Base pay during the year		12,000,000	7,448,000
		=	=
<b>Annual bonus</b>		<b>7,634,880</b>	<b>4,633,848</b>

## REMUNERATION REPORT continued

The BSP company performance over the past five years has been as follows:

### BSP percentage achieved (for the last five years)



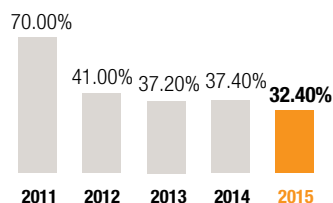
### Vesting outcomes of the 2013 LTIP awards

As the LTIP is a three-year scheme, its metrics were implemented in 2013, in line with the company strategy at the time.

Performance measure	Weighting
Total shareholder return (TSR)	50%
Ore Reserve and Mineral Resource ounce generation pre-depletion	15%
Project delivery	20%
Free cash flow (cash flow from operations less stay-in-business and Ore Reserve development expenditure)	15%
<b>Total achievement</b>	<b>100%</b>

The LTIP reflects ongoing poor TSR performance over the three-year period, providing results that are aligned with those delivered in 2014 but lower than the previous year's:

### LTIP percentage achieved (for the last five years)



An application for 10 million additional shares will be made at the 2016 annual general meeting to meet the share allocation requirements under both the STI and the LTI. The Directors' Report in the **<AFS>** provides details of the total share allocations and remaining shares available for future allocations.

Performance against the LTIP metrics for the 2013 LTIP awards that vest on 13 March 2016 (for the period 2013 to 2015) is summarised below:

Performance measure	Performance criteria	Achievement	Allocation 2013 - % awarded
Total shareholder return (TSR)	50% absolute ranking and 50% relative ranking against seven elected comparators and the Gold ETF	Ranked seventh, just ahead of Kinross Gold Corporation and Harmony Gold Mining Company Limited	0.0%
Project delivery	Schedule capital, safety and quality performance	Two projects, Kibali and Tropicana, were initiated. Achieved 88% on project delivery	17.6%
Generation of Mineral Resources	Between 21Moz and 27Moz (3 x 7-9Moz) Measured/Indicated Mineral Resources	21.5Moz	0.0%
Free cash flow	Cash flow from operations less stay-in-business and Ore Reserve development expenditure		14.8%
Total LTIP award percentage			32.4%

## REMUNERATION REPORT continued

### Non-executive director fees and allowances

The board elected not to take an increase in 2015, given prevailing market conditions.

The table below summarises the directors' fees for the period as well as the comparative totals for 2014 and 2013:

	Fees	Committee fees	Travel allowance	Total	Total	Total
US dollars <sup>(1)</sup>	2015				2014	2013
SM Pityana	332,500	72,500	6,250	411,250	430,714	186,767
AH Garner	134,000	43,500	26,250	203,750	–	–
LW Nkuhlu	174,000	80,000	6,250	260,250	245,074	184,492
MJ Kirkwood	130,500	75,000	36,250	241,750	262,762	266,362
NP January-Bardill	130,500	52,500	6,250	189,250	187,355	140,538
R Gasant	130,500	58,500	6,250	195,250	187,635	131,899
R Ruston	134,000	56,000	36,250	226,250	240,226	251,841
MDC Richter	130,500	40,000	33,750	204,250	–	–
DL Hodgson	130,500	43,500	6,250	180,250	125,015	–
Total	1,427,000	521,500	163,750	2,112,250	1,678,781	1,161,899

<sup>(1)</sup> Directors' compensation is disclosed in US dollars. The amounts reflected are the values calculated using an exchange rate of R12.77:\$1 (2014: R10.83:\$1; 2013: R9.62:\$1).

<sup>(2)</sup> Fees are disclosed only for the period for which office is held.

### Gini co-efficient

AngloGold Ashanti tracks the Gini co-efficient from a South African perspective to ensure that the income dispersion between high and low income earners is not outside market norms. The analysis is done by PwC as an independent third party and, based on the January 2016 analysis, PwC concluded

that the AngloGold Ashanti had a slightly lower level of income dispersion than that of South African companies in general as well as a lower Gini co-efficient when compared with the South African mining industry. We have begun an investigation into extending the review of income dispersion across our international operations.

### Shareholder feedback

At the 2015 annual general meeting, shareholders indicated that they had no significant concerns, however, they did request that transparency be shown in terms of the calculation of bonus metrics. In 2015, greater effort was taken to explain the calculation and provide more detail in terms of the metrics to assist with understanding of the results.

## APPROVALS AND ASSURANCES

AngloGold Ashanti's annual reports for the 2015 financial year have been approved and assured as follows:

### INTEGRATED REPORT 2015

The Integrated Report for the year ended 31 December 2015, which was recommended by the Audit and Risk Committee for approval by the board, was approved by the board of directors on 22 March 2016.

### ANNUAL FINANCIAL STATEMENTS 2015

The Annual Financial Statements for the year ended 31 December 2015 were approved by the board of directors on 22 March 2016. The financial statements were prepared by the corporate reporting staff of AngloGold Ashanti Limited, headed by John Edwin Staples, the group's Chief Accounting Officer. This process was supervised by Christine Ramon, the group's Chief Financial Officer, and Srinivasan Venkatakrishnan, the group's Chief Executive Officer.

In accordance with the Companies Act, No. 71 of 2008, as amended, the Annual Financial Statements for AngloGold Ashanti Limited, for the year ended 31 December 2015, were audited by Ernst & Young Inc., the company's independent external auditors, whose unqualified audit report can be found in the <AFS>.

### MINERAL RESOURCE AND ORE RESERVE REPORT 2015

The Mineral Resource and Ore Reserve information as included in the Integrated Report was approved by the board of directors on 22 March 2016.

The chairman of the Mineral Resource and Ore Reserve Steering Committee assumes responsibility for AngloGold Ashanti's Mineral Resource and Ore Reserve processes and is satisfied that the competent persons have fulfilled their responsibilities, as reported in the <R&R>.

### SUSTAINABLE DEVELOPMENT REPORT 2015

The <SDR> was approved by the board of directors on 22 March 2016. Independent combined reasonable and limited assurance of this report was provided by Ernst & Young Inc.



## SHAREHOLDER AND CORPORATE INFORMATION



## TOWARDS VALUE CREATION

through credible and sustainable business

In this section, we provide information relating to our shareholders and useful administrative details.

## SHAREHOLDER INFORMATION

AngloGold Ashanti Limited (Registration number 1944/017354/06) was incorporated in the Republic of South Africa in 1944 and operates under the South African Companies Act No. 71 of 2008, as amended, with a primary listing on the JSE in South Africa.

### COMPANY HISTORY – IN BRIEF

AngloGold Limited was founded in June 1998 with the consolidation of the gold mining interests of Anglo American. The company, AngloGold Ashanti in its current form, was formed in April 2004 following the business combination of AngloGold Limited (AngloGold) with Ashanti Goldfields Company Limited (Ashanti).

### STOCK EXCHANGE LISTINGS

AngloGold Ashanti is an independent gold producer with a diverse spread of shareholders comprising the world's largest financial institutions.

At the end of December 2015, AngloGold Ashanti had 405,265,315 ordinary shares in issue and a market capitalisation of \$2.88bn (2014: \$3.51bn). As at 22 March 2016, the date of this report, the market capitalisation was \$5.54bn.

The primary listing of the company's ordinary shares is on the JSE in South Africa. Its ordinary shares are also listed on stock exchanges in

New York (NYSE), in the form of American Depositary Shares (ADSs), in Australia, in the form of Clearing House Electronic Sub-register System (CHES) Depositary Interests (CDIs) and in Ghana, in the form of Ghanaian Depositary Shares (GhDSs).

### SHAREHOLDER DIARY

Financial year end:  
31 December

Suite of 2015 annual reports published:  
31 March 2016

Annual general meeting:  
4 May 2016

### CHANGE OF DETAILS

Shareholders are reminded that the onus is on them to keep the company, through their nominated share registrars, apprised of any change in their postal address and personal particulars. Similarly, where shareholders receive dividend payments electronically (EFT), they should ensure that the banking details which the share registrars and/or CSDPs have on file are correct.

### ANNUAL REPORTS

The 2015 suite of annual reports is available on the corporate reporting website, [www.aga-reports.com](http://www.aga-reports.com).

## SHAREHOLDINGS

The top 10 shareholders together own 49.59% of the shares in issue. There are five shareholders with holdings exceeding 5% of the total ordinary issued share capital. A comparison of the top 10 shareholders and their holdings is as follows:

*As at 31 December 2015, the top 10 shareholders in AngloGold Ashanti were:*

		Number of shares held	% of total shares in issue	Number of shares held	% of total shares in issue
		2015	2015	2014	2014
1	Investec Asset Mgt	31,185,069	7.69	28,576,916	7.07
2	Van Eck Global	26,941,752	6.65	24,759,780	6.13
3	Public Investment Corporation	25,936,314	6.40	31,854,515	7.88
4	Paulson & Co.	25,027,300	6.18	26,205,400	6.49
5	Dimensional Fund Advisors	20,901,571	5.16	13,465,261	3.33
6	BlackRock Investment Mgt	16,979,044	4.19	6 549 138	1.62
7	Franklin Templeton Investments	16,136,814	3.98	7 796 643	1.93
8	Vanguard Group	12,681,669	3.13	11,611,514	2.87
9	Deutsche Bank	12,674,444	3.13	8,526,235	2.11
10	BlackRock Fund Advisors	12,462,526	3.08	9 792 348	2.42

The Bank of New York Mellon holds 198,617,090 shares, being a holding of 49.01% (2014: 194,944,027 shares, a holding of 48.25%), through various custodians in respect of AngloGold Ashanti's American Depositary Share Programme on the NYSE.

## SHAREHOLDER INFORMATION continued

### Shareholder spread as at 31 December 2015:

Class of shareholder	Number of shares held	% of total shares in issue	Number of shareholders	% of total shares in issue
Public shareholders	398,652,822	98.37	8,470	99.89
Non-public				
Directors	238,843	0.06	8	0.10
Strategic holdings (Government of Ghana)	6,373,650	1.57	1	0.01
<b>Total</b>	<b>405,265,315</b>	<b>100.00</b>	<b>8,479</b>	<b>100.00</b>

### Stock exchange data

	High (R or \$/share)	Low (R or \$/share)	Average (R or \$/share)	Volume traded (000)	Ave monthly volume traded (000)
<b>JSE</b>					
2015	144.92	73.76	113.12	384,307	32,027
2014	209.52	88.36	152.27	280,288	23,357
<b>NYSE</b>					
2015	12.99	5.68	8.95	950,850	79,238
2014	19.53	7.45	13.90	749,358	62,447

Source: Bloomberg

### DIVIDEND POLICY

Dividends are proposed by, and approved by the board of directors of AngloGold Ashanti, based on the company's financial performance. It is to be noted that no dividends have been declared since the first quarter in 2013. AngloGold Ashanti expects to resume paying dividends, although there can be no assurance that dividends will be paid in the future or as to the particular amounts that will be paid from year to year. The payment of future dividends will depend on the board's ongoing assessment of AngloGold Ashanti's earnings, after providing for long-term growth, cash/debt resources, compliance with the solvency and liquidity requirements of the Companies Act, the amount of reserves available for a dividend based on the going-concern assessment, and restrictions (if any) placed by the conditions of debt facilities, protection of the investment grade credit rating and other factors.

### Withholding tax

On 1 April 2012, the South African government imposed a 15% withholding tax on dividends and other distributions payable to shareholders.

### ANNUAL GENERAL MEETING

Shareholders on the South African register who have dematerialised their shares in the company (other than those shareholders whose shareholding is recorded in their own names in the sub-register maintained by their CSDP) and who wish to attend the annual general meeting to be held on 4 May 2016 in person, will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between them and the CSDP or broker.

### Voting rights

The Companies Act provides that if voting is by a show of hands, any person present and entitled to exercise voting rights has one vote, irrespective of the number of voting rights that person would otherwise be entitled to. If voting is taken by way of poll, any shareholder who is present at the meeting, whether in person or by duly appointed proxy, shall have one vote for every share held.

There are no limitations on the right of non-South African shareholders to hold or exercise voting rights attaching to any shares of the company. CDI holders are not entitled to vote in person at meetings, but may vote by way of proxy.

Options granted in terms of the share incentive scheme do not carry rights to vote.



## 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, total cash costs, all-in sustaining costs, all-in costs, cost savings 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, commencement and completion of commercial operations of certain of AngloGold Ashanti's exploration and production projects and the completion of acquisitions, dispositions or joint venture transactions, 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 health and safety 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 and forecasts are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results 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, the success of business and operating initiatives, changes in the regulatory environment and other government actions, including environmental approvals,

fluctuations in gold prices and exchange rates, the outcome of pending or future litigation proceedings, and business and operational risk management. For a discussion of such risk factors, refer to AngloGold Ashanti's annual reports on Form 20-F filed with the United States Securities and Exchange Commission. 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 reflect events or circumstances after the date hereof 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.

This communication may contain certain 'Non-GAAP' financial measures. AngloGold Ashanti utilises certain Non-GAAP performance measures and ratios in managing its business. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies may use. AngloGold Ashanti posts information that is important to investors on the main page of its website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) and under the "Investors" tab on the main page. This information is updated regularly. Investors should visit this website to obtain important information about AngloGold Ashanti.

# ADMINISTRATION

## ANGLOGOLD ASHANTI LIMITED

Registration No. 1944/017354/06  
Incorporated in the Republic of South Africa

### Share codes:

ISIN: ZAE000043485

JSE: ANG

NYSE: AU

ASX: AGG

GhSE (Shares): AGA

GhSE (GhDS): AAD

**JSE Sponsor:** Deutsche Securities (SA)  
Proprietary Limited

**Auditors:** Ernst & Young Inc.

### Offices:

#### Registered and Corporate

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South Africa

(PO Box 62117, Marshalltown 2107,  
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Telephone: +27 11 637 6000

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Australia

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Accra, Ghana

Telephone: +233 302 773400

Fax: +233 302 778155

## DIRECTORS

### Executive

S Venkatakrishnan (Chief Executive Officer) <sup>§\*</sup>

KC Ramon (Chief Financial Officer) <sup>^</sup>

### Non-executive

SM Pityana (Chairman) <sup>^</sup>

Prof LW Nkuhlu (Deputy Chairman) <sup>^</sup>

AH Garner <sup>#</sup>

R Gasant <sup>^</sup>

DL Hodgson <sup>^</sup>

NP January-Bardill <sup>^</sup>

MJ Kirkwood <sup>\*</sup>

MDC Richter <sup>#</sup>

RJ Ruston <sup>~</sup>

<sup>\*</sup> British      <sup>§</sup> Indian      <sup>#</sup> American

<sup>~</sup> Australian      <sup>^</sup> South African

### Officers

Executive Vice President – Legal, Commercial  
and Governance and Company Secretary:

ME Sanz Perez

### Investor relations contacts:

#### Stewart Bailey

Telephone: +27 11 637 6031

Mobile: +27 81 032 2563

E-mail: sbailey@anglogoldashanti.com

#### Fundisa Mgidi

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Mobile: +27 82 821 5322

E-mail: fmgidi@anglogoldashanti.com

#### Sabrina Brockman

Telephone: +1 212 858 7702

Mobile: +1 646 379 2555

E-mail: sbrockman@anglogoldashanti.com

### General e-mail enquiries:

Investors@anglogoldashanti.com

### AngloGold Ashanti website:

www.anglogoldashanti.com

### Company secretarial e-mail:

Companysecretary@anglogoldashanti.com

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## SHARE REGISTRARS

### South Africa

Computershare Investor Services (Pty) Limited  
Ground Floor, 70 Marshall Street

Johannesburg 2001

(PO Box 61051, Marshalltown 2107)

South Africa

Telephone: 0861 100 950 (in SA)

Fax: +27 11 688 5218

Website: queries@computershare.co.za

### Australia

Computershare Investor Services Pty Limited

Level 11, 172 St George's Terrace

Perth, WA 6000

(GPO Box D182 Perth, WA 6840)

Australia

Telephone: +61 8 9323 2000

Telephone: 1300 55 2949 (in Australia)

Fax: +61 8 9323 2033

### Ghana

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Ghana

Telephone: +233 302 229664

Fax: +233 302 229975

### ADR Depository

BNY Mellon (BoNY)

BNY Shareowner Services

PO Box 358016

Pittsburgh, PA 15252-8016

United States of America

Telephone: +1 800 522 6645 (Toll free in USA)

or +1 201 680 6578 (outside USA)

E-mail: shrrelations@mellon.com

Website: www.bnymellon.com.com\  
shareowner

### Global BuyDIRECT<sup>SM</sup>

BoNY maintains a direct share purchase and dividend reinvestment plan for AngloGold Ashanti.

Telephone: +1-888-BNY-ADRS