

ANGLOGOLD ASHANTI LTD

Form 20-F

March 31, 2016

Table of Contents

As filed with the Securities and Exchange Commission on 31 March 2016

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

.. REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934 OR
x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR
.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR
.. SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FINANCIAL YEAR ENDED 31 December 2015

Commission file number: 1-14846

AngloGold Ashanti Limited

(Exact Name of Registrant as Specified in its Charter)

Republic of South Africa

(Jurisdiction of Incorporation or Organisation)

76 Rahima Moosa Street, Newtown, Johannesburg, 2001

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

South Africa

(Address of Principal Executive Offices)

Kandimathie Christine Ramon, Chief Financial Officer, Telephone: +27 11 6376019

E-mail: cramon@anglogoldashanti.com, 76 Rahima Moosa Street, Newtown, Johannesburg, 2001, South Africa

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

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

Title of each class
American Depositary Shares

Name of each exchange on which registered
New York Stock Exchange

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Ordinary Shares
 5.375% Notes due 2020
 8.500% Notes due 2020
 5.125% Notes due 2022
 6.50% Notes due 2040

New York Stock Exchange*
 New York Stock Exchange
 New York Stock Exchange
 New York Stock Exchange
 New York Stock Exchange

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

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

None

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

None

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

Ordinary Shares of 25 ZAR cents each	405,265,315
A Redeemable Preference Shares of 50 ZAR cents each	2,000,000
B Redeemable Preference Shares of 1 ZAR cent each	778,896

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

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

Yes No

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

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

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

U.S. GAAP

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

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

* This requirement does not apply to the registrant.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>Presentation of information</u>	3
<u>Certain forward-looking statements</u>	4
<u>Glossary of selected terms</u>	
<u>Mining terms</u>	5
<u>Financial terms</u>	8
<u>Currencies</u>	9
<u>Abbreviations</u>	10
<u>Part I:</u>	
Item 1: <u>Identity of directors, senior management and advisors</u>	11
Item 2: <u>Offer statistics and expected timetable</u>	11
Item 3: <u>Key information</u>	
3A. <u>Selected financial data</u>	11
3B. <u>Capitalisation and indebtedness</u>	15
3C. <u>Reasons for the offer and the use of proceeds</u>	15
3D. <u>Risk factors</u>	15
Item 4: <u>Information on the company</u>	47
4A. <u>History and development of the company</u>	47
4B. <u>Business overview</u>	49
4C. <u>Organisational structure</u>	98
4D. <u>Property, plant and equipment</u>	99
Item 4A: <u>Unresolved staff comments</u>	124
Item 5: <u>Operating and financial review and prospects</u>	125
5A. <u>Operating results</u>	126
5B. <u>Liquidity and capital resources</u>	167
5C. <u>Research and development, patents and licenses, etc</u>	174
5D. <u>Trend information</u>	174
5E. <u>Off-balance sheet arrangements</u>	174
5F. <u>Tabular disclosure of contractual obligations</u>	174
Item 6: <u>Directors, senior management and employees</u>	175
6A. <u>Directors and senior management</u>	175
6B. <u>Compensation</u>	182
6C. <u>Board practices</u>	185
6D. <u>Employees</u>	189
6E. <u>Share ownership</u>	190
Item 7: <u>Major shareholders and related party transactions</u>	197
7A. <u>Major shareholders</u>	198
7B. <u>Related party transactions</u>	199
7C. <u>Interests of experts and counsel</u>	199
Item 8: <u>Financial information</u>	200
8A. <u>Consolidated financial statements and other financial information</u>	200
<u>Legal proceedings</u>	200
<u>Dividends</u>	205

Table of Contents

Item 9:	<u>The offer and listing</u>	206
	9A. <u>Offer and listing details</u>	206
	9B. <u>Plan of distribution</u>	206
	9C. <u>Markets</u>	207
	9D. <u>Selling shareholders</u>	207
	9E. <u>Dilution</u>	207
	9F. <u>Expenses of the issue</u>	207
Item 10:	<u>Additional information</u>	208
	10A. <u>Share capital</u>	208
	10B. <u>Memorandum of Incorporation</u>	210
	10C. <u>Material contracts</u>	215
	10D. <u>Exchange controls</u>	225
	10E. <u>Taxation</u>	226
	10F. <u>Dividends and paying agents</u>	230
	10G. <u>Statement by experts</u>	230
	10H. <u>Documents on display</u>	230
	10I. <u>Subsidiary information</u>	230
Item 11:	<u>Quantitative and qualitative disclosures about market risk.</u>	231
Item 12:	<u>Description of securities other than equity securities</u>	236
	12A. <u>Debt securities</u>	236
	12B. <u>Warrants and rights</u>	236
	12C. <u>Other securities</u>	236
	12D. <u>American Depositary Shares</u>	236
	12D.3 <u>Depositary fees and charges</u>	236
	12D.4 <u>Depositary payments for 2015</u>	236
<u>Part II:</u>		
Item 13:	<u>Defaults, dividend arrearages and delinquencies</u>	237
Item 14:	<u>Material modifications to the rights of security holders and use of proceeds</u>	238
Item 15:	<u>Controls and procedures</u>	239
Item 16A:	<u>Audit committee financial expert</u>	242
Item 16B:	<u>Code of Ethics and Whistleblowing Policies</u>	243
Item 16C:	<u>Principal accountant fees and services</u>	244
Item 16D:	<u>Exemptions from the listing standards for audit committees</u>	244
Item 16E:	<u>Purchases of equity securities by the issuer and affiliated purchasers</u>	244
Item 16F:	<u>Change in registrant's certifying accountant</u>	245
Item 16G:	<u>Corporate Governance</u>	245
Item 16H:	<u>Mine Safety Disclosure</u>	245
<u>Part III:</u>		
Item 17:	<u>Financial statements</u>	246
Item 18:	<u>Financial statements</u>	247 and F pages
Item 19	<u>Exhibits</u>	E pages

Table of Contents

PRESENTATION OF INFORMATION

AngloGold Ashanti Limited

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

IFRS financial statements

As a company incorporated in the Republic of South Africa, AngloGold Ashanti has prepared annual audited consolidated financial statements and unaudited consolidated quarterly financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) in the English language since 1998. These financial statements are distributed to shareholders and are submitted to the JSE Limited (JSE), as well as the New York, Australian and Ghana stock exchanges.

Currency

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

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

See Item 3A: Selected financial data Exchange rate information for historical information regarding the US dollar/South African rand exchange rate. On 18 March 2016, the interbank US dollar/South African rand exchange rate as reported by OANDA Corporation was R15.24/\$1.00.

Non-GAAP financial measures

In this annual report on Form 20-F, AngloGold Ashanti presents the financial items total cash costs, total cash costs per ounce, total production costs, total production costs per ounce, all-in sustaining costs, all-in sustaining costs per ounce, all-in costs and all-in costs per ounce, which are not IFRS measures. An investor should not consider these items in isolation or as alternatives to production costs, profit/(loss) applicable to equity shareholders, profit/(loss) before taxation, cash flows from operating activities or any other measure of financial performance presented in accordance with IFRS.

While the Gold Institute provided definitions for the calculation of total cash costs and total production costs and during June 2013 the World Gold Council published a Guidance Note on all-in sustaining costs and all-in costs metrics, the calculation of total cash costs, total cash costs per ounce, total production costs, total production costs per ounce, all-in sustaining costs, all-in sustaining costs per ounce, all-in costs and all-in costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Glossary of selected terms Financial terms Total cash costs, Glossary of selected terms Financial terms Total production costs, Glossary of selected terms Financial terms All-in sustaining costs and Glossary of selected terms Financial terms All-in costs. Nevertheless, AngloGold Ashanti believes that total cash costs, total production costs, all-in sustaining costs and all-in costs in total and per ounce are useful indicators to investors and management as they provide:

- an indication of profitability, efficiency and cash flows;
- the trend in costs as the mining operations mature over time on a consistent basis; and
- an internal benchmark of performance to allow for comparison against other mines, both within the AngloGold Ashanti group and at other gold mining companies.

A reconciliation of both cost of sales and total cash costs as included in the company's audited financial statements to total cash costs, total production costs, all-in sustaining costs and all-in costs for each of the three years ended 31 December 2013, 2014 and 2015 is presented herein. See Item 5: Operating and Financial Review and Prospects Total all-in sustaining costs, all-in costs and total cash costs and total production costs.

Shares and shareholders

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

Table of Contents

CERTAIN FORWARD-LOOKING STATEMENTS

Certain statements contained in this document, other than statements of historical fact, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, 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 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 and other factors as described in Item 3D: Risk factors and elsewhere in this annual report. These factors are not necessarily all of the important factors that could cause AngloGold Ashanti's actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Consequently, readers are cautioned not to place undue reliance on forward-looking statements.

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

Table of Contents

GLOSSARY OF SELECTED TERMS

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

Mining terms

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

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

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

Carbon-in-leach (CIL): Gold is leached from a slurry of gold ore with cyanide in agitated tanks and adsorbed on to activated carbon granules at the same time (i.e. when cyanide is introduced in the leach tank, there is already activated carbon in the tank and there is no distinction between leach and adsorption stages). The carbon granules are separated from the slurry and treated in an elution circuit to remove the gold.

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

CLR: Carbon leader reef.

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

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

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

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

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

Doré: Impure alloy of gold and silver produced at a mine to be refined to a higher purity.

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

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

Feasibility study: A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study (JORC 2012).

Flotation: Concentration of gold and gold-hosting minerals into a small mass by various techniques (e.g. collectors, frothers, agitation, air-flow) that collectively enhance the buoyancy of the target minerals, relative to unwanted gangue, for recovery into an over-flowing froth phase.

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

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

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

Table of Contents

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

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

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

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

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

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

Mineral Resource: A concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided in order of increasing geological confidence, into Inferred, Indicated or Measured categories (JORC, 2012).

Modifying Factors: Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

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

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

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

Precipitate: The solid product formed when a change in solution chemical conditions results in conversion of some pre-dissolved ions into solid state.

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

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

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

Proven Ore Reserve: A Proven Ore Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Ore Reserve implies a high degree of confidence in the Modifying Factors.

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

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

Table of Contents

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

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

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

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

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

Smelting: A pyro-metallurgical operation in which gold precipitate from electro-winning or zinc precipitation is further separated from impurities.

Stoping: The process of excavating ore underground.

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

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

Tonnage: Quantity of material measured in tonnes or tons.

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

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

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

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

Table of Contents

Financial terms

All-in costs: All-in costs are all-in sustaining costs including additional non-sustaining costs which reflect the varying costs of producing gold over the life-cycle of a mine. Non-sustaining costs are those costs incurred at new operations and costs related to major projects at existing operations where these projects will materially increase production. All-in costs per ounce is arrived at by dividing the dollar value of the sum of these cost metrics, by the ounces of gold sold.

All-in sustaining costs: During June 2013 the World Gold Council (WGC), an industry body, published a Guidance Note on all-in sustaining costs metric, which gold mining companies can use to supplement their overall non-GAAP disclosure. All-in sustaining costs is an extension of the existing total cash cost metric and incorporates all costs related to sustaining production and in particular recognises the sustaining capital expenditure associated with developing and maintaining gold mines. In addition, this metric includes the cost associated with developing and maintaining gold mines. In addition, this metric includes the cost associated with corporate office structures that support these operations, the community and rehabilitation costs attendant with responsible mining and any exploration and evaluation costs associated with sustaining current operations. All-in sustaining costs per ounce is arrived at by dividing the dollar value of the sum of these cost metrics, by the ounces of gold sold.

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

Capital expenditure: Total capital expenditure on tangible assets.

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

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

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

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

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

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

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

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

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

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

Table of Contents

Currencies

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

Table of Contents**Abbreviations**

<i>ADR</i>	American Depositary Receipt
<i>ADS</i>	American Depositary Share
<i>AIFR</i>	All injury frequency rate
<i>ASX</i>	Australian Securities Exchange
<i>Au</i>	Contained gold
<i>BBSY</i>	Bank Bill Swap Bid Rate
<i>BEE</i>	Black Economic Empowerment
<i>bn</i>	Billion
<i>CDI</i>	Chess Depositary Interests
<i>CHES</i>	Clearing House Electronic Settlement System
<i>CLR</i>	Carbon Leader Reef
<i>DMTNP</i>	Domestic medium-term notes programme
<i>DRC</i>	Democratic Republic of the Congo
<i>ERP</i>	Enterprise resource planning
<i>G or g</i>	Grams
<i>GhDS</i>	Ghanaian Depositary Share
<i>GhSE</i>	Ghana Stock Exchange
<i>IASB</i>	International Accounting Standards Board
<i>IFRS</i>	International Financial Reporting Standards as issued by the IASB
<i>JIBAR</i>	Johannesburg Interbank Agreed Rate
<i>JORC</i>	Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves
<i>JSE</i>	JSE Limited (Johannesburg Stock Exchange)
<i>King III</i>	The King Code on Corporate Governance for South Africa
<i>Kg or kg</i>	Kilograms
<i>Km or km</i>	Kilometres
<i>Km²</i>	Squared kilometres
<i>Koz</i>	Thousand ounces
<i>LIBOR</i>	London Interbank Offer Rate
<i>M or m</i>	Metre or million, depending on the context
<i>Moz</i>	Million ounces
<i>Mt</i>	Million tonnes or tons
<i>Mtpa</i>	Million tonnes/tons per annum
<i>NYSE</i>	New York Stock Exchange
<i>Oz or oz</i>	Ounces (troy)
<i>oz/t</i>	Ounces per ton
<i>oz/TEC</i>	Ounces per total employee costed
<i>SAMREC</i>	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
<i>SEC</i>	United States Securities and Exchange Commission
<i>The Companies Act</i>	South African Companies Act, No. 71 of 2008, as amended
<i>T or t</i>	Tons (short) or tonnes (metric)
<i>Tpa or tpa</i>	Tonnes/tons per annum
<i>US/USA/United States</i>	United States of America
<i>US GAAP</i>	U.S. Generally Accepted Accounting Principles
<i>VCR</i>	Ventersdorp Contact Reef

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

Table of Contents

PART I

ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3: KEY INFORMATION

3A. SELECTED FINANCIAL DATA

The selected financial information set forth below for the years ended and as at 31 December 2015, 2014 and 2013 has been derived from, and should be read in conjunction with, the IFRS financial statements included under Item 18 of this annual report. The selected financial information for the years ended and as at 31 December 2012 and 2011 has been derived from the IFRS financial statements not included in this annual report.

The comparative years have been restated to separate continuing operations from discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, as a consequence of the disposal of the Cripple Creek & Victor operations in the United States.

Table of Contents

	Year ended 31 December				
	2015	2014	2013	2012	2011
	Restated	Restated	Restated	Restated	Restated
	\$	\$	\$	\$	\$
(in millions, except share and per share amounts)					
Consolidated income statement					
Revenue	4,174	5,110	5,383	6,222	6,503
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)	-
Gross profit	714	993	1,319	2,142	2,448
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
Operating profit (loss)	337	471	(2,102)	1,015	2,024
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 adjustment on issued bonds	66	(17)	307	245	188
Share of associates and joint ventures profit (loss)	88	(25)	(162)	(30)	72
Profit (loss) before taxation	257	170	(2,192)	1,060	2,144
Taxation	(211)	(225)	237	(285)	(822)
Profit (loss) after taxation from continuing operations	46	(55)	(1,955)	775	1,322
Discontinued operations					
(Loss) profit from discontinued operations	(116)	16	(245)	140	311
(Loss) profit for the year	(70)	(39)	(2,200)	915	1,633
<i>Allocated as follows</i>					
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
	(70)	(39)	(2,200)	915	1,633
Basic (loss) earnings per ordinary share (cents)	(20)	(14)	(568)	232	411
Earnings (loss) per ordinary share from continuing operations	8	(18)	(506)	196	331
(Loss) earnings per ordinary share from discontinued operations	(28)	4	(62)	36	80
Diluted (loss) earnings per ordinary share (cents)	(20)	(14)	(631)	177	355
Earnings (loss) per ordinary share from continuing operations	8	(18)	(571)	144	281
(Loss) earnings per ordinary share from discontinued operations	(28)	4	(62)	33	74
Dividend per ordinary share (cents)	-	-	10	56	34

Table of Contents

	As at 31 December				
	2015	2014	2013	2012	2011
	\$	\$	\$	\$	\$
	(in millions, except share and per share amounts)				
Consolidated balance sheet data					
ASSETS					
Non-current assets					
Tangible assets	4,058	4,863	4,815	7,776	6,545
Intangible assets	161	225	267	315	210
Investments in associates and joint ventures	1,465	1,427	1,327	1,047	691
Other investments	91	126	131	167	186
Inventories	90	636	586	610	410
Trade, other receivables and other assets	13	20	29	79	76
Deferred taxation	1	127	177	97	79
Cash restricted for use	37	36	31	29	23
Other non-current assets	18	25	41	7	9
	5,934	7,485	7,404	10,127	8,229
Current assets					
Other investments	1	-	1	-	-
Inventories	646	888	1,053	1,213	998
Trade, other receivables and other assets	196	278	369	472	354
Cash restricted for use	23	15	46	35	35
Cash and cash equivalents	484	468	648	892	1,112
	1,350	1,649	2,117	2,612	2,499
Non-current assets held for sale	-	-	153	-	21
	1,350	1,649	2,270	2,612	2,520
Total assets	7,284	9,134	9,674	12,739	10,749
EQUITY AND LIABILITIES					
Share capital and premium	7,066	7,041	7,006	6,742	6,689
Accumulated losses and other reserves	(4,636)	(4,196)	(3,927)	(1,269)	(1,706)
Shareholders' equity	2,430	2,845	3,079	5,473	4,983
Non-controlling interests	37	26	28	21	137
Total equity	2,467	2,871	3,107	5,494	5,120
Non-current liabilities					
Borrowings	2,637	3,498	3,633	2,724	2,456
Environmental rehabilitation and other provisions	847	1,052	963	1,238	782
Provision for pension and post-retirement benefits	107	147	152	221	195
Trade, other payables and deferred income	5	15	4	10	14
Derivatives	-	-	-	10	93
Deferred taxation	514	567	579	1,084	1,148
	4,110	5,279	5,331	5,287	4,688
Current liabilities					
Borrowings	100	223	258	859	32
Trade, other payables and deferred income	516	695	820	979	751
Bank overdraft	-	-	20	-	-
Taxation	91	66	81	120	158
	707	984	1,179	1,958	941
Non-current liabilities held for sale	-	-	57	-	-
	707	984	1,236	1,958	941
Total liabilities	4,817	6,263	6,567	7,245	5,629
Total equity and liabilities	7,284	9,134	9,674	12,739	10,749
Number of ordinary shares as adjusted to reflect changes in share capital	405,265,315	404,010,360	402,628,406	383,320,962	382,242,343
Share capital (exclusive of long-term debt and redeemable preference shares)	16	16	16	16	16
Net assets	2,467	2,871	3,107	5,494	5,120

Table of Contents**Annual dividends**

The table below sets forth the amounts of interim, final and total dividends declared in respect of the past five years in cents per ordinary share.

Year ended 31 December ⁽¹⁾	2015	2014	2013	2012	2011
South African cents per ordinary share					
First quarter	-	-	50	200	80
Second quarter	-	-	50	100	-
Third quarter	-	-	-	100	90
Fourth quarter	-	-	-	50	90
Total	-	-	100	450	260
US cents per ordinary share⁽²⁾					
First quarter	-	-	5	26	11
Second quarter	-	-	5	12	-
Third quarter	-	-	-	12	12
Fourth quarter	-	-	-	6	11
Total	-	-	10	56	34

⁽¹⁾ During quarter three of 2011, the Company changed the frequency of dividend payments from half-yearly to quarterly. During 2013, the Company changed the frequency of dividend payments to be dependent upon the board's ongoing assessment of AngloGold Ashanti's earnings.

⁽²⁾ Dividends for these periods were declared in South African cents. US dollar cents per share figures have been calculated based on exchange rates prevailing on each of the respective payment dates.

For further information on the company's policy on dividend distributions, see Item 8A: Consolidated Financial Statements and Other Information Dividends.

Exchange rate information

The following table sets forth, for the periods and dates indicated, certain information concerning US dollar/South African rand exchange rates expressed in rands per \$1.00. On 18 March 2016, the interbank rate between South African rands and US dollars as reported by OANDA Corporation was 15.24/\$1.00.

Year ended 31 December ⁽²⁾	High	Low	Year end	Average ⁽¹⁾
2011	8.60	6.49	8.14	7.27
2012	8.95	7.46	8.47	8.20
2013	10.51	8.47	10.49	9.63
2014	11.69	10.28	11.60	10.84
2015	15.87	11.36	15.53	12.77
2016 ⁽³⁾	16.81	15.19		15.89

⁽¹⁾ The average rate of exchange on the last business day of each month during the year.

⁽²⁾ Based on the interbank rate as reported by OANDA Corporation.

⁽³⁾ Through to 18 March 2016.

Exchange rate information for the months of⁽¹⁾	High	Low
September 2015	14.02	13.27
October 2015	13.87	13.06
November 2015	14.40	13.77
December 2015	15.87	14.34

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January 2016	16.81	15.45
February 2016	16.20	15.19
March 2016 ⁽²⁾	15.97	15.20

⁽¹⁾ Based on the interbank rate as reported by OANDA Corporation.

⁽²⁾ Through to 18 March 2016.

Table of Contents

3B. CAPITALISATION AND INDEBTEDNESS

Not applicable.

3C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3D. RISK FACTORS

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

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

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

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

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

The market price of gold has been and continues to be significantly volatile. During 2015, the gold price traded from a low of \$1,045 per ounce to a high of \$1,306 per ounce, having fallen steadily from a peak of \$1,900 per ounce since September 2011. Between 1 January 2016 and 18 March 2016, the gold price traded between a low of \$1,060 per ounce and a high of \$1,283 per ounce. On 18 March 2016 the afternoon price for gold on the London Bullion Market was \$1,255 per ounce. In addition to protracted declines such as the one experienced in recent years, the price of gold is also often subject to sharp, short-term changes. For example, during the three-day period from Friday, 12 April 2013, to Monday, 15 April 2013, the price of gold fell by \$228 per ounce. Additionally, the spot price of gold fell by more than four percent to \$1,086 per ounce in overnight trading on 20 July 2015 after traders sold 57 tonnes of gold in Shanghai and New York. By taking the price of gold below \$1,100 per ounce, the July 2015 sell-off triggered a high volume of stop-loss orders that had been put in place by traders to automatically sell when the gold price reached a predetermined level. This caused the gold price to drop further. Any sharp or prolonged fluctuations in the price of gold can have a material adverse impact on the company's profitability and financial condition.

Table of Contents

Central banks' policies can affect the price of gold. If gold is treated as a safe alternative investment during economic downturns, the price of gold may fall when central banks end quantitative easing or increase interest rates. For example, the price of gold fell to annual lows when the Chairman of the U.S. Federal Reserve announced a reduction in quantitative easing in June 2013, the end of the quantitative easing programme in October 2014 and an increase in interest rates in December 2015. Any future announcements or proposals by the U.S. Federal Reserve, or any of its board members or regional presidents or other similar officials in other major economies may materially and adversely affect the price of gold and, as a result, AngloGold Ashanti's financial condition and results of operations.

Whilst overall supply and demand typically do not affect the gold price in the same manner or to the same degree as other commodities due to the considerable size of historical mined stocks of gold, events that affect supply and demand may nonetheless have an impact. According to the World Gold Council, demand for gold is generally driven by four main sectors, namely jewellery, investment, central banks and technology. The market for gold bullion bar, AngloGold Ashanti's primary product, is generally limited to bullion banks, the number of which has declined in recent years. Demand for gold is also largely impacted by trends in China and India, which account for the highest gold consumption worldwide. Demand for gold may be particularly affected by government policies in these countries. For example, according to the World Gold Council, gold demand in China fell 38 percent in 2014 compared to 2013 and demand for gold bars and coins fell by 50 percent due in part to the government's anti-corruption programme, which put limited pressure on demand for gold ornaments and so-called 'gift bars'. Demand from China continued to fall during the first half of 2015 due to an economic slowdown and financial market turbulence. Additionally, over the course of 2013, the Indian Finance Ministry increased gold import duties from two percent to 10 percent, which also dampened global demand. Such increases, and any similar import duty increases or other adverse policies in India, China or other large gold importing countries, could adversely affect demand for, and consequently prices of, gold.

Furthermore, the shift in demand from physical gold to gold-related investments and speculative instruments may exacerbate the volatility of the gold price. For example, the Finance Ministry in India announced an offering of sovereign gold bonds as an alternative to the purchase of physical gold in March 2015 and conducted a second offering in January 2016. Slower consumption of physical gold in India, resulting from a move toward gold-tracking investments or otherwise, may have an adverse impact on global demand for, and prices of, bullion.

A sustained period of significant gold price volatility may adversely affect the company's ability to evaluate the feasibility of undertaking new capital projects or the continuity of existing operations, to meet its operational targets or to make other long-term strategic decisions. Lower and more volatile gold prices, together with other factors, have led AngloGold Ashanti to alter its expansion and development strategy and consider ways to align its asset portfolio to take account of such expectations and trends. As a result, the company may decide to curtail or temporarily or permanently shut down certain of its exploration and production operations, which may be difficult and costly to effect. A further sustained decrease in the price of gold could also have a material adverse effect on AngloGold Ashanti's financial condition and results of operations, as it may be unable to quickly adjust its cost structure to reflect the reduced gold price environment. Mines with marginal headroom may be subject to decreases in value that are other than temporary, which may result in impairment losses. For example, during 2013, the company reviewed the carrying value of its mining assets (including ore stockpiles), goodwill and intangibles and, based on revised forecast gold prices, booked a charge of \$3,245 million in relation to impairments, derecognition and revaluation of net realisable value of its mining assets (including ore stockpiles), goodwill and intangibles. The market value of gold inventory may be reduced and marginal stockpile and heap leach inventories may be written down to net realisable value or may not be processed further as it may not be economically viable at lower gold prices. In addition, AngloGold Ashanti is obliged to meet certain financial covenants under the terms of its borrowing facilities and its ability to continue to meet these covenants could be adversely affected by a further sustained decrease in the price of gold. The use of lower gold prices in Ore Reserve estimates and life of mine plans could also result in material impairments of the company's investment in mining properties or a reduction in its Ore Reserves estimates and corresponding restatements of its Ore Reserves and increased amortisation, reclamation and closure charges.

The spot price of uranium has been volatile in past years. During 2015, the price varied between a low of approximately \$34 per pound and a high of \$40 per pound. On 18 March 2016 the spot price of uranium was \$29 per pound. Uranium prices can be affected by several factors, including demand for nuclear reactors, uranium production shortfalls and restocking by utilities. Events like those surrounding the earthquake and tsunami that occurred in Japan in 2011 can also have a material impact on the price of and demand for uranium.

The price of silver has also experienced significant fluctuations in past years. During 2015, the price varied from a high of \$18.30 per ounce in January 2015 to a low of \$13.70 per ounce in December 2015. On 18 March 2016, the price of silver was \$16 per ounce. Factors affecting the price of silver include investor demand, physical demand for silver bars, industrial and retail off-take, and silver coin minting.

Table of Contents

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

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

Gold is principally a U.S. dollar-priced commodity and most of the company's revenues are realised in, or linked to, U.S. dollars, whilst production costs are largely incurred in the local currency where the relevant operation is located. Given the company's global operations and local foreign exchange regulations, some of its funds are held in local currencies, such as the South African rand, Ghanaian cedi, Brazilian real, Argentinean peso and the Australian dollar. The weakness of the U.S. dollar against local currencies results in higher production costs in U.S. dollar terms. Conversely, the strengthening of the dollar lowers local production costs in U.S. dollar terms.

From time to time, AngloGold Ashanti may implement currency hedges intended to reduce exposure to changes in the foreign currency exchange. Such hedging strategies may not however be successful, and any of AngloGold Ashanti unhedged exchange payments will continue to be subject to market fluctuations.

Exchange rate movements may have a material impact on AngloGold Ashanti's operating results. For example, the company estimates that a one percent strengthening of all of the South African rand, Brazilian real, the Argentinean peso or the Australian dollar against the U.S. dollar will, other factors remaining equal, result in an increase in total cash costs of approximately \$6 per ounce.

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

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

AngloGold Ashanti has no influence over the cost of these consumables, many of which are linked to some degree to the price of oil and steel. Whilst, from time to time, AngloGold Ashanti may implement diesel hedges intended to reduce exposure to changes in the oil price, such hedging strategies may not always be successful, and any of the company's unhedged diesel consumption will continue to be subject to market fluctuations.

The price of oil has been volatile, fluctuating between \$35 and \$66 per barrel of Brent Crude in 2015 and between \$55 and \$115 per barrel of Brent Crude in 2014. As of 18 March 2016, the price of oil was at \$39 per barrel of Brent Crude. AngloGold Ashanti estimates that for each U.S. dollar per barrel rise or fall in the oil price, other factors remaining equal, the total cash costs of all its operations change by approximately \$0.80 per ounce. The cash costs of certain of the company's mines, particularly Sadiola, Sigui, Geita, and Tropicana are most sensitive to changes in the price of oil. Even when fuel prices are in decline, expected savings may be partly offset by increases in governments' fixed fuel levies or the introduction by governments of new levies. For example, in Tanzania, the government introduced a levy charged at 1.5% of the fuel price including Cost, Insurance, and freight, earmarked for railway infrastructure development effective 01 July 2015, which is expected to result in an additional cost impact of approximately \$2.7 million per annum at AngloGold Ashanti's Geita mine.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine. For example, in 2015 the price of flat hot rolled coil (North American Domestic FOB) steel traded between \$391 per tonne as of 31 December 2015 and \$608 per tonne as of 1 January 2015. On 18 March 2016, the price of flat hot rolled coil (North American Domestic FOB) was \$411 per tonne.

Fluctuations in oil and steel prices have a significant impact on operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable, which could have a material adverse impact on the company's results of operations and financial condition.

Table of Contents

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

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

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

In South Africa, the company's operations are dependent on electricity supplied by a parastatal agency of Eskom, a state-owned power generation company. Although other competitors in the renewable energy market have now entered the power supply market, the power supply is still channelled through the Eskom infrastructure. Electricity is used for most of our business and safety-critical operations, including cooling, hoisting and dewatering. Loss of power can therefore impact production and employee safety, and prolonged outages could lead to flooding of workings and ore sterilisation. In 2008, Eskom and the South African government declared a national emergency and warned that they could no longer guarantee the availability of electricity due to a national supply shortage which at the time was blamed on coal supply shortages, heavy rain fall and unplanned generation-set outages as a result of maintenance backlog and asset age. The entire country went into a programme of rolling blackouts and AngloGold Ashanti and other mining companies operating in South Africa were forced in late January until mid-March of 2008 to temporarily suspend mining operations.

A warning of the very high risk of blackouts was reissued at the start of 2011 and each year since. On 20 February 2014, Eskom declared a power emergency pursuant to its regulatory protocols to protect the national electricity grid. The power emergency was caused by the loss of additional generating units, a 1,500MW reduction in imported electricity resulting from the failure of power lines at the Cahora Bassa hydro scheme in Mozambique and the extensive use of emergency reserves. Eskom alerted key industrial customers, including AngloGold Ashanti, asking them to reduce their load by a minimum of 10 percent during critical periods. Since February 2014, AngloGold Ashanti has reduced its electricity consumption in South Africa by more than 10 percent measured in Gigawatt hour usage. In November 2014, Eskom reintroduced a schedule of rolling blackouts, or load shedding. Eskom cannot guarantee that there will be no power interruptions in the future and again faced very tight supply reserve margins in 2015. Management expects these interruptions to continue for many years to come. The national energy conservation programme implemented by Eskom has proven to be insufficient to address the energy capacity shortfall resulting from a large backlog of infrastructure and equipment maintenance.

Furthermore, the power supply to the company's South African operations has been and may be load curtailed or interrupted again in the future for other reasons. For example, lightning or other damage to power stations can also result in power interruptions at the company's operations. In this regard, AngloGold Ashanti's two main operational sites in the West Wits region in South Africa experienced power reductions between 13 March 2013 and 15 March 2013 after a fire caused severe damage to the 500MVA transformers situated close to the main road passing through the West Rand area.

Eskom and the National Energy Regulator of South Africa (NERSA) recognise the need to increase electricity supply capacity, and a series of tariff increases and proposals have been enacted to assist in the funding of this expansion. NERSA originally approved an increase of 24.8 percent for 2010, 25.8 percent for 2011, 25.9 percent for 2012, and 16.0 percent for 2013. The actual increase implemented for 2012 was lowered to 16.09 percent after government intervention. In 2013, NERSA announced that Eskom would be allowed to increase electricity tariffs for the five-year period that began in April 2013 at an average yearly increase of 8 percent, which was half of that sought by the utility in its application. However, in October 2014, NERSA granted a 12.69 percent increase in electricity prices with effect from April 2015. In early 2016, NERSA heard a second application from Eskom to increase tariffs and an increase of 9.4% was granted, effective 1 April 2016. Instability in the industry is further exacerbated by uncertainty around the approval, cost and continuation of a nuclear energy programme and additional delays expected in connection with the completion of the Medupi and Ingula coal power stations.

There can be no assurance as to the existence or nature of any government intervention with respect to tariff increases in the future. Other difficulties at Eskom, relating to a large financial deficit, may result in additional tariff increases. As energy represents a large proportion of the company's operating costs in South Africa, these increases have had, and any future increases will have, a materially adverse impact on the cash costs of its South African operations.

Table of Contents

The company has also identified a risk of energy shortages in Ghana and Brazil. All the company's mining operations in Ghana depend on hydroelectric power supplied by the state-controlled Volta River Authority (VRA), which is supplemented by thermal power from the Takoradi plant and a smaller unit at Tema. Ghana has a major power generation deficit that has resulted in significant load shedding across the country. For example, the company experienced extended power interruptions in Ghana in the first quarter of 2014, which limited access to higher grade areas. During periods of below average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam, the VRA's primary generation source, may be curtailed as occurred in 1998, 2006 and 2007. During periods of limited electricity availability, the grid is subject to disturbances and voltage fluctuations which can damage equipment. Recent disruptions in natural gas supply from Nigeria, via the West Africa Gas Pipeline, has led to some reduction in thermal generation capacity and the use of more expensive light crude oil which is putting upward pressure on power tariffs. In the past, the VRA has obtained power from neighbouring Côte d'Ivoire, which has intermittently experienced political instability and civil unrest. AngloGold Ashanti negotiates rates directly with the VRA and the VRA may not agree to a satisfactory rate during future rounds of negotiations.

In Brazil, severe water shortages from low rainfall have been experienced in 2014 and 2015 and are expected to adversely affect hydro-electrical power generation.

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

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

Global economic conditions could adversely affect the profitability of operations.

AngloGold Ashanti's operations and performance depend significantly on worldwide economic conditions. Despite signs of economic recovery in certain geographic markets, global financial markets have experienced considerable volatility from uncertainty surrounding the level and sustainability of the sovereign debt of various countries. Concerns remain regarding the sustainability of the European Monetary Union and its common currency, the Euro, in their current form, as well as the negative impacts of the downgrade of the sovereign credit rating of the Republic of South Africa in 2012, 2013, 2014 and 2015. A rating agency has warned that weak South African economic growth and government bailouts of state-owned companies could lead to a downgrade of the sovereign credit rating of the Republic of South Africa below investment grade in 2016.

These conditions and other disruptions to international credit markets and financial systems caused a loss of investor confidence and resulted in widening credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Although aggressive measures taken by governments and central banks have resulted in a modest economic recovery since 2012, any such recovery may remain limited in geographic scope. A significant risk also remains that this recovery could be slow or that the global economy could quickly fall back into an even deeper and longer lasting recession or even a depression. Recently, the credit ratings of some of the largest South African banks were downgraded by a major credit rating agency. Any significant weakening of the South African banking system could have a negative effect on the overall South African economy.

Global economic turmoil, or the expectation that economic turmoil could worsen, could have follow-on effects on AngloGold Ashanti's business that include inflationary cost pressures, interest rate fluctuations and commodity market fluctuations. Other effects that could negatively affect AngloGold Ashanti's financial results and results of operations include, for example:

- the insolvency of key suppliers or contractors, which could result in contractual breaches and a supply chain breakdown;
- the insolvency of one or more joint venture partners, which could result in contractual breaches and disruptions at the operations of the company's joint ventures;
- changes in other income and expense, which could vary materially from expectations, depending on gains or losses realised on the sale or exchange of financial instruments and impairment charges that may be incurred with respect to investments;
- the inability of AngloGold Ashanti's defined benefit pension fund to achieve expected returns on its investments, which could require the company to make substantial cash payments to fund any resulting deficits;
- a reduction in the availability of credit, which may make it more difficult for the company to obtain financing for its operations and capital expenditures or make that financing more costly;
- exposure to the liquidity and insolvency risks of the company's lenders and customers; and
- impairments.

Table of Contents

In addition to the potentially adverse impact on the profitability of the company's operations, any deterioration in or increased uncertainty regarding global economic conditions may increase volatility or negatively impact the market value of AngloGold Ashanti's securities.

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

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

Of particular concern is the inflation rate in Argentina which increased from an average of 9.78 percent in 2011 to 16.8 percent in 2015. According to IMF research, future inflation expectations average between 25.60 percent for 2016 and 21.1 percent for 2020. Inflation is estimated to peak at 29.1 percent at the end of 2016 and fall back to 18.8 percent by the end of 2017. However, non-official inflation of 32.6 percent in 2016 and 19.5 percent in 2017 is expected. Significant inflation like that predicted by the IMF in Argentina could have an adverse effect on the company's profitability and financial condition.

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

Development of AngloGold Ashanti's mining projects may be subject to unexpected problems and delays that could increase the development and operating costs of the relevant project. In addition, a decrease in budgets relating to current or medium-term exploration and development could increase its development and operating costs in the long-term.

There are a number of uncertainties inherent in the development and construction of a new mine or the extension of an existing mine. These uncertainties include the:

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

The remote location of many mining properties, permitting requirements and/or delays, third-party legal challenges to individual mining projects and broader social or political opposition to mining may increase the cost, timing and complexity of mine development and construction. New mining operations could experience unexpected problems and delays during the development, construction, commissioning and commencement of production.

For example, AngloGold Ashanti may prove unable to successfully develop the La Colosa and Gramalote projects and the Nuevo Chaquiro deposit that is part of the Quebradona project in Colombia, as well as other potential exploration sites due to difficulties that could arise in relation to, for example, social and community opposition, litigation and governmental regulatory or administrative proceedings, ore body grades, definition of adequate Ore Reserves and Mineral Resources, and the time taken to prove project feasibility that could result in the expiry of permits. Refer Item 8A: Legal Proceedings - Colombia .

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

Table of Contents

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

AngloGold Ashanti must continually replace Ore Reserve depleted by mining and production to maintain or increase production levels in the long term. This is undertaken by exploration activities that are speculative in nature. The ability of the company to sustain or increase its present levels of gold production depends in part on the success of its projects and it may be unable to sustain or increase such levels.

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

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

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

Feasibility studies also include activities to estimate the anticipated:

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

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

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

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

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

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

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

Table of Contents

accidents or incidents during exploration, production or transportation resulting in injury, loss of life or damage to equipment or infrastructure;
 air, ground and surface water pollution;
 social or community disputes or interventions;
 security incidents;
 surface or underground fires or explosions;
 electrocution;
 falls from heights and accidents relating to mobile machinery, including shaft conveyances and elevators, drilling blasting and mining operations;
 labour force disputes and disruptions;
 loss of information integrity or data;
 activities of illegal or artisanal miners;
 shortages in material and equipment;
 mechanical failure or breakdowns and ageing infrastructure;
 failure of unproven or evolving technologies;
 energy and electrical power supply interruptions or rationing;
 unusual or unexpected geological formations, ground conditions, including lack of mineable face length and ore-pass blockages;
 water ingress and flooding;
 process water shortages;
 metallurgical conditions and gold recovery;
 unexpected decline of ore grade;
 unanticipated increases in gold lock-up and inventory levels at heap-leach operations;
 fall-of-ground accidents in underground operations;
 cave-ins, sinkholes, subsidence, rock falls, rock bursts or landslides;
 failure of mining pit slopes, heap-leach facilities, water or solution dams, waste stockpiles and tailings dam walls;
 changes to legal and regulatory requirements;
 safety-related stoppages;
 gold bullion or concentrate theft;
 corruption, fraud and theft;
 allegations of human rights abuses;
 seismic activity; and
 other natural phenomena, such as floods, droughts or weather conditions, potentially exacerbated by climate change.

Any of these events could, individually or in the aggregate, have a material adverse effect on the company's results of operations and financial condition.

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

Seismic activity may also cause a loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, environmental damages and potential legal liabilities. As a result, these events may have a material adverse effect on AngloGold Ashanti's results of operations and financial condition. For example, in 2015, seismicity in South Africa caused fall-of-ground incidents that led to fatalities, and operations were constrained at Mponeng in the West Wits while a de-risk plan was implemented to address seismicity issues. In August 2014, mining operations at the Great Noligwa and Moab Khotsong mines were suspended following a magnitude 5.3 earthquake. Operations at Mine Waste Solutions were also suspended and the Kopanang mine was taken offline for a limited time as a safety precaution. In early 2011, mining of the Ventersdorp Contact Reef shaft pillar at Tau Tona was suspended following a significant seismic event and new equipment had to be purchased. In all cases, the shutdowns contributed to the decline in the operational output of the applicable mines as compared to the previous year.

In the past, floods have also disrupted the operations of some of the company's mines. For example, unprecedented heavy rains in February and March 2011 in Australia flooded the Sunrise Dam Gold Mine and forced a temporary shutdown of operations. The flood event impacted underground production for approximately four months and open pit production for approximately six months. Despite the shutdown, full costs were incurred as the mining contractors worked on remedial

Table of Contents

activities to repair damage and rehabilitate flooded areas. The considerable remedial work required adversely impacted cash costs per ounce and the impact of the flood event and the pit wall failure together significantly reduced planned production at the plant.

Any seismic, flood or other similar events that occur in the future could have a material adverse effect on the company's results of operations and financial condition.

Mining companies' operations are vulnerable to infrastructure constraints.

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

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

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

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

Mining companies face strong competition.

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

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

AngloGold Ashanti's gold mining operations are subject to extensive health and safety laws and regulations in every jurisdiction in which it operates. These laws and regulations are, along with international and industry standards, designed to protect and improve the safety and health of employees and require the company to undertake and fund extensive compliance measures.

From time to time, new or updated health and safety laws, regulations and standards are introduced and may be more stringent than those to which AngloGold Ashanti is currently subject. Should compliance with these laws, regulations and standards require a material increase in expenditure or material changes or interruptions to operations or production, including as a result of any failure to comply with applicable regulations, the company's results of operations and financial condition could be adversely affected. Furthermore, AngloGold Ashanti continues to implement its enhanced safety programme, which could result in additional costs for the company.

In some of the jurisdictions in which AngloGold Ashanti operates, the government enforces compulsory shutdowns of operations to enable investigations into the cause of accidents. Certain of the company's operations have been temporarily suspended for safety reasons in the past. In South Africa, so-called "Section 54 safety stoppages" have become a significant issue as an enforcement mechanism used by the Department of Mineral Resources Mining Inspectorate whose inspectors routinely issue such notices. For example, in 2015, 81 notices were issued that had a material adverse impact on production at the company's mines. Safety-related stoppages resulted in the estimated direct loss of 32,800, 47,100 and 78,887 ounces of gold production from the South African region operations during 2013, 2014 and 2015 respectively.

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

Table of Contents

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

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

These businesses are under pressure to demonstrate that whilst they seek a satisfactory return on investment for shareholders, human rights are respected and other social partners, including employees, host communities and more broadly the countries in which they operate, also benefit from their commercial activities. Such pressures tend to be particularly focused on companies whose activities are perceived to have, or have, a high impact on their social and physical environment. The enhanced usage and scale of social media and other web-based tools to publish, share and discuss user-generated content further increases the potential spread and force of public scrutiny. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit may result in additional operating costs to address actual or perceived shortcomings, reputational damage, active community opposition, allegations of human rights abuses, legal suits and investor withdrawal.

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

Mining operations must be designed to minimise their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying operations or by relocating the affected people to an agreed location. Responsive measures may also include the full restoration of livelihoods of those impacted. In addition, AngloGold Ashanti is obliged to comply with the terms and conditions of all the mining rights it holds. In this regard the Social and Labour plan provisions of its mining rights in South Africa must make provision for local economic development (LED) programmes. The LED programmes must take into account the key economic activities of the area in which AngloGold Ashanti operates its mines, the impact its mines will have on the local and labour-sending communities, various infrastructure and poverty eradication projects its mines may be supporting in connection with integrated development plans in the areas its mines operate and also must provide for measures that assist in addressing housing and living conditions of its employees.

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

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

Table of Contents

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

Mining companies are subject to extensive environmental laws and regulations.

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

The cost of compliance with environmental laws and regulations is expected to continue to be significant to AngloGold Ashanti. AngloGold Ashanti could incur fines, penalties and other sanctions, clean-up costs and third-party claims for personal injury or property damage, suffer reputational damage, or be required to install costly pollution control equipment or to modify or suspend operations, as a result of actual or alleged violations of environmental laws and regulations or the terms of AngloGold Ashanti's permits. For example, the Ghana Environmental Protection Agency (Ghana EPA) permit for AngloGold Ashanti's operations at Obuasi expired on 31 March 2014. AngloGold Ashanti filed its application for permit renewal in September 2013, six months prior to the expiry date, as required by law, by submitting an Environment Management Plan (EMP), but the Ghana EPA did not issue a new permit before the expiry date, citing uncertainties about the future of the Obuasi operation. AngloGold Ashanti has been in communication with the Ghana EPA regarding this issue. Concurrently, as a result of the complex challenges faced by the Obuasi mine, the company has adopted a new approach to securing the long term future of the mine. As part of this effort, on 18 July 2014 it submitted an Amendment to Programme of Mining Operations (APMO), which details technical, environmental, financial and social details around the transition of its Obuasi operation, to the Government of Ghana and key regulators, that was approved subject to certain conditions. An amended EMP to supersede the one submitted in September 2013 was submitted at the same time to the Ghana EPA but no response has as yet been received. The company can give no assurance that the EMP will be approved in the form submitted or at all.

In addition, if AngloGold Ashanti fails to demonstrate or realise its business case for the redevelopment of the Obuasi operation, including because the company is unable to finalise a joint venture or other agreement with a partner to make the substantial investments necessary for redevelopment, to obtain the required consents, approvals or agreements for continued operation or to reverse deteriorating security conditions following the withdrawal of state security protection in early 2016, AngloGold Ashanti may be forced to withdraw from the Obuasi mine on a long-term or permanent basis. See Illegal and artisanal mining occurs on AngloGold Ashanti's properties, which can disrupt the company's business and expose the company to liability. Closure of the mine could trigger or accelerate obligations, including the conduct of environmental rehabilitation activities and/or to address historical impacts on environmental quality in the area surrounding the mine. Costs incurred by the company in excess of AngloGold Ashanti's existing provisions for such matters could have a material adverse impact on AngloGold Ashanti's results of operations and financial condition.

In addition, unknown environmental hazards may exist on the company's properties which may have been caused by previous owners or operators. An incident at AngloGold Ashanti's operations could lead to obligations to remediate environmental contamination and claims for property damage and personal injury from adjacent communities and other consequences. Incidents at AngloGold Ashanti's operations and other companies' operations could result in the tightening of regulatory requirements and restrictions applicable to AngloGold Ashanti's mining operations.

For example, in 2010, AngloGold Ashanti's Obuasi mine in Ghana suspended gold processing operations for five days to implement a revised water management strategy aimed at reducing contaminants contained in its discharge. Brief stoppages after environmental incidents, such as pipeline failures, have occurred more recently at that mine. Furthermore, following a temporary suspension of operations at the Iduapriem mine, the company, with the approval of the Ghana EPA, constructed an interim tailings storage facility for tailings deposition for a year whilst a new tailings storage facility was being constructed.

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

Table of Contents

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

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

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

AngloGold Ashanti's operations are heavily dependent upon access to substantial volumes of water for use in the mining and extractive processes and typically are subject to water-use permits that govern usage and require, amongst other things, that mining operations maintain certain water quality upon discharge. Water quality and usage are areas of concern globally, such as with respect to the company's mining operations in Ghana and South Africa and its exploration projects in Colombia, where there is significant potential environmental and social impact and a high level of stakeholder scrutiny. Any failure by the company to secure access to suitable water supplies, or achieve and maintain compliance with applicable requirements of the permits or licenses, could result in curtailment or halting of production at the affected operation. Incidents of water pollution or shortage can, in certain cases, lead to community protest and ultimately to the withdrawal of community and government support for AngloGold Ashanti's operations. A failure by the company to comply with water contamination rehabilitation directives may result in further, more stringent, directives being issued against the company, which may, in some cases, result in a temporary or partial shutdown of some of the company's operations.

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

Mining companies are required by law to close their operations at the end of the mine life and rehabilitate the impacted areas. Estimates of the total ultimate closure, reclamation and rehabilitation costs for gold mining operations are significant and based principally on life-of-mine profiles, changing inflation and discount rate assumptions, changing infrastructure and facilities design and current legal and regulatory requirements that may change materially. Environmental liabilities are accrued when they become known, are probable and can be reasonably estimated. Increasingly, regulators are seeking security in the form of cash collateral or bank guarantees in respect of environmental obligations. For example, in South Africa, regulations that came into effect in 2014 require mining companies to make financial provisions for rehabilitation for at least 10 years. Such provisions may need to remain in place notwithstanding the issuance of a closure certificate for a particular mine. The costs required to comply with these obligations and any similar ones enacted in other jurisdictions may have an adverse impact on the company's financial condition.

Anglogold Ashanti's provisions for decommissioning and for restoration (excluding joint ventures) totalled \$851 million in 2014 and \$683 million in 2015 (following the sale of CC&V). Costs associated with rehabilitating land disturbed by mining processes and addressing environmental, health and community issues are estimated and financial provision made based upon current available information. Estimates notably relate to discount rates, which may vary due to changes in global economic assumptions, and mine plans, which may change in line with variations in cash flows, designs of tailings storage facilities and methodologies used to compute liabilities (including as a result of a request from environmental regulatory authorities).

Table of Contents

Estimates may, however, be insufficient and further costs may be identified at any stage that may exceed the provisions that AngloGold Ashanti has made. Any underestimated or unidentified rehabilitation costs would reduce earnings and could materially and adversely affect the company's asset values, earnings and cash flows. Further, sudden changes in a life of mine plan or the accelerated closure of a mine may give rise to the recognition of liabilities that are not anticipated.

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

Greenhouse gases (GHGs) are emitted directly by AngloGold Ashanti's operations, as well as by external utilities from which AngloGold Ashanti purchases electricity. A number of international and national measures to address or limit GHG emissions, including the 2007 Bali Action Plan and the 2009 Copenhagen Accord, which included a non-binding commitment to reduce GHG emissions, are in various phases of discussion or implementation in the countries in which the company operates. As a result of commitments made at the UN climate conference in Durban, South Africa in December 2011, certain members of the international community negotiated a treaty at the December 2015 Conference of Parties in Paris. The Paris Agreement will require developed countries to set targets for emissions reductions if it is ratified prior to April 2017 by at least 55 countries that collectively produce more than half of the world's GHG emissions and is subsequently adopted by those individual countries within their respective national or federal law. Additional measures addressing GHG emissions may be implemented at the national or international levels. These, or future, measures could require AngloGold Ashanti to reduce its direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes or have these costs or taxes passed on by electricity utilities which supply the company's operations. AngloGold Ashanti also could incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements.

In South Africa, a draft Carbon Tax Bill was published in November 2015. However, in February 2016, following a consultation process, it was announced that the draft bill would be revised. Other countries, including Brazil and the United States, have passed or are considering GHG trading or tax schemes, and/or other regulation of GHG emissions, although the precise impact on AngloGold Ashanti's operations cannot yet be determined.

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

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

Stringent standards relating to conflict minerals and responsible gold that include the U.S. Dodd-Frank Act, European proposal for self-certification for importers of gold, Organisation for Economic Cooperation and Development Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, World Gold Council Conflict Free Gold Standard and London Bullion Market Association Responsible Gold Guidance have been introduced.

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

Table of Contents

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

AngloGold Ashanti's operations and development projects could be adversely affected by both shortages and long lead times to deliver strategic spares, critical consumables, mining equipment and metallurgical plant, as well as transportation delays. Import restrictions, such as those imposed by the Argentine government from 2011 to 2015, can also delay the delivery of parts and equipment. In the past, the company and other gold mining companies experienced shortages in critical consumables, particularly as production capacity in the global mining industry expanded in response to increased demand for commodities. AngloGold Ashanti has also experienced increased delivery times for these items. Shortages have resulted in unanticipated price increases and production delays and shortfalls, resulting in a rise in both operating costs and in the capital expenditure necessary to maintain and develop mining operations.

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

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

Furthermore, supply chains and rates can be impacted by natural disasters, such as earthquakes, extreme weather patterns and climate change, as well as other phenomena that include unrest, strikes, theft and fires. For example, a three-week transport strike in 2012 delayed the supply of consumables in South Africa. Although potential supply chain disruption in Mali, as a result of the coup d'état and the proliferation of armed combat in 2012 and 2013, has been avoided to date by well managed consumable stock holding, any return to instability or armed conflict in the country could present material supply chain difficulties. Moreover, although potential gold doré export disruptions at Geita, the result of an attempted gold heist, and in Mali, following the closure of Bamako International Airport, were minimised with the introduction of alternative transportation arrangements, such alternatives may not be available upon the occurrence of similar or more severe situations in the future. In February 2013, a fire destroyed the heavy mining equipment stock of spares and components at the Geita gold mine. If AngloGold Ashanti experiences shortages, or increased lead times in the delivery of strategic spares, critical consumables, mining equipment or processing plant, the company might have to suspend some of its operations and its results of operations and financial condition could be adversely impacted.

The Siguiri mine was impacted as a result of the Ebola virus outbreak of 2014 in Western Africa, where certain crisis management measures were implemented. Whilst no employees have been infected and operations have continued despite the outbreak, nine people in the village at Siguiri have been infected since the outbreak started. These cases were detected by authorities and contained through a quarantine programme. In addition to an extensive education campaign, the mine conducted daily screenings at its entrances, including a daily questionnaire to check the status of staff and family members. Nevertheless, crisis management measures may be insufficient to contain current or future outbreaks. Furthermore, AngloGold Ashanti cannot guarantee that the supply chain and operations will not be adversely affected by the Ebola outbreak and that there will be no knock-on effects such as severe food shortages and social impact. Export restrictions could similarly adversely impact the company's financial condition and results of operations.

Concerns about the integrity or reliability of the London Bullion Market Association (LBMA) Gold Price Benchmark could adversely affect investor interest in gold and confidence in the gold market

Historically, the gold market relied on prices and trades made relative to a benchmark known as the London Gold Fix (Fix), set by a group of five fixing banks that match buyers and sell orders. Following a series of allegations regarding the possible manipulation of the Fix by fixing banks, U.S., German and United Kingdom regulators undertook a review of the fixing process. While the US Commodity Futures Trading Commission and the German BaFin dismissed allegations of manipulation in 2013 and 2015, respectively, in 2014 Deutsche Bank withdrew from the fixing panels and the UK Financial Conduct Authority (FCA) fined one of the fixing banks. The FCA identified systems and control failures and conflicts of interest in relation to gold fixing over the nine years to 2013 and one instance of gold price manipulation in 2012. Separately, several lawsuits have been filed against fixing banks alleging that they have colluded to manipulate the gold benchmark price, including class actions instituted in the United States in 2014 and Canada in 2015.

Table of Contents

Subsequent to this, the London Gold Fix was replaced by the LBMA Gold Price Benchmark in 2015 which is run and managed by the Intercontinental Exchange (ICE). ICE is completely independent of the gold market as it does not conduct any trading of gold.

Whilst AngloGold had no role in the operation of the Fix during the period under review and has no responsibility for the conduct of the market makers in the gold market, the gold market could still be affected if the integrity of the Gold Price Benchmark is undermined as a result of ongoing lawsuits, resulting in reduced demand for the company's gold, greater volatility in gold prices and less liquidity in the gold market. Furthermore, in 2015 AngloGold Ashanti joined the new oversight committee for the LBMA Gold Price Benchmark which is now regulated by the FCA. If further allegations are made against the Gold Price Benchmark in future, AngloGold could be implicated more directly, which may have an adverse effect on its reputation.

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

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

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

Failure to comply with laws, regulations, standards, contractual obligations whether following a breach or breaches in governance processes or fraud, bribery and corruption may lead to regulatory penalties, loss of licences or permits, negative effects on AngloGold Ashanti's reported financial results, and adversely affect its reputation.

AngloGold Ashanti's operations must comply with the United States Foreign Corrupt Practices Act and similar anti-corruption and anti-bribery laws of the jurisdictions in which AngloGold Ashanti operates. There has been a substantial increase in the global enforcement of these laws and an increased focus on the actions of mining companies. Although AngloGold Ashanti has a compliance program in place designed to reduce the likelihood of violations of such laws, any violation could result in significant criminal or civil sanctions. Conversely, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local customs and practices. Since the company operates globally in multiple jurisdictions, including those with less developed political and regulatory environments, and within numerous and complex frameworks, its governance and compliance processes may not prevent potential breaches of law, accounting principles or other governance or customary practices.

AngloGold Ashanti's Code of Business Principles and Ethics and Policy on Anti-Bribery and Anti-Corruption, amongst other policies, standards and guidance, and training thereon may not prevent instances of unethical or unlawful behaviour, including bribery or corruption. They also may not guarantee compliance with legal and regulatory requirements and may fail to enable management to detect breaches thereof.

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

Breaches in information technology security and violations of data protection laws may adversely impact AngloGold Ashanti's business.

AngloGold Ashanti maintains global information technology and communication networks and applications to support its business activities.

The sophistication and magnitude of cybersecurity incidents are increasing and include malicious software, attempts to gain unauthorised access to data and other electronic security and protected information breaches that could lead to production downtimes, operational delays, the compromising of confidential or otherwise protected information, destruction or corruption of data, other manipulation or improper use of AngloGold Ashanti's systems and networks or financial losses from remedial actions.

Table of Contents

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

The interpretation and application of consumer and data protection laws in South Africa, the United States and elsewhere are uncertain and evolving. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with AngloGold Ashanti's data practices. Complying with these various laws is difficult and could cause the company to incur substantial costs or require it to change its business practices in a manner adverse to its business.

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

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

Illegal and artisanal miners are active on, or adjacent to at least 15 of AngloGold Ashanti's properties, which leads at times to interference with the company's operations and results in conflict situations that present a security threat to property and human life. Artisanal mining is associated with a number of negative impacts, including environmental degradation, flouting of land rights, poor working practices, erosion of civil society, human rights abuse and funding of conflict. The environmental, social, safety and health impacts of artisanal mining are frequently attributed to formal mining activity, and it is often assumed that artisanally-mined gold is channelled through large-scale mining operators, even though artisanal and large-scale miners have distinct supply chains. These misconceptions impact negatively on the reputation of the industry.

The activities of the illegal miners, which include theft and shrinkage, could cause damage to AngloGold Ashanti's properties, including pollution, underground fires, or personal injury or death, for which AngloGold Ashanti could potentially be held responsible. Illegal mining could result in the depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits. Furthermore, the company recorded an increase in the number and severity of security incidents, due to a steady migration of people into the areas and an increase in the level of organisation and funding of criminal activity around some of the company's Continental African operations, likely encouraged by an escalating gold price at that time. The most significant security challenges have occurred in Tanzania and Ghana in areas where there is endemic poverty and high levels of unemployment. For example, in February 2016, AngloGold Ashanti withdrew its employees performing non-essential functions from its idled Obuasi gold mine following the incursion of illegal miners inside the fenced areas of the site. An AngloGold Ashanti employee was killed in the incursions. If allowed to continue unchecked, illegal mining taking place on parts of the concession, and vandalism of property, could threaten the long-term viability of the mine and AngloGold Ashanti Ghana's ability to continue its feasibility study and maintain critical services. More generally, illegal mining and theft could also result in lost gold Ore Reserves, mine stoppages, and have other material adverse effects on AngloGold Ashanti's results of operations or financial condition.

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

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

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

Table of Contents

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

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

In 2012, AngloGold Ashanti Colombia's (AGAC) assets and employees were the targets of direct attacks by hostile actors around the La Colosa project's area of influence. These and other such attacks could adversely affect the company's activities in Colombia.

Since 2009, the company has recorded an almost four-fold increase in the instances of injury to security personnel, including members of AngloGold Ashanti's internal security, private security companies and public security forces in certain jurisdictions. The rise in the number and severity of security incidents has come as a result of both increased illegal and artisanal mining due to a steady migration of people into the areas and an increase in the level of organisation and funding of criminal activity around some of the company's Continental African operations. This trend has stabilised, but in 2013, 2014 and 2015, intrusions onto the company's tenement and operational areas resulted in a marked increase in crime, specifically illegal mining-related activities. The most significant security challenges remain in Tanzania and Ghana, in areas where there is endemic poverty and high levels of unemployment. See Illegal and artisanal mining occurs on AngloGold Ashanti's properties, which can disrupt the company's business and expose the company to liability. If the security environment surrounding the company's operations that are most exposed to these challenges deteriorates, employee, third-party and community member injuries and fatalities could also increase. Any such increase could disrupt the company's operations in certain mines and adversely affect its reputation, results of operations and financial condition.

In some instances, risk assessments categorise threats as serious enough to require resorting to public security forces, such as national police or military units on a near-permanent basis. For example, the company relies on the army for support at its mining operations in Ghana. Incursions occurred at the Obuasi mine following withdrawal of such state security protection in February 2016. In the event that continued operations in any of the company's countries of operations compromise the company's security or business principles, AngloGold Ashanti may withdraw from any such countries on a temporary or permanent basis. This could have a material adverse impact on AngloGold Ashanti's results of operations and financial condition.

Furthermore, the company continues to experience strained relationships with certain of its host communities. AngloGold Ashanti operates in several regions where poverty, unemployment and the lack of access to alternative livelihoods mean that the creation and distribution of economic benefit from mining operations is a significant area of focus for community and government. For example, the especially high rate of unemployed youths resulted in a picket by members of the community in Khuma at the company's Mine Waste Solutions site in November 2015. Additionally, AngloGold Ashanti has been involved in disputes with the Merafong City Local Municipality in South Africa over property valuations and water services surcharges. These matters have drawn public attention and have been discussed with the Minister of Mineral Resources.

In addition, infectious diseases are also a threat to the stability of some of the countries in which the company operates, where limited local health infrastructure weakens governments' ability to manage and contain outbreaks effectively. For example, during August 2014, cases of Ebola virus disease (EVD) were reported in Siguiri, Guinea, which is located near AngloGold Ashanti's Siguiri mine. EVD was also reported elsewhere in Guinea. The company has implemented certain restrictions on travel to and from the Siguiri mine as a precaution. As EVD caused significant disruptions in the company's exploration activities, particularly relating to field mapping and geophysics, AngloGold Ashanti also suspended its brownfields work programme and greenfields field work in the middle of 2014. In the future the company may consider further safety measures which may negatively impact the operations at the Siguiri mine or its exploration projects in neighbouring areas.

AngloGold Ashanti does not have any gold hedging instruments which exposes it entirely to commodity price decreases.

AngloGold Ashanti removed the last of its gold hedging instruments in October 2010 to provide greater participation in a rising gold price environment. As a result, AngloGold Ashanti no longer has any protection against declines in the market price of gold. The sustained decline in the price of gold experienced since 2011 has had an adverse impact on the company's financial condition and further deterioration could have a material adverse impact on the company's operating results and its financial condition.

Table of Contents

Labour unrest, activism and disruptions (including protracted stoppages) could have a material adverse effect on AngloGold Ashanti's results of operations and financial condition.

AngloGold Ashanti's employees in South Africa, Ghana, Guinea and Argentina are highly unionised and unions are active at some of its other operations. Trade unions, therefore, have a significant impact on the general labour relations environment, including labour relations at operational level. The extent of the unions' influence also impacts the socio-economic and socio-political operating environments, most notably in South Africa. Union involvement in wage negotiations and collective bargaining increases the risk of strike action. In South Africa, the emergence of the Association of Mining Construction Union (AMCU) challenging the dominance of the longstanding National Union of Mineworkers (NUM) lends itself to conflict, inter union rivalry and a risk of labour relations instability. Management expects that unions will continue to use their collective power and ability to withhold labour to advocate for improved conditions of employment, labour regulatory change, political and social goals in the future.

Under the prevailing unstable global economic climate in particular, unions could utilise disruptions, strikes and protest action to oppose restructuring and downscaling of the mining industry. In South Africa, a variety of legacy issues such as housing, migrant labour, poor service delivery and youth unemployment can lead to communities and unions working together to create instability in and around mining operations. As such, there is a risk to the safety of people and damage to company infrastructure and property.

The contagion effect of the wave of unprotected strike action and labour unrest which occurred in South Africa and particularly in the mining sector during 2012 led to a six-week unprotected strike at all of AngloGold Ashanti's South African operations in September 2012. The strike action was fuelled by several issues, including the emergence of AMCU, expectations of higher wage increases, and general social and economic conditions. Similar disruptions in the future may have a material adverse effect on the company's results of operations and financial condition.

In South Africa, a three-year wage agreement was reached in 2015 with unions representing the majority of the company's employees. This agreement was extended to all employees irrespective of their union affiliation. However, AMCU did not sign the agreement and challenged the extension of the agreement's terms to its members. The success of challenges like these could have an adverse impact on the company's financial condition as a result of increases in labour costs. See **Increased labour costs could have a material adverse effect on AngloGold Ashanti's results of operations and financial condition**.

In South Africa, the broader labour relations climate remains fragile. Unresolved issues emanating from the 2015 wage review could result in strike action. The labour relations climate is further exacerbated by a number of other issues such as (i) pressure building amongst all unions and employees regarding legislation reform affecting pensions and provident funds; (ii) demonstrations by the citizenry and students about public services and free education; (iii) public outcry relating to racism; and (iv) the effect of confrontations between political parties in the lead-up to elections, all of which may have repercussions in the workplace.

In South Africa, companies' ability to undertake a restructuring of mining operations that could result in layoffs or redundancies is curtailed by governmental intervention. Going forward, management expects that the Department of Minerals and Energy will invoke its powers to intervene in any such restructuring process and will be able to place external pressure on mining companies due to its control over the renewal and cancellation of mining rights.

Any future labour unrest and disruptions could have a material adverse effect on AngloGold Ashanti's results of operations and financial condition.

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

Labour costs represent a substantial proportion of the company's total operating costs and at many operations in South Africa and the Americas, constitute approximately 40 to 50 percent of the operations operating costs. Absent any simultaneous increase in productivity, any change to the company's wage agreements or other factors that could increase labour costs may have a material adverse effect on AngloGold Ashanti's results of operations and financial condition.

During 2015, approximately 60 percent of the company's workforce, excluding contractors, was located in South Africa. In South Africa, the historical practice has been to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. However, the 2015 wage agreement was negotiated to cover a period of three years. Nevertheless, AMCU, which did not sign the agreement, continues its efforts to challenge the extension of the wage

Table of Contents

agreement to its members. To this effect, AMCU has applied to the Employment Standards Commission for the Minister of Labour to declare the extension unlawful and to commission an investigation into low wages. Separately, in 2015 the Labour Court found in favour of AMCU regarding the dismissal of 542 employees at Moab Khotsong in April 2013. The relevant employees were re-instated and AngloGold Ashanti paid each employee an amount equivalent to 12 months' basic pay, which had an adverse impact on the company's financial condition. As a result of AMCU's challenges, the risk of potential strike action remains high and further adverse findings could increase labour costs of the company, which could have a material adverse impact on its financial condition.

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

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

AngloGold Ashanti's right to own and exploit Ore Reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. See Item 4B: Business Overview The Regulatory Environment Enabling AngloGold Ashanti to Mine. Currently, a significant portion of the company's Ore Reserves and deposits are located in countries where mining rights could be suspended or cancelled should it breach its obligations in respect of the acquisition and exploitation of these rights.

In each of the countries in which AngloGold Ashanti operates, the formulation or implementation of government policies on certain issues may be unpredictable. This may include changes in laws relating to mineral rights and ownership of mining assets and the right to prospect and mine, and in extreme cases, nationalisation, expropriation or nullification of existing concessions, licenses, permits, agreements and contracts.

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

Project implementation delays could result in licences not being renewed and the loss of mining rights. Some of AngloGold Ashanti's mining concessions, authorisations, licences and permits are subject to expiry, limitations on renewal and various other risks and uncertainties. For example, in 2012 the DRC Mines Minister announced a reform of the DRC's mining code that could have had a material adverse impact on the protections enjoyed by AngloGold Ashanti's projects in the DRC. While the reform plans were postponed in February 2016, there can be no assurance that the DRC Mines Minister will not undertake similar reforms in the future.

In addition, any dispute with governments or other stakeholders, including labour unions, involving an AngloGold Ashanti operation, as a result of rationalisation efforts or otherwise, could negatively affect AngloGold Ashanti's relationship with such government or stakeholders in respect of other operations within the same country, which could result in adverse consequences, including unfavourable regulatory action, claims and labour disputes. Such adverse consequences could be exacerbated due to the holding company structure of AngloGold Ashanti's subsidiaries in some of the countries in which it operates.

Moreover, in South Africa, AngloGold Ashanti's mining rights may be suspended or cancelled by the Minister of Mineral Resources, and the company may be unable to obtain new mining rights if it breaches its obligations under the Mineral and Petroleum Resources Development Act (MPRDA). In particular, South Africa's changing Black Economic Empowerment (BEE) policies may adversely affect both the terms of AngloGold Ashanti's mining concessions, as well as its ability to conduct operations. Mining rights are linked to compliance with various obligations, including the Revised Mining Charter. Compliance with the Revised Mining Charter is measured using a designated scorecard relating to equity ownership and management control of mining companies by historically disadvantaged South Africans (HDSAs). The deadline for compliance was originally set for the end of 2014, at which time HDSAs had to constitute 40 percent of all levels of management.

Table of Contents

Whilst AngloGold Ashanti believes that it is compliant with ownership targets that had to be achieved by the end of 2014, it has not yet received its scorecard from the government assessing its compliance with applicable requirements and it may need to make further progress to achieve future targets, including further participation by HDSAs in senior and top management levels, the upgrade of housing and accommodation at the company's mines, further human resource development, mine community development, sustainable development and growth as well as procurement and enterprise development.

The company will incur expenses in giving further effect to the Revised Mining Charter and the scorecard. AngloGold Ashanti may not meet all of the various requirements by the required dates. Additionally, the South African government may decide that the Revised Mining Charter has not gone far enough to achieve its underlying goals and therefore decide to expand the obligations of mining companies thereunder and the Minister of Mineral Resources may opt to disregard certain historical BEE transactions in connection with its review of new mining rights applications.

In March 2015, the Minister of Mineral Resources announced that the Department of Mineral Resources and the Chamber of Mines of South Africa had jointly agreed to submit certain matters relating to the interpretation of the Revised Mining Charter, including the qualification of certain historical BEE transactions for meeting the HDSA ownership thresholds, to the courts in South Africa for determination and clarification. On 9 March 2016, AngloGold Ashanti received a notice from the DMR stating that the company was not compliant with the 26 percent HDSA ownership requirement. The notice directed the company to remedy the non-compliance within 60 days. Failure to comply with the order would constitute an offence under the MPRDA and, as such, could negatively impact AngloGold Ashanti's Scorecard assessment. AngloGold Ashanti has challenged the order. Should AngloGold Ashanti breach its obligations to comply with the MPRDA, Revised Mining Charter or any future amendments to the Revised Mining Charter, it may be compelled to conduct additional BEE transactions or its mining rights in South Africa could be suspended or cancelled by the Minister of Mineral Resources and it may be unable to obtain any new mining rights. Any such suspension or cancellation could have a material adverse effect on AngloGold Ashanti's results of operations and financial condition.

In addition, and as discussed in more detail in Item 4B: Business Overview – The Regulatory Environment Enabling AngloGold Ashanti to Mine, South Africa recently enacted the BBBEE Amendment Act, which amended the Broad-based Black Economic Empowerment Act 53 of 2003. There are several areas of potential conflict between the BBBEE Amendment Act and the Revised Mining Charter. Absent any amendments to applicable law, the Amendment Act will trump the provisions of the Revised Mining Charter as from 24 October 2016.

AngloGold Ashanti's insurance does not cover most losses caused by the risks described above; see The occurrence of events for which AngloGold Ashanti is not insured or for which its insurance is inadequate may adversely affect cash flows and overall profitability.

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

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

AngloGold Ashanti has operations in several countries where ownership of land is uncertain and where disputes may arise in relation to ownership. Certain of the company's properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous people. The presence of those stakeholders may have an impact on AngloGold Ashanti's ability to develop or operate its mining interests. For example, in Australia, the Native Title Act (1993) provides for the establishment and recognition of native title under certain circumstances. In South Africa, the Extension of Security of Tenure Act (1997) and the Restitution of Land Rights Act (1994) provide for various landholding rights. Such legislation is complex, difficult to predict and outside of the company's control, and could therefore negatively affect the business results of new or existing projects. In Ghana in February 2012, the company negotiated the relocation of the Sansu Community, which lies within its local mining concession; the cost of this relocation was approximately \$30 million. Where consultation with stakeholders is statutorily or otherwise mandated, relations may not remain amicable and disputes may lead to reduced access to properties or delays in operations.

Table of Contents

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

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

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

AngloGold Ashanti is in the process of implementing initiatives relating to strategic alignment, portfolio review, restructuring and cost-cutting, temporary or permanent shutdowns, and divestments, including in connection with the consolidation of its business activities and assets. Any future contribution of these measures to profitability will be influenced by the actual savings achieved and by the company's ability to sustain these ongoing efforts. Strategic alignment, restructuring and cost-cutting initiatives may involve various risks, including, for example, labour unrest, operating licence withdrawal, and potential knock-on effects to other company projects and jurisdictions. The risk is elevated in South Africa, given calls for withdrawal of mining licences for mothballed shafts and hostile reaction to proposed mining industry retrenchments.

The risk is also be significant in Ghana, where the restructuring and repositioning of the Obuasi mine have resulted in a substantial reduction in the mine's existing operations and significant workforce redundancies. In 2014, these redundancies resulted in the company incurring \$210 million in retrenchment costs. Furthermore, after entering into a conditional investment agreement with AngloGold Ashanti on 16 September 2015 for the purpose of redeveloping and operating the Obuasi mine, Randgold Resources Limited (Randgold) informed AngloGold Ashanti on 21 December 2015 that it wished to terminate the agreement, as the proposed investment did not meet Randgold's investment criteria.

If AngloGold Ashanti fails to demonstrate or realise its business case for the redevelopment of the Obuasi operation, including because the company is unable to finalise a joint venture or other agreement with a partner to make the substantial investments necessary for redevelopment, to obtain the required consents, approvals or agreements for continued operation or to reverse deteriorating security conditions following the withdrawal of state security protection in early 2016, AngloGold Ashanti may be forced to withdraw from the Obuasi mine on a long-term or permanent basis.

Finally, the risk may also be high in the DRC where the company has exited the Mongbwalu project, see AngloGold Ashanti's mining rights in the countries in which it operates could be altered, suspended or cancelled for a variety of reasons, including breaches in its obligations in respect of its mining rights.

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

Expectations for and trends in the price of gold, combined with increased costs for project financing and exploration in certain regions, have led AngloGold Ashanti to increase its efforts to focus capital expenditure on its highest quality assets, whilst freeing up capital by curtailing capital expenditure or suspending operations at those projects that the company believes are of lower quality. AngloGold Ashanti may also consider finding partners or conducting asset sales relating to certain of its projects. With respect to dispositions, the company may not be able to obtain prices that it expects for the assets it seeks to dispose of or divest some of its activities as planned or to obtain all of the required approvals, and the divestitures that are carried out could have a negative impact on AngloGold Ashanti's business, results of operations, financial condition and reputation including as a result of subsequent claims brought by acquirers in connection with divested assets.

AngloGold Ashanti may also prove unable to deliver on production targets, including in potentially critical areas as well as on the timely, cost-effective and successful execution, including ramping-up, of key capital projects. For example, in South Africa, the company experienced declining production rates (1.00 million ounces of gold in 2015, compared with 1.22 million ounces of gold in 2014, and 1.30 million ounces in 2013), principally due to continued safety and associated stoppages, mining flexibility constraints and overall falls in grades. Management estimates that stoppages in 2015 resulted in production loss of 113,000 oz. Unforeseen difficulties, delays or costs may adversely affect the

successful implementation of the company's business strategy and projects, and such strategy and projects may not result in the anticipated benefits, which could have a material adverse effect on its financial results and prospects.

Table of Contents

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

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

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

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

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

Deep level gold mining shafts are usually designed with a lifespan of 25 to 30 years. Vertical shafts consist of large quantities of infrastructure steelwork for guiding conveyances and accommodating services such as high and low tension electric cables, air and water pipe columns. Rising temperatures in the deeper mining areas can also lead to increased cooling requirements in the form of upgraded and expanded ice plants. Maintaining this infrastructure requires skilled human resources, capital allocation, management and planned maintenance. Once a shaft has reached the end of its intended lifespan, higher than normal maintenance and care is required. Incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have an adverse effect on the company's results of operations and financial condition.

Asset integrity and reliability issues relating to ageing infrastructure are of concern at many operations, but are of particular concern in South Africa and at the Obuasi mine in Ghana. Furthermore in Tanzania, cracks were discovered in the mill feed end in September 2008 and at the discharge end in February 2010 at the Geita gold mine. The Geita gold mine is one of the group's principal assets and sources of cash flow. After initial repairs, the feed end was replaced during May and June 2011. Production throughput in 2011 was one million tonnes lower than planned, as a result of mill downtime that included feed end replacement. The Geita gold mine produced approximately 531,000 ounces in 2012, with production throughput approximately 100,000 tonnes short of budget. A decision was subsequently taken to replace the entire mill as a result of shell distortion. After new mill manufacture delays, installation was completed during March 2013. Ageing infrastructure may have an adverse effect on the company's results of operations and financial condition in the future.

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

AngloGold Ashanti has created a Technology Innovation Consortium (ATIC) and teamed up with various specialists to engineer new solutions to environmental management, mine design, mining technology and methods and underground logistics, amongst other matters. The company has invested in new technologies, including phyto-technologies to reduce seepage and address soil and groundwater contamination, and in mine support technologies to minimise the impact of seismic activity. The company is also attempting to develop technologies to access the deeper reaches of its South African mines, including rock boring, different hammer configurations and dimensions for drilling, thermal spalling and an ultra-high strength backfill product and system.

Table of Contents

Some aspects of these technologies are unproven and their eventual operational outcome or viability cannot be assessed with certainty. AngloGold Ashanti may be unable to successfully put into operation the technological step changes developed and proposed by ATIC. The costs, productivity and other benefits from these initiatives, and the consequent effects on AngloGold Ashanti's future earnings and financial condition, may vary from expectations. The company's failure to realise the anticipated benefits could result in increased costs, an inability to realise production or growth plans, or adversely affect its operational performance.

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

As at 31 December 2015, AngloGold Ashanti had gross borrowings of \$2.737 billion (2014: \$3.721 billion), excluding all finance leases and fair value adjustments on bonds.

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

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

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

An actual, anticipated or unexpected negative development of AngloGold Ashanti's results of operations or cash flows, country risk, financial metrics, or an increase in net debt position could result in a deterioration of the company's credit ratings. AngloGold Ashanti's ratings are influenced inter alia, by the location of its domicile and its operations.

On 22 January 2016, a rating agency placed the ratings of 55 mining companies globally, including AngloGold Ashanti's, on review for downgrade. This action reflects the agency's global effort to recalibrate its ratings in the mining sector to align with the continued downside volatility observed in global commodities. The review will consider each mining company's asset base, cost structure, cash flows and liquidity, as well as management's strategy for coping with downside price volatility and the ability to execute on the same. While the rating agency affirmed the rating for the company in March 2016 and updated its outlook from negative to stable, there is no assurance that rating agencies will not conduct similar reviews in the future or that the company will not be downgraded as a result of such further assessments.

A second rating agency downgraded South Africa's long-term foreign and local currency rating to BBB- from BBB and to BBB from BBB+ respectively on 4 December 2015. Furthermore, the first agency's government issuer rating for South Africa was affirmed but the outlook was changed to negative. A third rating agency warned that weak South African economic growth and government bailouts of state-owned companies could lead the country to be downgraded to sub-investment grade in 2016. Any downgrade of the government issuer rating for South Africa could have a material adverse impact on AngloGold Ashanti's creditworthiness and could dampen investors' interest in the company's securities.

Any further downgrade by ratings agencies could further increase the company's cost of capital, reduce its investor base and have a material adverse effect on AngloGold Ashanti's business, results of operations and financial condition.

AngloGold Ashanti expects to have significant financing requirements.

AngloGold Ashanti's existing board-approved development projects and exploration initiatives will require significant funding.

Table of Contents

The company's capital expenditure plans and requirements are subject to a number of risks, contingencies and other factors, some of which are beyond its control, including volatile or sustained lower gold prices, and therefore the actual future capital expenditure and investments may differ significantly from the current planned amounts.

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

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

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

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

If any of these uncertainties occur, either alone or in combination, management could be required to recognise an impairment, which could have a material adverse effect on the company's results of operations and financial condition. For example, during 2013, AngloGold Ashanti reviewed the carrying value of its mining assets (including ore stockpiles), goodwill and intangibles and, based on revised forecast gold prices, the company booked a charge of \$3,245 million in relation to impairments, derecognition and revaluation of net realisable value of its mining assets (including ore stockpiles), goodwill and intangibles.

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

AngloGold Ashanti's joint ventures at Morila in Mali and at Kibali in the DRC are managed by the company's joint venture partner Randgold Resources Limited (Randgold). In addition, certain of AngloGold Ashanti's exploration ventures are managed by the relevant joint venture partner.

Whilst AngloGold Ashanti provides strategic management and operational advice to its joint venture partners in respect of these projects, the company cannot ensure that these projects are operated in compliance with the standards that AngloGold Ashanti applies in its other operations. If these joint ventures are not operated effectively or efficiently, including as a result of weaknesses in the policies, procedures and controls implemented by the joint venture partners, the company's investment in the relevant project could be adversely affected. In addition, negative publicity associated with operations that are ineffective or inefficiently operated, particularly relating to any resulting accidents or environmental incidents, could harm the company's reputation and therefore its prospects and potentially its financial condition. Furthermore, any failure of joint venture partners to meet their obligations to AngloGold Ashanti or to third parties, or any disputes with respect to the parties' respective rights and

Table of Contents

obligations, could have a material adverse impact on AngloGold Ashanti's results of operations and financial condition. In particular, the company and Randgold retain equal representation, with neither party holding a deciding vote, on the board of the two companies that have overall management control of the Morila project in Mali and the Kibali project in the DRC, respectively, and all major management decisions for each of these two projects, including approval of the budget, require board approval. If a dispute arises between the company and Randgold with respect to the Kibali or Morila project and the parties are unable to amicably resolve such dispute, it may be difficult for the parties to make strategic decisions relating to the project affected by such dispute, the day-to-day operations and the development of such project may be adversely affected and the company may have to participate in proceedings to resolve the dispute, which could adversely affect the company's results of operations and financial condition.

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

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

Past experience demonstrates that political, tax and economic laws and policies in countries in which AngloGold Ashanti operates can change rapidly. Examples include the 2012 coup d'état and subsequent fighting in Mali and the foreign currency regulations that were imposed from 2011 to 2015 in Argentina. As mining assets are fixed, the adverse impacts of such changes may be unavoidable and immediate.

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

In many of the countries in which AngloGold Ashanti operates, there is an ongoing focus by governments seeking greater economic benefit and increased financial and social benefits from extractive industries and mining in particular. This entails the review of mining codes and stability agreements, which were in many cases designed under particular economic conditions, and the formulation or amendment of laws, policies and regulations relating to issues such as mineral rights and asset ownership, royalties, taxation and taxation disputes, windfall or super taxation, non-recovery of taxation refunds, import and export duties, currency transfers, restrictions on foreign currency holdings and repatriation of earnings. The laws, policies and regulations are increasingly uncertain, changing and generally require progressively higher payments to governments, notably in the form of increased royalties and taxes, mandated beneficiation, export levies and increasing or retaining state or national ownership of resources. In particular, changes to the fiscal terms governing AngloGold Ashanti's operations may have a material adverse impact on the company's results of operations or financial condition, threaten the viability of existing operations, and discourage future investments in certain jurisdictions. This may therefore have an adverse impact on the company's ability to access new assets and potentially reduce future growth opportunities.

For example, on 9 September 2011, a new mining code for Guinea was enacted. The new mining code significantly increased the share of state ownership in the mining industry, extending a 15 percent share of future mining projects to the government, without financial compensation. The government also had the option to purchase up to an additional 20 percent of each project. However, the new mining code was suspended in October 2012 due to unfavourable reception. On 8 April 2013, the Guinean parliament voted to amend the 2011 Mining Code. The amendment was promulgated shortly thereafter by Presidential Decree on 17 April 2013. The new legislation provides that existing mining conventions will be amended through addenda which will contain various provisions, including provisions relating to taxation, state equity participation in mining companies and other matters. The scope of the amendments to AngloGold Ashanti's existing mining convention will depend on the outcome of negotiations with the technical committee established by the Guinean government. Any material amendments could have an adverse effect on the company's financial condition and profitability.

Table of Contents

In 2012, the government of Ghana amended its fiscal mining regime, increasing its corporate taxation to 35 percent and royalty rates of five percent. Furthermore, the government of Ghana has constituted a review committee to review and re-negotiate stability agreements with mining companies. AngloGold Ashanti is waiting to be invited to participate in negotiations with the Ghanaian review committee. The outcome of these negotiations may have a material adverse effect on the company's results of operations or financial condition.

AngloGold Ashanti and other major mining companies are in talks with the Tanzanian government regarding new mining legislation and its impact on existing mining agreements. Such talks follow an earlier declaration in July 2012 by the Tanzanian Minister of Energy and Minerals that the mining contracts were under review. The new mining legislation and the outcome of the review of the mining contracts may have a material adverse impact on the company's results of operations and financial condition. In 2012, the Tanzanian Minister of Energy and Minerals increased the royalty rate levied on gold extracted in Tanzania by AngloGold Ashanti's operations by one percent, which had a direct impact on the revenues earned from the operations in Tanzania. This change was ratified on 9 October 2014, together with the cancellation of a capital allowance previously applicable to unredeemed qualifying capital expenditure and a new levy payable to the Geita District Council. Tanzanian regulations proposed in 2013 set out the requirement to sell shares to nationals by way of a public offering and listing on the Dar es Salaam Stock Exchange that may apply to companies that carry out large scale mining operations. Additionally, in 2015, a 30 percent capital gains tax on sales of shares and a new act cancelling VAT exemptions on company purchases came into force. These new laws may have an adverse impact on the company's results of operations in Tanzania.

On 1 July 2012, Australia's Minerals Resource Rent Tax (MRRT) came into effect after the legislation was passed in March 2012. The MRRT, which was repealed in 2014, applied only to the bulk commodities of coal and iron ore, and replaced the previously proposed Resource Super Profits Tax (RSPT), which covered all minerals. The Australian federal government did not include gold and uranium in the final MRRT. However, should Australia consider reintroducing the RSPT, or if similar super profit taxes were to be introduced and implemented in any other country in which AngloGold Ashanti operates, the company's results of operations and financial condition could be materially adversely affected.

In addition, some of AngloGold Ashanti's mineral deposits and mining and exploration operations are located in countries that are experiencing social and political instability as well as economic uncertainty. For example, in South Africa, country risk has increased in light of the violent strike action, social unrest and protest. The high levels of unemployment, poverty and inequality remain, further increasing the risk of social instability that will continue to negatively impact the South African economy, business and the mining industry.

The MPRDA Amendment Bill of 2013, passed by the National Assembly of Parliament of the Republic of South Africa on 12 March 2014 (and referred back to the National Assembly by the President on 16 January 2015), could impact AngloGold Ashanti's business by empowering the Minister of Mineral Resources to set developmental pricing conditions for certain minerals for beneficiation purposes, impose export permits on designated minerals and give the State an open-ended free carried interest and State participation.

In June 2013, the Brazilian government proposed changes to the mining legislation that are still being discussed in congress. The proposals could make the rules governing access to mining titles more discretionary and could shorten the duration of exploitation rights.

Mining is a long-term activity and assets may be located in jurisdictions with elevated risk. Political instability and the resulting unstable business environment in such countries in which companies operate may discourage future investment in those jurisdictions, and may have an adverse impact on the company's ability to access new assets, potentially reducing growth opportunities.

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

Table of Contents

In Guinea, Mali, DRC and Tanzania, AngloGold Ashanti is due refunds of input tax and fuel duties which have remained outstanding for periods longer than those provided for in the respective statutes. For example, AngloGold Ashanti calculates that overdue recoverable value added tax, fuel duties and appeal deposits of \$40 million are owed to AngloGold Ashanti and held by the Tanzanian government and it is not certain when AngloGold Ashanti will be refunded this amount, if at all.

The countries in which the company operates may also introduce strict exchange controls, impose restrictions to source materials and services locally, or impose other similar restrictions that hinder foreign companies' operations within such countries. For example, the Argentine government introduced stricter exchange controls and related protracted approval processes from 2011 to 2015, which limited the company's ability to repatriate dividends from its Argentine subsidiaries. In October 2011, the Argentina government decreed that mining, oil and energy companies must repatriate export earnings and additionally, the purchase of U.S. dollars required authorisation from the Argentine central bank and the purpose for which the currency would be used had to be stated. In May 2012, the Argentine Mining Secretariat issued new regulations requiring mining companies in Argentina to boost their domestic purchases of equipment and services and mining companies were required to resort exclusively to locally established suppliers for their export-related shipping and logistics operations. While the new government, elected in November 2015, started a process to ease these controls and return to an open economy and free market, not all restrictions had been lifted as of March 2016, including restrictions on dividend payments.

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

For example, in South Africa mining rights are tied to compliance with various obligations that include the Revised Mining Charter. Compliance with the Revised Mining is measured using a designated scorecard relating to equity ownership and management control of mining companies by historically disadvantaged South Africans (HDSAs). The deadline for compliance was originally set for the end of 2014, at which time HDSAs had to constitute 40 percent of all levels of management.

Whilst AngloGold Ashanti believes that it is compliant with the targets that had to be achieved by the end of 2014, it has not yet received its Scorecard from the government assessing its compliance with applicable requirements and it may need to make further progress to achieve future targets, including further participation by HDSAs in senior and top management levels, the upgrade of housing and accommodation at the company's mines, further human resource development, mine community development, sustainable development and growth as well as procurement and enterprise development. See Item 4B: Business Overview The Regulatory Environment Enabling AngloGold Ashanti to Mine .

The company will incur expenses in giving further effect to the Revised Mining Charter and the scorecard. AngloGold Ashanti may not meet all of the various requirements by the required dates. Additionally, the South African government may decide that the Revised Mining Charter has not gone far enough to achieve its underlying goals and therefore decide to expand the obligations of mining companies thereunder and the Minister of Mineral Resources may opt to disregard certain historical BEE transactions in connection with its review of new mining rights applications. In March 2015, the Minister of Mineral Resources announced that the Department of Mineral Resources and the Chamber of Mines of South Africa had jointly agreed to submit certain matters relating to the interpretation of the Revised Mining Charter, including the qualification of certain historical BEE transactions for meeting the HDSA ownership thresholds, to the courts in South Africa for determination and clarification. On 9 March 2016, AngloGold Ashanti received a notice from the DMR stating that certain of the company's operations were not compliant with the 26 percent HDSA ownership requirement. The notice directed the company to remedy the non-compliance within 60 days. Failure to comply with the order would constitute an offence under the MPRDA and, as such, could negatively impact AngloGold Ashanti's Scorecard assessment. AngloGold Ashanti has challenged the order. Should AngloGold Ashanti breach its obligations to comply with the MPRDA, Revised Mining Charter or any future amendments to the Revised Mining Charter it may be compelled to conduct additional BEE transactions or, its mining rights in South Africa could be suspended or cancelled by the Minister of Mineral Resources and it may be unable to obtain any new mining rights. Any such suspension or cancellation could have a material adverse effect on AngloGold Ashanti's results of operations and financial condition.

See Item 4B: Business Overview The Regulatory Environment Enabling AngloGold Ashanti to Mine .

Table of Contents

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

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

AngloGold Ashanti's operations could be disrupted, resulting in additional costs and liabilities, if the mining contractors at affected mines have financial difficulties, or if a dispute arises in renegotiating a contract, or if there is a delay in replacing an existing contractor and its operating equipment to meet business needs at expected cost levels. Increases in contract mining rates, in the absence of associated productivity increases, will also have an adverse impact on the company's results of operations and financial condition. For example, on 13 October 2012, AngloGold Ashanti terminated the underground development contract with a third-party contractor at the Obuasi mine in Ghana. The costs of the termination amounted to \$17 million. On 10 February 2014 workers employed by a contractor at Sadiola and Yatela went on a five-day strike demanding improved redundancy payments. See Labour unrest, activism and disruptions could have a material adverse effect on AngloGold Ashanti's results of operations and financial condition. Furthermore disagreements over costs with contractors at Siguiri in Guinea and Iduapriem in Ghana resulted in a dispute in 2015.

Contractor disputes can also arise after the termination of the contractual relationship or the sale of the applicable mine. For example, the company is currently involved in arbitration proceedings with contractors in Ghana with regard to its Obuasi mine and in the United States with regard to its former Cripple Creek & Victor mine. See Item 8A: Legal Proceedings

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

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

AngloGold Ashanti competes on a global basis with mining and other companies to attract and retain key human resources at all levels with the appropriate technical skills and operating and managerial experience necessary to operate and supervise its business. This is exacerbated by the global shortage of persons with critical mining skills, including geologists, mining engineers, metallurgists and skilled artisans. Furthermore, the often remote locations of mining operations may make the mining industry unattractive to potential employees. Changes in taxation and the regulatory environment where AngloGold Ashanti operates may also impact the company's ability to attract and retain key personnel, especially those from abroad.

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

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

Additionally, the company may incur significant costs to build talent, capacity and expertise across its global operations. Despite AngloGold Ashanti's investments, the company may not be able to retain and attract sufficient skilled and experienced employees in all areas of the business. Should it fail to do so or lose any of its key personnel with critical skills, business and growth prospects may be harmed and this could have an adverse impact on AngloGold Ashanti's results of operations and financial condition.

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

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The company's success depends largely upon the continued service of its senior management, including its chief executive officer, chief financial officer, the executive officers at each of its business divisions and general managers at its mines.

The loss of one or more members of the senior management teams, coupled with the reduced attractiveness of the gold mining sector, could lead to other members of the management team leaving, disrupt the company's operations, and have a material adverse impact on the company's business, results of operations and financial condition.

Table of Contents

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

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

AngloGold Ashanti is currently subject to numerous claims, including class action litigation, with respect to alleged occupational lung diseases (see AngloGold Ashanti is subject to the risk of litigation, the causes and costs of which are not always known). AngloGold Ashanti is working with the industry to engage with government (and other stakeholders) to seek an appropriate industry-wide solution. An industry-wide solution may not be reached or the terms of any such solution may have a material adverse effect on AngloGold Ashanti's financial condition. See Item 8A: Legal Proceedings and Item 18: Note 35 Contractual Commitments and Contingencies.

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

AngloGold Ashanti also faces certain risks in dealing with HIV/AIDS, particularly at its South African operations, and with tropical disease outbreaks such as malaria, and other diseases which may have an adverse effect on the company's results of operations and financial condition. AIDS and associated diseases remain one of the major health care challenges faced by AngloGold Ashanti's South African operations. Workforce prevalence studies indicate that HIV prevalence rates amongst AngloGold Ashanti's South African workforce may be as high as 30 percent.

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

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

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

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

Some of the mining operations adjacent to AngloGold Ashanti's operations in South Africa have been closed. For example, in May 2013, Village Main Reef (VMR) announced its intention to wind down its Buffels (Hartebeesfontein and Buffelsfontein)

Table of Contents

operations adjacent to AngloGold Ashanti's Vaal River operations, effectively transitioning their operations to closure. After VMR ceased pumping of underground water at its Buffelsfontein and Hartebeesfontein operations, AngloGold Ashanti prepared plans to manage underground water that it anticipated would eventually reach its operations. The infrastructure to pump this water out from underground was completed in December 2015, with an accelerated project plan. The water reached the company's Great Nologwa boundary on 23 January 2016, and the pumping continues with added costs to AngloGold Ashanti.

In the West Wits district, Blyvooruitzicht Gold Mining Company was placed in provisional liquidation in August 2013. AngloGold Ashanti has secured a court order for access rights to Blyvoor 4 and 6 shafts to keep pumping going. AngloGold Ashanti has also incorporated Covalent Water Company, which has purchased rights of access, electricity etc. to the 4 and 6 shafts as well as the relevant infrastructure to continue pumping underground water. This has reduced the risk of flooding at the company's West Wits Operations, but the company can provide no assurance that the risk of flooding will not materialise, which could have an adverse impact on its results of operations and financial condition.

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

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

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

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

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

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

In order to mitigate the cost of its insurance program, AngloGold Ashanti may in some instances retain a portion of the financial loss associated with an insurable event. These financial losses could be significant and have an adverse effect on its financial condition.

Insurance for certain risks in particular, such as loss of title to mineral property, political risks in certain jurisdictions, environmental pollution, or other hazards resulting from exploration and production, is not generally available to mining companies on acceptable terms. The availability and cost of insurance coverage can vary considerably from year to year as a result of events beyond the company's control or as a result of previous claims. This can result in higher premiums and periodically being unable to maintain the levels or types of insurance the company typically carries.

The failure to obtain adequate insurance could impair the company's ability to continue to operate in the normal course of its business. This could adversely impact its cash flows, results of operations and financial condition.

Table of Contents

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

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

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

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

In particular, AngloGold Ashanti has received notice of two applications for class certification relating to silicosis in which the company is a respondent. It has also received a significant number of notices of individual claims. For further information, please refer to Item 8A: Legal Proceedings South Africa Silicosis litigation . It is possible that additional class actions and/or individual claims relating to silicosis and/or other OLD will be filed against AngloGold Ashanti in the future. AngloGold Ashanti will defend all and any subsequent claims as filed on their merits. Should AngloGold Ashanti be unsuccessful in defending any such claims, or in otherwise favourably resolving perceived deficiencies in the national occupational disease compensation framework that were identified in the earlier decision by the Constitutional Court, such matters would have an adverse effect on its financial position, which could be material.

In Colombia, the company is also involved in class action lawsuits in relation to AGAC's Santa Maria-Montecristo and La Colosa projects. One of these class action lawsuits led to a preliminary injunction suspending the mining concession contracts of the Santa Maria-Montecristo project in September 2011. Additionally, in Colombia, AGAC is involved in an action in the Administrative Superior Court of the Cundinamarca District against the Department of the Environment, Housing and Territorial Development (DoE) following its issuance of a fine against AGAC on the basis that AGAC was in breach of its mining terms of reference. Please see Item 8A: Legal Proceedings Colombia .

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

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

AngloGold Ashanti continues to implement a single, global ERP system to support all the operations that it manages. The implementation and operationalisation of an ERP system on a global basis is an inherently high-risk initiative due to the potential for implementation cost and time overruns. In addition, if AngloGold Ashanti experiences difficulties with the implementation and operation of the system, the company's ability to report and manage technical and financial information could be compromised, which could have an adverse effect on the company's results of operations and financial condition.

Any similar future problems with the implementation, operation or maintenance of the ERP system could have an adverse effect on the company's financial condition.

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

The bulk of AngloGold Ashanti's shares are held by a relatively small number of investors. According to information available to the company, AngloGold Ashanti's five largest shareholders beneficially owned 32.08 percent and the top 10 largest beneficially owned 49.58 percent of AngloGold Ashanti's ordinary shares as at 31 December 2015.

Poor returns, soaring costs, higher capital expenditure, ill-conceived corporate activity, rising geopolitical and labour risk, a material decrease in the price of gold and low dividend yields over the past few years have resulted in a change in market sentiment towards gold equities. The market price of the company's securities could fall if large quantities of ordinary shares or ADSs are sold in the public market, if there is divestment by certain types or groupings of investors, or if there is the perception in the marketplace that such sales could occur. Subject to applicable securities laws, holders of the company's ordinary shares or ADSs may decide to sell them at any time.

Table of Contents

The market price of the company's ordinary shares or ADSs could also fall as a result of any future offerings AngloGold Ashanti makes of its ordinary shares, ADSs, or securities exchangeable or exercisable for the company's ordinary shares or ADSs, or the perception in the marketplace that these offerings might occur. AngloGold Ashanti may make such offerings, including offerings of additional ADS rights, share rights or similar securities, at any time or from time to time in the future.

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

AngloGold Ashanti has historically declared all dividends in South African rands. As a result, exchange rate movements may have affected the Australian dollar, the British pound, the Ghanaian cedi and the U.S. dollar value of these dividends, as well as of any other distributions paid by the relevant depository to holders of the company's securities.

Furthermore, AngloGold Ashanti's Memorandum of Incorporation allows for dividends and distributions to be declared in any currency at the discretion of the board of directors or the company's shareholders at a general meeting. If, and to the extent that, AngloGold Ashanti opts to declare dividends and distributions in U.S. dollars, exchange rate movements will not affect the U.S. dollar value of any dividends or distributions. Nevertheless, the value of any dividend or distribution in Australian dollars, Ghanaian cedis or South African rands will continue to be affected. If and to the extent that dividends and distributions are declared in South African rands in the future, exchange rate movements will continue to affect the Australian dollar, Ghanaian cedi and U.S. dollar value of these dividends and distributions. This may reduce the value of the company's securities to investors. Additionally, the market value of AngloGold Ashanti's securities as expressed in Australian dollars, Ghanaian cedis, U.S. dollars and South African rands will continue to fluctuate in part as a result of foreign exchange fluctuations.

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

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

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

Given these factors, including the capital and investment needs of AngloGold Ashanti, and the board of directors' discretion to declare a dividend (including the amount and timing thereof), cash dividends may not be paid in the future.

U.S. securities laws do not require AngloGold Ashanti to disclose as much information to investors as a U.S. issuer is required to disclose, and investors may receive less information about the company than they might otherwise receive from a comparable U.S. company.

AngloGold Ashanti is subject to the periodic reporting requirements of the SEC and the New York Stock Exchange that apply to foreign private issuers. The periodic disclosure required of foreign private issuers under applicable rules is more limited than the periodic disclosure required of U.S. issuers. For example, on 22 February 2016, AngloGold Ashanti announced that it would no longer voluntarily publish reviewed financial statements and analyses of operating and financial results for the quarters ended 31 March and 30 September each year. As a result of this transition to half-yearly reporting, investors will receive less information about AngloGold Ashanti than they have in previous years. They will also receive less timely financial reports than they otherwise might receive from a comparable U.S. company or from certain of the company's peers in the industry. This may have an adverse impact on investors' ability to make decisions about their investment in AngloGold Ashanti.

Table of Contents

ITEM 4: INFORMATION ON THE COMPANY

**4A. HISTORY AND DEVELOPMENT OF THE COMPANY
GROUP INFORMATION**

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

CURRENT PROFILE

AngloGold Ashanti Limited is headquartered in Johannesburg, South Africa. The company (Registration number 1944/017354/06) was incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and operates under the South African Companies Act, No. 71 of 2008, as amended (the Companies Act).

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

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

HISTORY AND SIGNIFICANT DEVELOPMENTS

Below are highlights of key corporate activities from 1998:

1998

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

1998-2004

Expansion of AngloGold Limited's operations outside of South Africa.

2004

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

2007

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

2009

Sale by Anglo American plc of its remaining shareholding to Paulson & Co. Inc.

2010

Elimination of AngloGold Ashanti's hedge book, thereby gaining full exposure to spot gold prices.

2012

Acquisition of the remaining 50 percent interest in Serra Grande in Brazil for \$215 million.
Acquisition of 100 percent of First Uranium (Proprietary) Limited for \$335 million.

2013

Commissioning of two new gold projects Tropicana and Kibali in the second half of 2013.

2015

Sale of the Cripple Creek & Victor gold mine in the USA for \$819 million.

Table of Contents

CAPITAL EXPENDITURE

For information concerning the company's principal capital expenditures and divestitures currently in progress, including the distribution of these investments geographically and the method of financing, refer to Item 4B: Business Overview AngloGold Ashanti Global Operations: 2015, Item 5A: Operating Results Capital expenditure and Item 5B: Liquidity and Capital Resources.

Table of Contents

4B. BUSINESS OVERVIEW

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 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.

PRODUCTS

AngloGold Ashanti's main product is gold. 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.

By-products of our gold mining operations, often a function of local geological characteristics, include silver in Argentina, sulphuric acid in Brazil and uranium in South Africa.

OPERATIONS

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.

Given the continued decline in the gold price, the company continued to focus on containing and reducing costs, improving margins and actively managing its portfolio in 2015. In line with this, the Cripple Creek & Victor (CC&V) mine in the United States was sold in August 2015, Obuasi remained on limited operations in 2015 and the closure process at Yatela continued.

The 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 in the business through a range of activities which includes brownfields and greenfields exploration, innovative research, the development and technical assurance of technology and a continuing 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 takes place in both established and new gold-producing regions through managed and non-managed joint ventures, strategic alliances and wholly-owned ground holdings. AngloGold Ashanti's discoveries include La Colosa, Gramalote and Quebradona (Nuevo Chaquiro) in Colombia and Tropicana in Australia.

GOLD MARKET

Speculation around the timing of a possible increase in US interest rates weighed on the gold price during 2015. When the US Federal Reserve's Open Market Committee (FOMC) finally raised rates at its 16 December 2015 meeting, the gold price fell sharply, despite the fact that the increase had been widely anticipated. However as year-end approached, the gold price rose again due to 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 the gold price.

Table of Contents

Physical gold demand differed in the first and second halves of 2015. 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 drawing out demand. Thus, although overall physical demand for 2015 was down compared to the previous year, it reacted positively when prices fell, which helped to support the company's performance during these periods.

Investment demand, as evidenced by the exchange traded funds, continued to wane through 2015 with a total liquidation of 119t recorded for the year. However, this outflow was slower than the outflows recorded for 2013 (903t) and 2014 (155t).

Official sector buying continued in 2015 as central banks sought to continue diversifying their reserve assets. In July, China revealed that Chinese gold reserves had grown 50% since 2006, taking 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.

COMPETITION

As gold mining is a mature and regulated industry, and very significant volumes of gold and gold derivatives trade in the world markets independent of gold mine supply, AngloGold Ashanti does not consider that competition for sales plays any role in its operations as a gold producer. For more information on a geographical analysis of gold income by destination, refer to Item 18: Note 2 – Segmental Information.

However, gold producers do compete against each other for acquisition of mining assets, exploration opportunities and human resources. See Item 3D: Risk Factors.

SEASONALITY

Subject to other factors and unforeseen circumstances, quarter one production is generally lower than production during the rest of the year as a result of the ramp-up of operations after annual holiday production declines.

RAW MATERIALS

AngloGold Ashanti uses chemicals, including cyanide and lime, in the production of gold. These chemicals are available from a large number of suppliers and do not represent a material portion of the company's costs.

STRATEGY

AngloGold Ashanti's core strategic focus is to generate sustainable free cash flow 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.

Strategic focus areas

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

Focus on people, safety and sustainability. 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.

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

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

Improve portfolio quality. 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.

Maintain long-term optionality. 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.

INTELLECTUAL PROPERTY

Table of Contents

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

THE REGULATORY ENVIRONMENT ENABLING ANGLOGOLD ASHANTI TO MINE

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

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

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

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

South Africa

The MPRDA

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

The Mineral and Petroleum Resources Development Amendment Act (MPRDAA) was passed by Parliament in 2008 and became effective on 7 June 2013. Its purpose is to amend the MPRDA in order to, amongst other things:

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

Table of Contents

When the MPRDAA came into effect on 7 June 2013, only selected provisions became effective immediately. The MPRDAA contains the following provisions, amongst others:

Environmental authorisations: Provides for a prohibition on any prospecting and mining, or conducting technical co-operation operations, reconnaissance operations or any incidental work without an environmental authorisation (since 7 December 2014), permit and at least 21 days written notice to the landowner or lawful occupier.

Historic residues: Provides that the definitions of residue stockpile and residue deposit now include an old order right. This provision is intended to make old order dumps subject to the MPRDA so that old order dumps which are part of a mining area covered by a new order mining right could only be treated by the holder of the new order rights. Old order dumps not covered by a new order mining right would be considered a residue deposit to which the Minister would have discretion to grant rights.

Applications: Provides that applicants for prospecting and mining rights must (since 7 December 2014) lodge an application for an environmental authorisation simultaneously with the application for rights. The Department of Mineral Resources should no longer accept more than one application in respect of the same area and mineral.

Environmental regulation: Provides that the Minister is the responsible authority for implementing environmental provisions in terms of the National Environmental Management Act (NEMA) as it relates to prospecting, mining, exploration, production or activities incidental thereto on a prospecting, mining, exploration or production area. An environmental authorisation issued by the Minister shall be a condition prior to the issuing of a permit or the granting of a right in terms of the MPRDA.

Closure certificates: Provides that previous holders of old order rights or previous owners of works that have ceased to exist remain responsible for any environmental liability until the Minister issues a closure certificate.

On 27 December 2012, the Minister published the Draft Mineral and Petroleum Resources Development Bill, 2012 (2012 Bill) which sought to amend the MPRDA and invited the mining industry and interested and affected parties to comment on it by 8 February 2013. On 21 June 2013, a revised version of the Bill (2013 Bill) was introduced to the National Assembly. The 2013 Bill underwent an extensive public participation process and extensive comments were received from the general public. Following a consultative process with the Department of Mineral Resources (DMR), the State Law Advisors and the general public, the Portfolio Committee on Mineral Resources (Portfolio Committee) introduced an amended version of the 2013 Bill to the South African Parliament.

The 2013 Bill seeks to amend the MPRDA, to, amongst other things:

- remove ambiguities;
- provide for regulation of associated minerals, partitioning of rights, and enhanced provisions on mineral beneficiation;
- promote national energy security;
- streamline administrative processes; and
- enhance sanctions.

The 2013 Bill, as currently drafted, contains, amongst others, the following provisions:

Applications: The 2013 Bill proposes revising the application system by replacing the first come, first served system with a tender and allocation system. This would dramatically affect the way applications are made.

Beneficiation: The 2013 Bill extends the concept of beneficiation (which has been defined in the 2013 Bill as transformation, value addition or downstream beneficiation of a mineral or mineral product (or a combination of minerals) to a higher value product, over baselines to be determined by the Minister, which can either be consumed locally or exported) and would allow the Minister to prescribe the quantities, qualities and timelines at which certain designated commodities must be supplied to local beneficiaries at a mine gate price or an agreed price. The reference to the mine gate price appears to suggest companies can recover costs, capital expenditure and make a profit. It is not clear whether the agreed price will have general application or whether it will be determined on a case-by-case basis. Another proposed amendment provides that written consent would have to be obtained before exporting of designated minerals if the producer or associated company has not offered minerals to local beneficiaries. The Minister would have discretion to decide which minerals are to be designated.

Residue stockpiles: The MPRDAA's inclusion of residue deposits and residue stockpiles in the definition of land, creating a statutory accession of movable dumps back to the land, is discussed above. The 2013 Bill would extend this definition to include historic mines and dumps created before the implementation of the MPRDA. The 2013 Bill also seeks to make these historic dumps subject to the MPRDA. This is to be achieved by making the working of these dumps subject to a mining right issued under the MPRDA. There is a transition period of two years to enable owners of these dumps to either apply for mining rights or incorporate them in existing mining rights.

Table of Contents

Partitioning of rights and transfers of interests in companies: Section 11 of the MPRDA currently requires that transfer of a controlling interest in an unlisted company be consented to by the Minister. The 2013 Bill proposes amending the MPRDA so that transfer of a controlling interest in listed companies and transfer of any interest in unlisted companies must be consented to by the Minister. The 2013 Bill further proposes amending the MPRDA to allow for an application for ministerial consent to be made to transfer a part of a right.

Mine closure: The 2013 Bill makes provision for two major changes to mine closure under the MPRDA. Firstly, the MPRDA would be amended so that a mining company could still incur environmental liability even after a closure certificate relative to a mine is obtained. Secondly, any portion of the financial provision paid to the Minister in terms of section 41 of the MPRDA may be retained by the Minister for latent and residual environmental impact which may become known in the future for such period as the Minister may determine having regard to the circumstances relating to the relevant operation, which portion and period must be determined in the prescribed manner.

Penalties: The 2013 Bill would also provide for revised penalties for violations of the MPRDA by making provision for both an administrative fine not exceeding 10 per cent of the person or holder's annual turnover and exports during the preceding year, and imprisonment not exceeding four years.

Legislative force of the Charter and Codes: The 2013 Bill proposes amending the definition of "this Act" in the MPRDA so that the MPRDA will include the Revised Mining Charter (defined below), the Code of Good Practice for the South African Mineral Industry (Code) and the Housing and Living Conditions Standard. This would give these documents the force of law.

The 2013 Bill was passed by the National Assembly on 12 March 2014 and passed by the National Council of Provinces (NCOP) on 27 March 2014. The 2013 Bill was sent to the President of the Republic of South Africa (President) for assent. On 16 January 2015, the President referred the 2013 Bill back to the National Assembly to accommodate his reservations around the constitutionality of the 2013 Bill. The National Assembly has yet to reconsider the 2013 Bill in light of the President's reservations around its constitutionality. Once the National Assembly considers the 2013 Bill and sends it back to the President for assent, the President will then either assent to the 2013 Bill or, if he thinks that his reservations around the constitutionality of the 2013 Bill have still not been addressed he can either assent to the 2013 Bill anyway (i.e. accept that the 2013 Bill should become law despite his reservations) or he can refer the 2013 Bill to the Constitutional Court of South Africa for a decision on its constitutionality.

The Mining Charter

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

The objectives of the Mining Charter are to:

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

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

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

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

Table of Contents

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

- facilitate local beneficiation of mineral commodities;
- procure a minimum of 40 percent of capital goods, 70 percent of services and 50 percent of consumer goods from HDSA suppliers (i.e., suppliers in which a minimum of 25 percent + 1 vote of share capital is owned by HDSAs) by 2014, these targets being, however, exclusive of non-discretionary procurement expenditure;
- ensure that multinational suppliers of capital goods put a minimum of 0.5 percent of their annual income generated from South African mining companies into a social development fund beginning in 2010, to contribute to the socioeconomic development of South African communities;
- achieve a minimum of 40 percent HDSA demographic representation by 2014 at executive management (board) level, senior management (EXCO) as well as in those positions requiring core and critical skills, middle management level and junior management level;
- invest up to five percent of annual payroll in essential skills development activities; and
- implement measures to improve the standards of housing and living conditions for mineworkers by converting or upgrading mineworkers hostels into family units, attaining an occupancy rate of one person per room and facilitating home ownership options for all mineworkers in consultation with organised labour, all of which must be achieved by 30 April 2014.

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

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

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

The Scorecard attached to the Revised Mining Charter made provision for a phased-in approach for compliance with the above targets over the five-year period ended on 30 April 2014. For measurement purposes, the Scorecard allocated various weightings to the different elements of the Revised Mining Charter.

Failure to comply with the provisions of the Revised Mining Charter will amount to a breach of the MPRDA, may result in the cancellation or suspension of a mining company's existing mining rights and may prevent AngloGold Ashanti's South African operations from obtaining any new mining rights. However, AngloGold Ashanti has not yet received its Scorecard from the government assessing its compliance with the requirements of the Charter.

In March 2015, the Minister of Mineral Resources announced that the Department of Mineral Resources and the Chamber of Mines of South Africa had jointly agreed to submit certain matters relating to the interpretation of the Revised Mining Charter, including the qualification of certain historical BBBEE transactions (defined below) for meeting the HDSA ownership thresholds, to the courts in South Africa for determination and clarification. Papers have been filed by the Chamber of Mines of South Africa and the DMR, the parties appeared in court on 15 March 2016 and we await the court's judgement.

On 9 March 2016, AngloGold Ashanti received a notice from the DMR stating that the company was not compliant with the 26 percent HDSA ownership requirement. The notice directed the company to remedy the non-compliance within 60 days. Failure to comply with the order would constitute an offence under the MPRDA and, as such, could negatively impact AngloGold Ashanti's Scorecard assessment. AngloGold Ashanti has challenged the order.

Table of Contents

The Code

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

Environmental laws relating to mining and prospecting

The MPRDAA repealed the sections in the MPRDA that dealt with environmental regulation of mining and prospecting operations. This was the first step in migrating the environmental regulation provisions from the MPRDA into NEMA. NEMA was amended by the National Environmental Management Amendment Act no. 62 of 2008 and then again by the National Environmental Management Laws Amendment Act 25 of 2014 which came into effect on 2 September 2014. NEMA now includes provisions to deal with environmental regulation of mining and prospecting which provisions are administered by the Minister of Mineral Resources. In addition, The Regulations Pertaining to the Financial Provision for Prospecting, Exploration, Mining or Production Operations were published in the government gazette on 20 November 2015 under GNR 1147 Notice 39425 (New Financial Provision Regulations), and now fall under NEMA.

While the New Financial Provision Regulations are similar to the previous provisions under the MPRDA, some of the significant changes are set forth below:

- broadening the definition of financial provision to require making financial provision for the adverse impacts that might arise from operations rather than only those listed in the environmental management plan (EMP), as was previously the case;
- requiring the holder to annually assess environmental liability and adjust the financial provision to the satisfaction of the Minister of Mineral Resources;
- requiring the holder to submit an audit report to the Minister of Mineral Resources on the adequacy of the financial provision from an independent auditor. If the Minister of Mineral Resources is not satisfied with the assessment, he is entitled to appoint his own auditor;
- requiring that a holder maintain and retain financial provision notwithstanding the issuance of a closure certificate. Furthermore, the Minister may retain such portion of the financial provision as may be required to rehabilitate the closed mining or prospecting operation in respect of latent, residual or any other environmental impacts, including the pumping of polluted or extraneous water, for a prescribed period. This is not only in respect of holders of rights, but also now in respect of holders of old order rights and holders of works;
- before the coming in to effect of the New Financial Provision Regulations, holders could make financial provision for annual rehabilitation, final rehabilitation and post-closure residual impacts and water pumping by adding up the total amount for these three types of rehabilitation and making financial provision in one go using one or a mix of four methods: depositing cash in to the DMR bank account, keeping the amount in a rehabilitation trust in accordance with the Income Tax Act, 1962, obtaining a financial guarantee or a bank guarantee in respect of the amount, or using a method determined by the Director-General (this was not common in practice). Under the New Financial Provision Regulations, if the holder wishes to use a rehabilitation trust in accordance with the Income Tax Act, 1962, the amount in the trust can only relate to financial provision for post-closure residual impacts and water pumping. Holders can no longer make financial provision for annual and final closure through a trust fund;
- a holder's financial provision must be equal to the sum of actual costs of implementing all three broad classes of rehabilitation for at least 10 years; and
- the financial provision liability associated with annual rehabilitation, final closure or latent or residual environmental impacts may not be deferred against assets at mine closure or mine infrastructure salvage value.

Failure to realign to the new system constitutes non-compliance with section 24P of NEMA, which would entitle the DMR to issue a directive and failure to comply with the directive is an offence under section 49A(g) of NEMA. A person convicted of an offence under section 49A(g) of NEMA is liable to a fine not exceeding ZAR10 million or to imprisonment for a period not exceeding 10 years, or to both.

Pursuant to section 24N(8) of NEMA, directors of a company are jointly and severally liable for any negative impact on the environment, whether advertently or inadvertently caused by the company they represent, including damage, degradation and pollution.

See also Item 4B: Business Overview Mine Site Rehabilitation and Closure and Item 4B: Business Overview Environmental, Health and Safety Matters .

Table of Contents

AngloGold Ashanti's rights and permits

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

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

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

AngloGold Ashanti holds one prospecting right.

AngloGold Ashanti also holds a mining permit for the recovery of sand and clay. A renewal application has been timely submitted and AngloGold Ashanti awaits renewal.

AngloGold Ashanti holds a refining licence and an import and export permit from the South African Diamond and Precious Metals Regulator.

The BBBEE Amendment Act

The President of South Africa assented to the BBBEE Amendment Act on 23 January 2014. The BBBEE Amendment Act came into effect on 24 October 2014 with the object of amending the Broad-based Black Economic Empowerment Act 53 of 2003 (BBBEE Act) to provide a framework of principles, strategies and guidelines aimed at promoting the broad-based socio-economic empowerment of HDSAs across the South African economy and society in the form of ownership, management, employment equity, skills development, preferential procurement, enterprise development and socio-economic development. The BBBEE Amendment Act includes a number of changes to the current framework under the BBBEE Act, including:

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

Before the BBBEE Amendment Act came into effect, the BBBEE Act provided that in the event of a conflict between the BBBEE Act and any other law in force immediately prior to the commencement of the BBBEE Act, the BBBEE Act would prevail if the conflict specifically relates to a matter addressed in the BBBEE Act. The BBBEE Amendment Act inserted a new provision in the BBBEE Act whereby the BBBEE Act trumps the provisions of any other law in South Africa with which it conflicts, provided such conflicting law was in force immediately prior to the effective date of the BBBEE Amendment Act. The provision will be effective as from 24 October 2016.

On 27 October 2015, the Minister for Trade and Industry published Government Notice 1047 of Government Gazette 39350, which declared an exemption in favour of the DMR from applying the requirements contained in section 10(1) of the BBBEE Act for a period of 12 months. The exemption can be read as confirmation that the DTI sees the BBBEE Codes as applicable to the Mining Industry after the exemption is lifted on 27 October 2016.

Additionally, the revised BBBEE Codes of Good Practice (Revised BEE Codes) became effective on 01 May 2015. Both the BBBEE Amendment Act and the Revised BEE Codes expressly stipulate that where an economic sector in South Africa has a Sector Code in place for BEE purposes, companies in that sector must comply with the Sector Code. For purposes of the BBBEE Act, the Revised Mining Charter is not

a Sector Code. It is not, at this stage, clear what the interplay between the

Table of Contents

Revised Mining Charter and the BBBEE Act and Revised BEE Codes is. The government may designate the Revised Mining Charter as a Sector Code in which case it would be under the auspices of the BBBEE Act, but has not chosen to do so in its government gazette notice of 17 February 2016. Until such determination is made, if at all, the Revised Mining Charter remains a stand-alone document under the auspices of the MPRDA and may become subject to the trumping provision discussed above. This uncertainty might be resolved either by government clarification in this regard or by the matter receiving judicial attention.

The Royalty Act

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

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

The royalty in respect of unrefined minerals (which include uranium) is calculated by dividing EBIT by the product of nine times gross revenue calculated as a percentage, plus an additional 0.5 percent. A maximum royalty of 7 percent of revenue was introduced for unrefined minerals. Where unrefined Mineral Resources (such as uranium) constitute less than 10 percent in value of the total composite Mineral Resources, the royalty rate in respect of refined Mineral Resources may be used for all gross sales and a separate calculation of EBIT for each class of Mineral Resources is not required. For AngloGold Ashanti, this means that currently the company will pay a royalty based on refined Mineral Resources (as the unrefined Mineral Resources (such as uranium) for AngloGold Ashanti for 2015 constituted less than 10 percent in value of the total composite Mineral Resources). The rate of royalty tax payable for 2015 was 0.50 percent of revenue of the company's South African operations.

The President has appointed a committee to review the current mining tax regime. The committee, which is undergoing a review not just of the mining tax regime but of the entire South African tax regime, is currently sitting. On 13 August 2015, the committee released for public comment the First Interim Report on Mining which was submitted on 01 July 2015 to the Minister of Finance. The committee has not proposed any changes to the royalty regime in this First Interim Report.

Some of the other preliminary recommendations of the committee have included the upfront capital expenditure write-off regime being discontinued and replaced with an accelerated capital expenditure depreciation regime, which is in parity with the write-off periods provided for in respect of the manufacturing (40/20/20/20) basis. Another recommendation has been to bring the taxation of newly established gold mines into line with the tax regime applicable to non-gold mining taxpayers (in so far as possible). The committee has recommended that the so called gold formula be retained for existing gold mines. Given the retention of the gold formula for existing gold mines, it will be necessary to retain ring fences in mines where the gold formula subsists. With regard to the additional capital allowances available to gold mines, the committee has recommended that such allowances should be phased out so as to bring the gold mining corporate income tax regime into parity with the tax system applicable to taxpayers as a whole.

CONTINENTAL AFRICA

Democratic Republic of the Congo

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

Table of Contents

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

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

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

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

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

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

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

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

In 2012, the DRC Mines Minister announced a reform of the DRC's mining code. The reform, which would have increased royalties payable on certain minerals, boosted the government stake in mining operations and introduced a 50 percent levy on certain profits, among other changes, was postponed in February 2016 in light of the adverse impact of the collapse in commodity prices on existing mining activities. However, should such laws be enacted in the future, these may have a material adverse impact on the company's results of operations in the DRC.

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

Kibali comprises 10 permits, 7 expiring in 2029 and 3 in 2030 and covering an area of 1,836 square kilometres in the Moto goldfields of the northeast DRC.

On 27 February, 2015 AngloGold Ashanti sold its stake in Ashanti Goldfields Kilo, an exploration and mining joint venture with Société Minière de Kilo-Moto SA UNISARL (SOKIMO), to Fimosa Capital.

AngloGold Ashanti remains invested in the DRC through the Kibali Gold Project which it holds through a joint venture with Randgold Resources and SOKIMO.

Ghana

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

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The grant of a mining lease by the Ghana Minister of Lands & Natural Resources (MOLNR) is normally subject to parliamentary ratification unless the mining lease falls into a class of transactions exempted by Parliament.

Table of Contents

Control of mining companies

The Ghana MOLNR has the power to object to a person becoming or remaining a controller of a company which has been granted a mining lease if the Minister believes, on reasonable grounds, that the public interest would be prejudiced by the person concerned becoming or remaining such a controller.

Stability agreement

The GMM Act provides for stability agreements as a mechanism to guarantee certain terms and conditions, mainly fiscal, to which a company's operations are subject for a period of 15 years. Stability agreements are subject to ratification by Parliament.

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

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

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

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

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

The Government of Ghana has constituted a review committee to review and renegotiate stability agreements with the mining companies (Committee). Within the Committee's powers of review are the redrafting of such stability agreements, the determination of whether stability agreements comply with the mining laws of Ghana and the Ghanaian legal regime for mining (fiscal requirements, foreign exchange regulations and the provisions of the tax laws), and the preparation of guidelines to govern the granting of stability agreements in the mining industry. AngloGold Ashanti Ghana is waiting to be invited to participate in negotiations with the Ghanaian review committee.

Tax laws

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

- An increase in the income tax rate applicable to mining businesses from 25 percent to 35 percent. AngloGold Ashanti is currently protected until 2019 from any increase of its income tax rate to greater than the rate provided for under the Ghana Stability Agreement.
- Introduction of a new capital allowance regime for class 3 assets (which include mineral and petroleum exploration and production rights, buildings, structures and works of a permanent nature used in mineral and petroleum exploration and production and plant and machinery used in mining and petroleum operations) that provides for a 20 percent straight line rate for a period of five years. Pursuant to the Ghana Stability Agreement, this change will not affect AngloGold Ashanti until 2019.

Table of Contents

Elimination of the five percent allowance on prior year additions. Prior to the 2012 amendment, the tax code granted an additional five percent of the value of assets acquired and qualified to be classified as class 3 assets for the purpose of granting capital allowances. Capital allowance is now 20 percent each year on the total value of the assets. Pursuant to the Ghana Stability Agreement, this change will not affect AngloGold Ashanti until 2019.

A ring fencing rule to prevent mining businesses from deducting or setting off costs from one mining area with another's income. Pursuant to the Ghana Stability Agreement, this change will not affect AngloGold Ashanti until 2019.

Golden Share

Under the Stability Agreement, the Government of Ghana (Government) has confirmed and agreed that the Government's rights with respect to the Golden Share apply only in respect of AngloGold Ashanti's assets and operations in Ghana. The rights do not extend to any other assets or operations of AngloGold Ashanti outside Ghana, nor to any assets or operations of AngloGold Ashanti.

The Government has also agreed to waive any right it may have under Section 60(I) of the Minerals and Mining Law, 1986, as amended to acquire a special share in AngloGold Ashanti or any of its direct or indirect subsidiaries or joint ventures.

The Golden Share may only be held by or transferred to a Minister of the Government or any person acting on behalf of such Government and authorised in writing by such Minister.

The following matters require, and will not be effective without, the written consent of the holder of the Golden Share:

- (i) any amendment to or removal of the relevant provisions of the AngloGold Ashanti (Ghana) Limited Regulations setting out the rights and restrictions attaching to the Golden Share;
- (ii) the voluntary winding-up or voluntary liquidation of AngloGold Ashanti (Ghana) Limited;
- (iii) the redemption of or purchase by AngloGold Ashanti of the Golden Share;
- (iv) the disposal of any mining lease held by AngloGold Ashanti (Ghana) Limited or any subsidiary of AngloGold Ashanti (Ghana) Limited; and
- (v) any disposal by AngloGold Ashanti (Ghana) Limited (other than any disposal in the ordinary course of business of AngloGold Ashanti) which, alone or when aggregated with any disposal or disposals forming part of, or connected with, the same or a connected transaction, constitutes a disposal of the whole or a material part of the assets of the AngloGold Ashanti group taken as a whole. For this purpose, a part of the AngloGold Ashanti group's assets will be considered material if either (a) its book value (calculated by reference to the then latest audited consolidated accounts), or the total consideration to be received on its disposal, is not less than 25 percent of the book value of the net assets of the AngloGold Ashanti group or (b) the average profits attributable to it represent at least 25 percent of the average profits of the AngloGold Ashanti group for the last three years for which audited accounts are available (before deducting all charges, except taxation and extraordinary items).

Upon a return of assets in a winding-up or liquidation of AngloGold Ashanti (Ghana) Limited, the holder of the Golden Share is entitled to the sum of 0.10 cedis in priority to any payment to other members, but the Golden Share confers no further right to participate in the profits or assets of AngloGold Ashanti. The Golden Share carries no right to any dividend or any right to participate in any offer of securities to existing shareholders or in any capitalisation issue.

The holder of the Golden Share may require AngloGold Ashanti (Ghana) Limited to redeem the Golden Share at any time in consideration of the payment to such holder of 0.10 cedis.

VAT

In December 2013, the Parliament of Ghana (Parliament) passed an amendment to the Internal Revenue Act, 2000 (Act 592) known as the Internal Revenue (Amendment) (No. 2) Act 2013, (Act 871). This, amongst other changes, increased the withholding tax for goods and services supplied by non residents, payments to non-resident individuals and payment for management and technical services from 15 percent to 20 percent. A new Value Added Tax Act, (VAT) 2013 (Act 870) was also passed which increases the VAT payable on goods and services from 15 percent to 17.5 percent. The Value Added Tax 2013, (Act 870) extended the coverage of the tax to some business activities which were hitherto outside the tax net. These included the supply of financial services that are rendered for a fee, commission or a similar charge and the manufacture or supply of pharmaceuticals. The implementation of the charging of VAT in relation to these two services have however been suspended until further notice. These taxes do not have an adverse effect on the Company since they do not directly impact its operations.

Table of Contents

Income taxes

In November 2015, Parliament passed the Income Tax Act, 2015 (Act 896) (ITA) which repealed the Internal Revenue Act, 2000, (Act 592), as amended. The ITA became effective from 01 January 2016 for the 2016 year of assessment. The ITA ring fences and taxes income derived from mining operations at the rate of 35 percent. For the purpose of ascertaining the income of a person for taxation, each separate mineral operation is treated as independent business and taxed accordingly. Pursuant to section 2.06 of the Stability Agreement, the ring fencing provision will not apply to AngloGold Ashanti until 2019 and until then the company's tax exposure will not exceed 30 percent.

The ITA provides for the carrying forward of losses for up to five years. Losses carried forward can only be used in the order in which they were generated or incurred. The ITA further provides that capital allowances calculated or granted shall be taken in that year and shall not be deferred.

The ITA states that expenditure incurred in the course of reconnaissance or prospecting operations shall be placed in a single pool, and the balance in that pool is to be carried forward year to year until commencement of production. When production commences, the amount in the pool must be capitalized and the Commissioner-General of the Ghana Revenue Authority shall grant a capital allowance in respect thereof. The ITA also provides guidance on how costs incurred during the reconnaissance and exploration phase of a mine ought to be treated.

The ITA imposes a withholding tax on dividends paid by a person conducting mineral operations in Ghana at eight percent. This is regardless of the amount of shareholding a shareholder or shareholders may have in the entity paying the dividend. Under section 59 (3) of the ITA, an exemption from tax exists where the recipient of the dividend holds or controls directly or indirectly at least 25 percent of the voting power of the company paying the dividend.

The ITA also introduces some variation in the rates of withholding taxes. For example payments for the supply of services (Payments with a Source in Ghana to Persons Other Than Individuals) has been increased from 5 percent to 15 percent; the withholding tax on resident Directors remuneration has been increased from 10 percent to 20 percent; and withholding taxes on natural resource payments and royalties have been increased from 10 percent to 15 percent. This may have an indirect impact on AngloGold Ashanti's operations as this rate will have a material impact on the margins of suppliers and possibly their working capital. Suppliers may therefore seek to pass this on to AngloGold Ashanti by increasing their fees and charges.

The ITA also abolishes the flat 15 percent rate of tax on capital gains. Capital gains are now to be included in business or investment income and taxed at the applicable income tax rate which, for persons engaged in mineral operations, is 35 percent.

Retention of foreign earnings

AngloGold Ashanti's operations in Ghana are permitted to retain 80 percent of their foreign exchange earnings in an offshore foreign exchange account. In addition, the company has permission from the Bank of Ghana to retain and use US dollars, outside of Ghana, to fulfill payment obligations to the company's hedge counterparties which cannot be met from the cash resources of its treasury company. On 4 February 2014, the Bank of Ghana issued new directives as part of measures to streamline the collection and repatriation of export proceeds to Ghana. These directives included an instruction to all banks and authorised dealers to, within five working days of receipt of export proceeds, convert the proceeds into Ghana cedis based on the average Interbank Foreign Exchange Rate prevailing on the day of conversion with a spread not exceeding 200 percentage in points (pips). Exporters with retention accounts were to continue to operate these accounts in accordance with their retention agreements. Retention proceeds which were sold to the banks were to be converted into Ghana cedis based on the average Interbank Foreign Exchange Rate prevailing on the day of conversion with a spread not exceeding 200 pips. It further advised that offshore foreign exchange transactions by resident companies, including exporters, were strictly prohibited and exporters were to ensure that all export proceeds are repatriated in full. Failure to comply with the provisions attracts penalties including pecuniary sanctions, jail terms, suspension and revocation of the operating licence as applicable.

Following engagement with relevant stakeholders, the Bank of Ghana issued another notice clarifying that the transfer of foreign exchange to meet external payment obligations remains permissible for transactions such as:

- a. redemptions and coupon payments on Bonds held by non-residents;
- b. investment income, technology and management transfer entitlements, expatriate emoluments, and other incentive packages and overseas commitments under provisions in various legislation and legislative instruments such as the Minerals and Mining Act, 2006 (Act 703), and the Technology Transfer Regulations (L.I.1547); and
- c. other outward payments for imports of goods and services.

Table of Contents

The notice also stated that all balances in Foreign Currency Accounts (FCAs) and Foreign Exchange Accounts (FEAs) will continue to be held in foreign currency, and will not be converted into Ghana Cedis. External transfers of up to \$10,000 per annum without documentation from FEA and FCA are still permitted. Balances held in FEAs and FCAs continue to remain available for all legitimate external transactions.

The Bank of Ghana on 9 August 2014 further revised the rules on foreign exchange operations, effectively reversing the initial directives controlling transactions in foreign exchange. The details are as follows:

1. The limit of \$1000.00 on over-the-counter foreign exchange cash withdrawal is removed.
2. Exporters shall continue to repatriate in full export proceeds in accordance with the terms agreed between the trading parties. Such proceeds shall be credited to their FEAs and converted on a need basis.
3. FEAs and FCAs will continue to be opened and operated as they were before the Notices of February 4, 2014.
4. Except for transfers from FEA to FCA which are still prohibited, all other transfers between accounts are permitted.
5. For the avoidance of doubt:
 - a. FCAs shall be fed only with unrequited transfers such as transfers from abroad for investment or embassy transfers.
 - b. FEAs shall be fed with foreign exchange generated from activities in Ghana such as proceeds from exports of goods and services.
6. The threshold for transfers abroad without initial documentation remains at \$50,000.00. Where documentation in respect of a transfer remains outstanding, any subsequent import transaction by an importer, irrespective of value, shall only be made on prior provision of documentation required for the current import transaction.
7. Importers who use non-cash instruments (plastic cards) may continue to load up to \$50,000 to meet their legitimate needs abroad subject to the necessary documentation requirements.
8. Foreign currency denominated loans may be granted by resident banks to their customers subject to their own internal procedures and processes and in compliance with the risk management guidelines of the Bank of Ghana.
9. Cheques and cheque books may be issued by banks to holders of FEAs and FCAs.

The Bank of Ghana reiterated that the Ghana cedi remains the sole legal tender in Ghana. Therefore, pricing, advertising, invoicing, receiving, and making payments for goods and services should be done in Ghana cedis, unless otherwise authorized by the Bank of Ghana.

Existing measures that were not amended by this Notice continue to remain in force.

In light of the recent clarifications, AngloGold Ashanti maintains and operates its FCA, FEA and Retention Accounts in compliance with the directives.

Localisation policy

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

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

Ground rent

In 2012, the Ghanaian Parliament passed the Fees and Charges Amendment Legislation 2012 (LI 2191), which fixed mineral concession rent at Gh¢9,016 per square kilometre per annum as opposed to the previous rate of Gh¢0.50 per acre per annum. However, on 19 March 2014, the Office of the Administrator of Stool Lands informed the Ministry of Finance in writing that it has agreed with the Ghana Chamber of Mines to revise the fees to Gh¢15.0 per acre per annum. The Chamber has since 2 September 2014 instructed all mining companies to pay the agreed sum. The company has since paid the agreed ground rent for its Binsere Leases but paid \$36 per km² for the Obuasi lease as specifically provided for in the lease. The company also indicated to the Office of the Administrator of Stool Lands that by virtue of the Stability Agreement, the company is protected from the increase in the ground rent, and that the company's payment of same cannot be deemed as a waiver of its rights under the Stability Agreement.

Table of Contents

National Fiscal Stabilisation (Amendment) Act, 2014 (Act 882)

The National Fiscal Stabilisation (Amendment) Act has extended the application of the National Fiscal Stabilisation Levy to net profits before tax up to and including the 2017 year of assessment. In the past, AngloGold Ashanti has sought protection under the Stability Agreement and this has been granted. AngloGold Ashanti will therefore continue seeking the protection.

Special Import Levy Act, 2014 (Act 884)

The Special Import Levy Act has extended the application of the National Fiscal Stabilisation Levy to profits before tax up to and including the 2017 year of assessment.

Customs and Excise (Petroleum Taxes and Petroleum Related Levies) (Amendment) Act, 2014 (Act 886)

The Customs and Excise (Petroleum Taxes and Petroleum Related Levies) (Amendment) Act reversed the excise tax on petroleum products (petroleum, gas oil, residual fuel oil, unified gasoline, kerosene, liquefied petroleum gas and local marine gas) from ad valorem to specific tax.

Energy Sector Levies Act, 2015 (Act 899)

The Energy Sector Levies Act, which received assent on 24 December 2015, consolidates existing energy sector levies and imposes a new levy, the Price Stabilization and Recovery Levy. The Price Stabilization and Recovery Levy, which is to be collected by the National Petroleum Authority and paid into the Price Stabilisation and Recoveries Account, applies to petrol at a rate of 12 Ghana pesewas per litre, to diesel at a rate of 10 Ghana pesewas per litre, and to liquefied petroleum gas at a rate of 10 Ghana pesewas per kilogram.

Minerals and Mining (Amendment) Act 2015 (Act 900)

A Minerals and Mining (Amendment) Act was passed by Parliament and assented to by the President on 16 December 2015. It replaces the existing royalty provisions introduced by the Minerals and Mining Amendment Act, 2010 (Act 794) pursuant to which the rate of royalties was fixed by an Act of Parliament. Under the new regime, the Minister will prescribe the rate payable and the manner of payment by passing a Legislative Instrument or other subsidiary legislation. The existing royalty rate of five percent however remains the same until such time as the rate is altered in the manner prescribed. The Minerals and Mining (Amendment) Act 2015 also makes provision for the confiscation of the equipment of illegal miners.

Minerals Development Fund Bill, 2014

Parliament is also currently considering the Minerals Development Fund Bill, 2014. The purpose of the Bill is to establish a Minerals Development Fund to provide the legal basis for the distribution of 20 percent of mineral royalties received by Government which has been apportioned to specified bodies for their use. It also introduces the Mining Community Development Scheme to directly sponsor socio-economic development in communities in which mining operations take place or which are affected by mining operations.

Mining & Environmental Guidelines

In June 2014, the Ghana Environmental Protection Agency and the Minerals Commission circulated draft Mining and Environmental Guidelines to all mining companies for comment. The guidelines concern environmental management, reclamation, closure requirements and the proposed Mining Community Development Scheme discussed above. Although the guidelines are yet to be agreed upon by stakeholders, it is proposed that the scheme would be funded by said 20 percent of mineral royalties, additional contributions from the mining companies, donations and grants from other sources.

Rules regarding the export of gold and diamonds

The Bank of Ghana introduced new measures to regulate and monitor the export of gold and diamonds from Ghana. From 15 September 2015, all exports of gold and diamonds must be carried out through the Precious Minerals Marketing Company, except where the exporter is the holder of a licence that permits it to export directly, and the Ghana Revenue Authority (Customs Division) only permits gold to be exported by a licensed gold exporter who has a completed Form FEX A4 bearing Bank of Ghana's embossment. The export measures do not apply to AngloGold Ashanti because the company holds a licence granted by the Minister for Land and Natural Resources to sell and export its production.

Table of Contents

Budget Statements

In the November 2014 Budget Statement, a Special Petroleum Tax of 17.5 percent was proposed as part of a rationalisation of the VAT regime and change in the petroleum pricing structure.

Mining properties

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

Obuasi

The current mining lease for the Obuasi area was granted by the Government of Ghana on 5 March 1994. It grants mining concessions to land with an area of approximately 338 square kilometres in the Amansie East and Adansi West districts of the Ashanti region for a term of 30 years from the date of the agreement. In addition, a mining lease over an adjacent 140 square kilometres was also granted, resulting in the total area under the mining lease increasing to 474 square kilometres.

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

On 3 March 2016, the Minerals Commission approved AngloGold Ashanti Ghana's application to surrender approximately 273.54 square kilometres of the area to the Government of Ghana, reducing the lease areas to 201.46 square kilometres. The remaining parcel of land that will be subject to the mining lease is situated within various villages and townships in the region, but excludes the municipality of Obuasi.

Iduapriem

Iduapriem has title to a 31 square kilometre mining lease granted on 19 April 1989 for a period of 30 years. In January 2009 Iduapriem obtained a new mining lease, the Ajopa Concession, for a period of 10 years. The concession covers an area of 48.34 square kilometres. In December 2011 the Minister of Lands and Natural Resources gave his consent for Teberebie's title to a 25.83 square kilometre mining lease, granted in June 1992 for a period of 30 years, to be assigned to Iduapriem. While ownership of the lease has passed to Iduapriem, the registration of the transfer of the lease is still in process.

Guinea

In Guinea, all mineral substances are the property of the State. Mining activities are currently regulated by law L/2011/006/CNT dated 9 September 2011 (2011 Code), as amended by law L/2013/053/CNT dated 8 April 2013 and promulgated by Decree D/2013/075/PRG/SGG dated 17 April 2013 (together, the New Mining Code).

The right to undertake mining operations can only be acquired by virtue of one of the following mining titles: surveying permit, small-scale mining licence, exploration licence, mining licence or mining concession.

The group's Guinea subsidiary, Société AngloGold Ashanti de Guinée SA (SAG), has title to the Siguiiri mine in the form of a mining concession, covered by a mining convention which was entered into with the Republic of Guinea on 11 November 1993 (Convention de Base). The mining concession, granted to SAG following the execution of the Convention de Base, was redefined by virtue of Presidential Decree D/97/171/PRG/SGG dated 4 August 1997. The Convention de Base was amended in 2005. The Convention de Base provides for a duration of 25 years, with an eventual extension/renewal after 23 years for such periods as may be required to exhaust the economic Ore Reserve.

At Siguiiri, the original area granted of 8,384 square kilometres was reduced to a concession area of four blocks totalling 1,495 square kilometres. SAG has the exclusive right to explore and mine in the remaining Siguiiri concession area for the duration of the initial period of the Convention de Base.

Key elements of the Convention de Base are that:

The Republic of Guinea holds a 15 percent free-carried or non-contributory interest; is entitled to a royalty of three percent based on a spot gold price of less than \$475 per ounce; and is owed five percent of the value of gold exported, based on a spot gold price above \$475 per

ounce, as fixed on the London Gold Bullion Market;

Table of Contents

A local development tax of 0.4 percent is payable on gross sales revenue;

Salaries of expatriate employees are subject to a 10 percent income tax;

Mining goods imported into Guinea are exempt from all import taxes and duties for the first two years of commercial production; and

SAG is committed to adopting and progressively implementing a plan for the effective rehabilitation of the mining areas disturbed or affected by operations.

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

New Mining Code

Pursuant to the New Mining Code, existing mining titles in effect on the date on which the New Mining Code came into force remain valid for their duration and for the substances for which they have been issued. The New Mining Code does not allow new mining conventions to derogate from its provisions but for holders of validly signed and ratified conventions, the application of the Mining Code will take place by way of amendments to the relevant mining convention (in the case of SAG, the Convention de Base), which amendments are to be negotiated between the mining convention holder and the State (Addendum). These amendments are required to be approved by the Council of Ministers, signed by the Minister of Mines, transmitted to the Supreme Court for its opinion and then to the National Assembly for ratification. They are subject to final ratification by Presidential decree. Mining companies were required to cooperate in view of the conclusion of these amendments within a 24-month delay following the publication of the New Mining Code: that is, by or before June 2015. However, the New Mining Code does not impose any consequence to this deadline not being met and the parties are invited to meet and discuss in order to reach, as soon as possible, an agreement on the amendments.

To that effect, the Government has established a Technical Committee, supported by a Strategic Committee, to conduct the renegotiation of all the mining contracts including the Convention de Base. Until ratification of the amendments, the terms of the current Convention de Base apply.

The type of amendments expected to be made to a mining convention, are categorised below by the method and timing of implementation:

1. Provisions of immediate application which are non-negotiable relating to transparency, anti-corruption efforts, transfer of mining title interests, tax on capital gains, environmental protection, relationships with local communities, and worker health and safety (Mandatory Provisions);
2. Provisions of immediate application but which are subject to progressive implementation over a negotiated period of time not exceeding eight years relating to training, employment and preference to Guinean companies (Progressive Provisions); and
3. Other, negotiable provisions relating to taxation (other than capital gain) and customs, State participation in the capital of mining companies, State rights on transport and marketing and insurance and exchange control rules.

The exact scope of the amendments will depend on the outcome of the negotiations with the Technical Committee. Once signed and ratified, the provisions of the Convention de Base, as amended, will govern mining activities on the Siguiiri concession.

The New Mining Code is to be accompanied and implemented by various implementation decrees. To date, decree D/2014/012/PRG/SGG on the management of mining authorisation and titles, D/2014/013/PRG/SGG relating to the application of the financial provisions of the New Mining Code, decree D/2014/014/PRG/SGG on the adoption of a directive for the realisation of an environmental and social impact study for mining operations and decree D/2014/015/PRG/SGG adopting a model of mining convention, all dated 17 January 2014, have been adopted. In addition, decree D/2015/016/PRG/SGG on the government appointment of Guinean directors of mining companies, was adopted on 12 February 2015.

Mali

Mineral rights in Mali are governed by law n°2010-015 dated 27 February 2012 bearing Malian Mining Code (New Mining Code), replacing ordinance No. 99-32/P-RM of 19 August 1999 enacting the previous mining code, as amended by ordinance n°013/2000/P-RM of 10 February 2000 and ratified by law n°00-011 of 30 May 2000 (1999 Mining Code), and Decree No. 99-255/P-RM of 15 September 1999 implementing the Mining Code.

Table of Contents

Due to stabilisation clauses in the agreement defining the mining rights and obligations of AngloGold Ashanti entities in Mali (further described below), the mining operations carried out by the AngloGold Ashanti entities in Mali are subject to the provisions of the previous mining codes of 1970 and 1991 but also, for residual matters, expressly subject to the provisions of the 1999 Mining Code (see Applicable mining regime below). As a consequence the New Mining Code does not apply to the relevant mining operations.

Applicable mining regime

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

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

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

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

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

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

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

AngloGold Ashanti has complied with all applicable requirements and the relevant permits have been issued. Morila, Sadiola and Yatela have 30-year permits which expire in 2029, 2020 and 2024 respectively. Morila's Exploitation Permit covers approximately 200 square kilometres and was issued on 4 August 1999. Sadiola's original prospecting and exploitation agreement was entered into on 15 April 1990. Yatela is implementing a closure plan in order to relinquish the property.

Tanzania

Mineral rights

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

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2010; Mining (Safety, Occupational Health and Environmental Protection) Regulations 2010; and the Mining (Radioactive Mineral) Regulations 2010.

Table of Contents

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

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

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

Licences for Exploration:

- prospecting licence;
- gemstone prospecting licence; and
- retention licence.

Licences for Mining:

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

Licences for Ancillary Activities:

- processing licence;
- smelting licence; and
- refining licence.

For purposes of AngloGold Ashanti's Geita Gold Mine, only prospecting, retention and special mining licences are relevant.

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

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

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

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

Holders of prospecting or retention licences over a tenement will not automatically have first right to any mining licence granted over that tenement. However, in practice, they will be best positioned to meet the requirements to be granted a form of licence for mining. The holder of a retention licence may also apply for a special mining licence for the area under the retention licence while the retention licence subsists.

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

exceeding the estimated life of the remaining ore body.

Table of Contents

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

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

AngloGold Ashanti has concluded a development agreement with the Ministry and was issued a mining special licence covering approximately 196 square kilometres for a period of 25 years, which expires on 26 August 2024.

On 9 October 2014 an addendum to the development agreement was entered into ratifying the following prior changes:

An increase in the royalty rate from three percent to four percent with effect from 1 May 2012;

With effect from the financial year 2015, the capital allowance applicable to the unredeemed qualifying capital expenditure (15 percent per annum) referred to in section 18(a) of the Income Tax Act No 33 of 1973 shall no longer apply; and

With effect from 1 July 2014, Geita Gold Mining Limited is liable to pay the Geita District Council Levy at a rate of 0.3 percent on turnover (no longer capped at US\$200,000 per annum).

The Fiscal Regime

The Finance Act, 2015 which was assented to on 28 June 2015 and came into force on 1 July 2015 contains a provision for a 30 percent capital gains tax on the sale of shares by an off-shore parent company. This provision was introduced by the Finance Act, 2012 and in this legislation, additional changes were also made to the procedure for payment of capital gains tax by the seller of shares. Tax at the rate of 30 percent is payable by way of an initial instalment of 20 percent on the transfer, based on the notional gain that the seller would make after a further instalment of the remaining 10 percent is due.

The Value Added Tax Act, 2014 (the VAT Act) which came into force on 1 July 2015 restricts VAT relief on purchases made by mining companies. The VAT Act is specific in that it provides that no purchase by companies is exempt or zero rated unless specified by the law. Previously mining companies were entitled to 100 percent VAT relief.

Local Government Levies

As mentioned above, following the signature of the addendum to the development agreement Geita Gold Mine is required to pay local government a service levy of 0.3 percent of its gross annual turnover in line with the Local Government Finance Act No.9 of 1982.

Potential regulatory changes

In 2013, the Tanzanian Commissioner for Minerals issued the first draft of the Mining (Minimum Shareholding and Public Offering) Regulations, 2013.

The regulations set out the requirement to sell shares to Tanzanian nationals, by way of a public offering and listing on the Dar es Salaam Stock Exchange, which will apply to companies that are carrying out large scale mining operations.

The listing requirement

Table of Contents

The draft regulations require all existing holders of a special mining licence to list a minimum of 30 percent of their shares on either the Main Investment Market or the Enterprise Growth Market Segment of the Dar es Salaam Stock Exchange within two years of the regulations coming into force.

Companies that are issued with a new special mining licence after the date the draft regulations come into force are required to list 30 percent of their shares within one year of the date of the issue of their special mining licence.

The listing rules

The listing of shares on the Dar es Salaam Stock Exchange is to be done in accordance with the existing regulatory framework and listing rules, although the restrictions that would normally permit up to 60 percent of a company's listed shares to be owned by foreign investors has been removed. The effect of this is that all shares of Tanzanian mining companies that are locally listed can only be purchased by either Tanzanian citizens or locally incorporated companies.

The listing rules require companies that are seeking to list their shares on the Main Investment Market to satisfy a number of criteria, including minimum share value requirements, profitability requirements, management incumbency requirements and financial disclosure requirements.

In the case of a listing on the Enterprise Growth Market Segment these requirements are substantially reduced or removed altogether.

The one year timeframe imposed by the draft regulations that applies to the listing of shares issued by the holder of a new special mining licence may conflict with the current requirement of the Main Investment Market for a management and profitability track record, however the draft regulations do not deal with this issue.

Failure to list

The regulations do contemplate the possibility that a company may proceed with a listing and fail to secure the minimum local shareholding. In such circumstances the Minister of Energy and Minerals may at the request of the company and on the recommendation of the Capital Markets and Securities Authority grant a waiver to the minimum local shareholding requirement. However, it is not clear from the regulations whether the waiver may be general and so exempt the company from the requirement to list altogether or whether the waiver is in effect an extension of the timeframe in which the company must list.

Where a company fails to comply with the listing requirement in the regulations the Minister is empowered to revoke the special mining licence.

New labour law requirements

On 15 September 2015, the Non-Citizens (Employment Regulation) Act (the Non-Citizens Act), 2015 came into force. The Non-Citizens Act vests powers concerning work permit with the Labour Commissioner. Therefore non-citizens wishing to be employed in the country are required to apply and be granted a work permit before applying for a residence permit. Moreover, the Commissioner General of Immigration is required to take into consideration conditions of the work permit issued by the Labour Commissioner when granting a residence permit.

Previously, the issuance of a residence permit was inclusive of a work permit. The resident permit covered working and living in Tanzania.

Further, the Non-Citizens Act introduced the Short Term Permit (STP). The STP is granted to non-citizens who wish to work in the country for a period of not more than six months; foreigners intending to work in Tanzania for more than 3 months are required to apply for an STP. The application for STP is made to the Ministry of Labour and Employment.

AUSTRALASIA

Australia

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

Table of Contents

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

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

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

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

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

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

AngloGold Ashanti has been granted 21-year term mining leases with rights of renewal to all of its mining areas in Australia, including its proportionate share of joint venture operations and accordingly it has, together with its joint venture partners where applicable, the exclusive right to mine in those areas. Both the group and its joint venture partners are fully authorised to conduct operations in accordance with relevant laws and regulations. The mining leases and rights of renewal cover the current life-of-mine at AngloGold Ashanti's operations in Australia. In particular, at Sunrise Dam, the deposit spans two mining leases covering approximately 1,429 hectares. Both leases are currently in good standing, with expiry dates in 2032 and 2016 respectively. The lease expiring in 2016 has a right to be renewed for a further term of up to 21 years and a renewal application will be lodged prior to the expiry date.

AMERICAS

Argentina

Land ownership & mining rights

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

Table of Contents

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

The Argentinean Mining Code also regulates mining concessions, or exploitation rights. Priority for receiving a mining concession is given to the registered discoverer of the mine, which holds the exploration permit. Once the application for a mine has been submitted, the applicant may commence works and must submit a legal survey of the units requested for the new mine. The application and the legal survey may be opposed by third parties following specific proceedings set forth in the Argentinean Mining Code. Approval and registration of the legal survey by the Provincial mining authority constitutes formal title to the mining concession.

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

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

In the case of Cerro Vanguardia, AngloGold Ashanti's operation in Argentina, the mining concession holder is AngloGold Ashanti's partner, FomentoMinero de Santa Cruz S.A. (Fomicruz). On 27 December 1996, Fomicruz entered into a usufruct agreement whereby Cerro Vanguardia S.A. was granted an irrevocable right to exploit the Cerro Vanguardia deposit (encompassing an area of approximately 543 square kilometres) for a 40-year period, which expires on 26 December 2036. Cerro Vanguardia S.A. is an Argentinean company controlled by AngloGold Ashanti, with Fomicruz as minority shareholder.

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

Recent and potential regulatory changes

On 30 September 2010, the National Law on Minimum Requirements for the Protection of Glaciers was enacted in Argentina, banning new mining exploration and exploitation activities on glaciers and peri-glacial areas. The law also subjects on-going mining activities in those areas to an environmental audit. If such audit results in material impacts on glaciers and peri-glacial areas, the relevant authority is empowered to take action, including suspension or relocation of the activity. The law establishes a broad definition of peri-glacial areas that, together with glacial areas, must yet be surveyed by an existing national Government Agency specifically appointed to this end. The constitutionality of the law has been challenged by some mining companies along with the Province of San Juan (which hosts large mining projects). Injunctions granted by lower courts which had suspended the application of the law in that Province were lifted by the National Supreme Court of Justice of Argentina. Although the injunctions have been lifted, the language that the Court used in the decision implies that until an inventory of glaciers is completed as mandated by the Law, the case is moot. Therefore, the case has no practical implications for the operations of Cerro Vanguardia at this time.

On 26 October 2011, Decree 1722/2011 (Repatriation Decree) was issued, which imposes on oil, gas and mining companies operating in Argentina the obligation to repatriate all the proceeds of their exports from Argentina and to exchange such proceeds for Argentinean legal currency in the domestic banking system. All exporters, other than oil, gas and mining companies, have been operating under such regime since late 2001. Mining companies, on the other hand, were entitled to two exceptions: (i) a decree of 2003 applicable to mining companies with tax, customs and foreign exchange stability

Table of Contents

certificates obtained prior to the date on which such a decree was enacted (which is the case of Cerro Vanguardia); and (ii) a decree of 2004 applicable to mining companies with tax, customs and foreign exchange stability certificates obtained after the date on which such decree was enacted. Both exceptions have not been formally superseded by the Repatriation Decree, but appear to conflict with it, and such conflict may result, in some cases, in a violation of mining companies' rights under the Mining Investment Law.

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

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

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

Brazil

Land ownership and mining rights

General legal aspects

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

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

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

At AGA Mineração, Cuiaba has a single concession covering a total area of 3,662 hectares, Lamego is covered by three geographically contiguous concessions totally 1,622 hectares and Corrego do Sítio is hosted by five geographically contiguous concessions covering a total area of 6,017 hectares. All of these are in good standing. At Serra Grande, the company has interests in or agreements over 61,500 hectares in Crixas Greentone belt, representing approximately 87 percent of the relevant tenements that correspond to all current exploration and mining activities. These have been held since 1987. Brazilian mining concessions remain valid up to the depletion of the Ore Reserve and Mineral Resource.

Mining activities in granted mines must be performed in two defined stages: (i) exploration, which entails defining and evaluating the deposit and determining the feasibility of exploitation, and (ii) exploitation, which involves coordinating operations aimed at the industrial exploitation

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of the mineral deposit, from the extraction of useful minerals to their processing. Exploration authorisations issued by DNPM are valid for one to three years. Extensions can be obtained if necessary.

Table of Contents

In contrast, exploitation rights, once granted, are valid for the lifetime of the deposit, provided the mining titleholder complies with all legal requirements. Pursuant to these requirements, for example, titleholders must (i) start work on mineral exploitation within six months from the date of publication of the Exploitation Concession, (ii) continue their mining activities until the mineral deposit has been exhausted, in accordance with the Economic Exploitation Plan (Plano de Aproveitamento Econômico) approved by DNPM and (iii) refrain from suspending mining activities without prior notice to DNPM.

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

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

Potential regulatory changes

The Federal Government is contemplating changes to the mining legislation, and those proposed changes were submitted in 2013 to the National Congress for discussion and consideration. Its goals would be to (i) strengthen the role of the Federal Government in regulating the mining industry, (ii) attract more and better investments to the mineral sector, (iii) encourage maximal use of Ore Reserves, and (iv) encourage members of the industry to add value to mineral products.

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

Legally, the proposals would change the rules governing access to mining titles. While exploration authorisations would be effective for a longer period of five years, they would be renewable for only one extra year, at the discretion of authorities. Companies would also have to demonstrate that they are investing in exploration activities on a yearly basis.

Exploitation rights would be limited to 35- or 40-year grants renewable at the discretion of authorities. The granting of rights would become a more discretionary process and would result in a Formal Adhesion Contract for Exploitation rather than in an open-ended concession.

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

In light of the November 2015 tailings dam collapse in Minas Gerais, there has been discussion of including tougher requirements related to tailings dams (e.g., mandatory insurance in case of environmental catastrophe).

Colombia

Land ownership and mining rights

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

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

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

Table of Contents

The concession contract

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

The initial term of concessions is 30 years. To receive an extension, a concessionaire must file a request two years before the termination of the initial term, and must substantiate the application with economic, environmental and technical information. Because the extension is not automatic, the concessionaire must renegotiate the conditions of the grant. Any company holding a concession that wishes to obtain a renewal of the contract must be up to date in all its legal and contractual obligations and must present a new plan of works and installations to be executed after the contract is renewed. The term of a concession and all the contractual obligations that arise from it are deemed to take effect as of the date of registration of the contract at the National Mining Register.

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

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

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

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

Cannon fees and royalties

Cannon fees are due from the moment the area is declared available for the company (rather than from the time the concession contract is signed). Such fees change based on the number hectares held by the concessionaire, as follows:

- 0-2000 hectares, one legal daily minimum wage (approximately \$9.00) per hectare per year
- 2001-5000 hectares, two legal daily minimum wages (approximately \$18.00) per hectare per year
- 5001-10,000 hectares, three legal daily minimum wages (approximately \$27.00) per hectare per year

Once exploration is complete and the mining infrastructure is in place, the concessionaire must begin paying royalties. Royalties paid to the Colombian government consist of a percentage of the primary product and sub-products being exploited. For gold, gross monthly income is multiplied by 0.8, to which a four percent royalty is applied.

PINES programme

In 2013 the Federal government instituted the PINES programme that will aid in promoting certain projects designated by the government as national projects of interest. This designation provides for greater oversight from the Federal government. The La Colosa and Gramalote projects are two such designated projects, and AngloGold Ashanti has requested that its Nuevo Chaquiro project be included in the programme as well, and the government accepted this request. All of our three advanced exploration programmes are considered of national strategic interest.

Table of Contents

United States of America

On 03 August 2015, AngloGold Ashanti completed the sale of its Cripple Creek & Victor mine in the United States to Newmont Mining Corporation for \$820 million in cash, subject to customary closing adjustments, plus a net smelter return royalty. The sale was originally announced on 8 June 2015. At the closing, AngloGold Ashanti received \$819.4 million in cash, which factors in estimated closing adjustments.

MINE SITE REHABILITATION AND CLOSURE

Closure, an integral part of operations

All mining operations eventually cease. An integral aspect of operating AngloGold Ashanti's mines is ongoing planning for and, where possible, implementation of concurrent rehabilitation, together with an estimate of associated liability costs and the placement of adequate financial provisions and assurances to cover these costs.

AngloGold Ashanti revised its group closure planning management standard in 2013 and all of its operations are required to comply with the standard as their closure plans are reviewed and updated.

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

New projects include a closure plan which takes into account future closure and associated rehabilitation and other costs.

The closure plan is reviewed annually and updated every three years (annually in the final three years of a mine's life) or whenever significant changes are made, and takes into account operational conditions, planning and legislative requirements, international protocols, technological developments and advances in practice.

For many of the older mines, closure planning and the evaluation of environmental liabilities is a complex process. This is particularly so in Brazil, Ghana and South Africa, where many of the mining and other operations have taken place for more than fifty years. A particular challenge is concurrent rehabilitation, which is carried out while a mine is still operational. This practice serves to decrease the ultimate liability and reduces the final rehabilitation and closure work that must be undertaken, but has the potential to sterilise Ore Reserves, which the company might wish to exploit should conditions, such as the gold price, change.

The company's closure standard stipulates that closure planning must be undertaken in consultation with the community. In the course of these consultations, different issues are raised which require site-specific solutions. Livelihood preservation and infrastructure are often key requirements. Previous employees may receive education and training so as to enable them to seek viable employment alternatives. Communities also require information on the company's rehabilitation of the landscape and on any lasting environmental impacts. In addition, long-term remediation obligations, including decommissioning and restoration liabilities relating to past operations, are based on environmental management plans and comply with current environmental and regulatory requirements.

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

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

Provisions for decommissioning and for restoration (excluding joint ventures) decreased from \$851 million in 2014 to \$683 million in 2015. This change mainly relates to the sale of the CC&V mine in North America, changes in discount rates based on global economic assumptions and changes in mine plans and in the design of tailings storage facilities following requests from the environmental regulatory authorities.

Table of Contents

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

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

Regulatory Compliance

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

Water Management

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

Where feasible, the company operates a closed loop system which recycles the water used in its operations without discharging it to the environment. In some areas, however, such as Ghana, high levels of rainfall and surface water runoff mean that a closed loop system is not feasible and that discharges, after water treatment if necessary, must take place.

Waste Management

Mining and mineral processing operations generate waste rock and tailings.

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

Table of Contents

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

Groundwater Impacts and Environmental Remediation

AngloGold Ashanti has identified groundwater contamination plumes at certain of its operations. Numerous scientific, technical and legal studies have been undertaken to assist in determining the magnitude of the impact and to find sustainable remediation solutions. Based on those studies as well as discussion with regulators, the company has taken steps, including monitored natural attenuation and phyto-technologies, to address soil and groundwater contamination. Subject to the completion of trials and the technology being a proven remediation technique, no reliable estimate can be made for the obligation. Should these obligations be significant, this could have a material adverse impact upon AngloGold Ashanti's results and its financial condition.

As AngloGold Ashanti or its predecessors have a long history of mining operations in certain regions, issues may arise regarding historical as well as potential future environmental impacts on those areas.

In addition, AngloGold Ashanti has identified a flooding and future pollution risk to deep groundwater in the Klerksdorp and Far West Rand goldfields in South Africa. AngloGold Ashanti's Vaal River operations are part of the Klerksdorp goldfields and its West Wits operations are part of the Far West Rand goldfields. The premature closure of neighbouring mines owned by another mining company in both areas has led to increased pumping obligations on AngloGold Ashanti and these are anticipated to increase in future, requiring additional permits and increased costs for the group.

For example, after Village Main Reef (VMR), now Heaven-Sent, ceased pumping of underground water at its Buffelsfontein and Hartebeesfontein operations, AngloGold Ashanti prepared plans to manage underground water that it anticipated would eventually reach its operations. The infrastructure to pump this water out from underground was completed in December 2015, with an accelerated project plan. The water reached the company's Great Nologwa boundary on 23 January 2016, and the pumping continues with added costs to AngloGold Ashanti. The company has not released VMR from any environmental obligations as relates to such water infiltration, however, and it intends to enforce any rights that it has against VMR and Buffelsfontein, including under the directive issued by the Department of Water Affairs (now the Department of Water and Sanitation) in 2005.

In addition, in the West Wits district, after Blyvooruitzicht Gold Mining Company was placed in provisional liquidation in August 2013, AngloGold Ashanti secured a court order for access rights to Blyvoor 4 and 6 shafts to keep pumping going. AngloGold Ashanti has also incorporated Covalent Water Company, which has purchased rights of access, electricity etc. to the 4 and 6 shafts as well as the relevant infrastructure to continue pumping underground water. This has reduced the risk of flooding at the company's West Wits Operations, but the company can provide no assurance that the risk of flooding will not materialise, which could have an adverse impact on its results of operations and financial condition.

Various studies have been undertaken by AngloGold Ashanti since 1999 to better understand groundwater conditions in mined-out workings, including potential groundwater infiltration and acidification concerns. As a result of the interconnected nature of underground mining operations in South Africa, any proposed solution needs to be a combined one supported by all the companies owning mines located in these goldfields.

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

Climate Change and Greenhouse Gas Regulation

Greenhouse gases, or GHGs, are emitted directly by AngloGold Ashanti's operations, as well as by external utilities from which AngloGold Ashanti purchases electricity. Currently, a number of international and national measures to address or limit GHG emissions are in various phases of discussion or implementation in the countries in which the company operates. The outcome of the climate change negotiations may, in due time, have the effect of requiring AngloGold Ashanti to reduce its direct GHG emissions or energy use or to incur significant costs for GHG

emissions permits or taxes including through costs

Table of Contents

passed on by electricity utilities which supply the company. AngloGold Ashanti also could incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements. The most likely source of these company-level obligations is unlikely to be by operation of international law but more likely to come through domestic implementation of state obligations pursuant to evolving climate change regulatory regimes.

As a result of commitments made at the UN climate conference in Durban, South Africa in December 2011, certain members of the international community negotiated a treaty at the December 2015 Conference of the Parties in Paris (COP 21). The Paris Agreement will require countries to set targets for emissions reductions if it is ratified prior to April 2017 by at least 55 countries that collectively produce more than half of the world's GHG emissions and is subsequently adopted by those individual countries within their respective national or federal law. Additional measures addressing GHG emissions may be implemented at the national or international levels. These, or future, measures could require AngloGold Ashanti to reduce its direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes or have these costs or taxes passed on by electricity utilities which supply the company's operations. AngloGold Ashanti also could incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements.

Also in 2011, the South African government released a climate change response white paper and in 2013 a Carbon Tax Policy Paper. In February 2014, the South African Minister of Finance announced his intention to introduce a carbon tax in 2016. The same Minister published a draft Carbon Tax Bill during 2015, providing some details on how the tax would be implemented, but delaying it to 2017. AngloGold Ashanti already pays a levy of ZAR0.035 per kilowatt hour of electricity that it purchases and is generated from fossil fuels. In February 2015, the Minister announced that the government was considering an increase in the levy to ZAR0.055 per kilowatt hour, though this was subsequently withdrawn.

The draft Carbon Tax Bill provides an indication of the expected levels of the carbon tax rate as starting at ZAR120 (approximately \$8) per tonne of CO₂e emitted above certain thresholds. The draft Bill allows discretion to the Minister of Finance to increase the tax annually, though previous proposals were for increases of 10 percent a year for the first period of four or five years (government communications are ambiguous). Depending on the nature of the emitter, a tax-free threshold of 60 to 95 percent of the tax liability will apply.

It is probable that the tax will be levied on sectors that comprise elements of the AngloGold Ashanti supply chain. Consequently, it is likely that the costs associated with those elements of the supply chain will increase for the medium- and long-term. The most important of these for AngloGold Ashanti is Eskom, the state-owned electricity utility. The Minister committed to no net increase in the electricity price through the tax, though details of how this will be achieved were not available as of March 2016.

In 2010, Brazil launched the National Climate Change Policy, which established a voluntary reduction target of 1.2 billion tonnes of CO₂ below the projected emissions in 2020. The policy required the development of sector-specific plans in order to meet the target. Amongst other plans, it is intended to reduce deforestation in the Cerrado biome, where AngloGold Ashanti operates, by 40 percent compared to the average deforestation in 1999-2008 and expand renewable energy production and energy efficiency programmes. The policy also provided for a Brazilian GHG trading scheme, which is yet to be designed. While Brazil is not yet requiring mandatory GHG emissions reporting at the national level, some state environmental agencies have requested companies to voluntarily submit GHG emissions management plans.

After COP 21, there is a proposal to change the climate legislation in course at National Congress. The proposal foresees updated targets to reduce greenhouse gas emissions by 37% in 2025 and 43% in 2030 (based on the emissions of 2005) and to increase the use of renewable energy. There is still no reduction target for mining.

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

Table of Contents

Occupational and Community Safety and Health and Tropical Diseases

AngloGold Ashanti's operations are subject to a variety of laws and regulations designed to protect and improve the safety and health of employees. In some of the jurisdictions in which AngloGold Ashanti operates, the government enforces compulsory shutdowns of operations to enable investigations into the cause of accidents at those operations. Certain of the company's operations have been temporarily suspended for safety reasons in the past. In South Africa, in particular, so-called Section 54 safety stoppages have become a significant issue for mining companies. The business has been exposed to safety stoppages which can, individually and/or in aggregate, have a material impact on operations. AngloGold Ashanti is also enhancing safety programmes, and a revised Group Safety strategy have been introduced. In South Africa in particular the work culminated in a revised Safe Production Strategy which forms the basis of the work in the Region to ensure a highly effective compliant organisation, resulting in a reduction in Section 54 stoppages and associated improved levels of performance with regard to fatalities, ultimately striving for Zero Harm.

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

The South African government, by way of a cabinet resolution in 1999, proposed a possible combination and alignment of benefits of the Occupational Diseases in Mines and Works Act (ODMWA) that provides for compensation to miners who have OLD, and the Compensation for Occupational Injuries and Diseases Act (COIDA), that provides for compensation in respect of job related injuries and compensation of non-miners who have OLD. It appears less likely that the proposed combination of the two acts will occur in the short- to medium-term, but some alignment of benefits may be considered in the future. The South African government has indicated that it may also consider amendments in the short-term to address shortcomings in ODMWA. COIDA provides for compensation payments to workers suffering permanent disabilities which are classified as pension liabilities if the permanent disability is above a certain threshold, or a lump sum compensation payment if the permanent disability is below a certain threshold. ODMWA only provides for a lump sum compensation payment to workers suffering from OLD as well as the payment of medical expenses over the claimant's lifetime. If the proposed combination of COIDA and ODMWA or amendments to ODMWA were to occur, this could further increase the amount of statutory compensation that miners employed by AngloGold Ashanti could claim, which consequently could have an adverse effect on AngloGold Ashanti's financial condition.

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

AngloGold Ashanti is subject to numerous claims, including claims related to silicosis and other OLD, and could be subject to similar claims in the future. Please refer to Item 8: Financial Information Legal Proceedings South Africa Silicosis litigation.

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

Table of Contents

Malaria and other tropical diseases also pose health risks at all of the company's operations in Central, West and East Africa where such diseases may assume epidemic proportions because of ineffective national control programmes. Malaria is a major cause of death in young children and pregnant women but also gives rise to deaths and absenteeism in adult men. All affected company operations have malaria control programmes in place.

Other conditions such as heart disease, chronic diseases and obesity are of increasing incidence and concern. Such diseases impair the health of workers and negatively affect productivity and profitability as a result of workers' diminished focus or skill, absenteeism, treatment costs and allocated resources.

AngloGold Ashanti cannot guarantee that any current or future medical programme will be successful in preventing or reducing the injury and illness rates amongst its employees or in affecting consequent morbidity or mortality rates. AngloGold Ashanti may incur significant costs in addressing this issue in the future, which could also adversely impact the company's results of operations and financial condition.

Table of Contents

ANGLOGOLD ASHANTI GLOBAL OPERATIONS: 2015

Operations and projects

AMERICAS

- 1. Argentina**
Cerro Vanguardia (92.5%)
- 2. Brazil**
Serra Grande
AGA Mineração
- 3. Colombia**
Gramalote (51%)
La Colosa
Quebradona (92.42%)

AUSTRALASIA

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

CONTINENTAL

AFRICA

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

SOUTH AFRICA

- 9. South Africa**
Vaal River
Kopanang
Moab Khotsong⁽²⁾
West Wits
Mponeng
TauTona
Surface Operations⁽³⁾

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

⁽¹⁾ Both Morila and Kibali are managed and operated by Randgold Resources Limited.

⁽²⁾ Great Noligwa and Moab Khotsong were combined under Moab as one cash-generating unit.

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

Table of Contents

OPERATING PERFORMANCE

Group description

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 17 operating mines in nine countries, comprises long-life, relatively lowcost 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.

In 2015, active management of the portfolio resulted in the sale of the Cripple Creek & Victor (CC&V) mine in the United States in August 2015 while Obuasi remained on limited operations during 2015 and the closure process at Yatela continued.

AngloGold Ashanti's operations and joint ventures employed, on average, 52,266 people (including contractors) in 2015 (2014: 58,057).

Performance

In 2015, AngloGold Ashanti produced attributable 3.9 million ounces of gold (2014: 4.4 million ounces) as well as 931,000 pounds of uranium oxide, 4.1 million ounces of silver and 197 tonnes of sulphuric acid as by-products.

Continuing production of 3.8 Moz was achieved at a group all-in sustaining cost of \$910/oz compared to 4.2Moz at \$1,020/oz in 2014.

The attributable Ore Reserve at 31 December 2015 was 51.7 Moz, down from 57.5 Moz at 2014. This annual decrease of 5.8Moz includes depletion of 4.3Moz and the sale of CC&V (3.7Moz), which were partly offset by 2.2Moz of additions in Ore Reserve resulting from changes in economic assumptions between 2014 and 2015 (0.1Moz), exploration and modelling changes (1.6Moz) and other factors (0.5Moz).

Capital expenditure, including equity accounted joint ventures, in 2015 amounted to \$857 million (2014: \$1,209 million).

Safety

Regrettably, there were 11 fatalities across the group's operations in 2015. The all injury frequency rate was 7.18 per million hours worked compared to 7.36 in 2014.

Table of Contents**OPERATIONS AT A GLANCE** for the years ended 31 December

	Attributable tonnes treated/milled (Mt)			Average grade recovered (g/t)			Attributable gold production (000oz)			Total cash costs (\$ per ounce)			All-in sustaining costs (\$/oz sold)			Attributable capital expenditure (\$m)		
	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013
S O U T H AFRICA																		
<i>Vaal River</i>																		
Great Noligwa ⁽¹⁾	0.4	0.4		6.44	6.15		78	83		1,074	1,100		1,185	1,305		7	13	
Kopanang	0.7	0.8	1.0	5.43	5.55	5.23	117	140	178	1,014	1,023	918	1,226	1,256	1,255	21	26	52
Moab Khotsonq ⁽¹⁾	0.9	0.7	0.7	8.50	11.04	9.47	254	234	212	798	685	797	1,018	903	1,223	47	45	117
<i>West Wits</i>																		
Mponeng	0.8	1.1	1.6	8.44	8.99	7.10	219	313	354	874	746	719	1,170	981	1,016	85	97	171
TauTona ⁽²⁾	0.8	0.9	1.0	8.46	8.21	7.34	209	232	235	883	882	920	1,044	1,059	1,149	28	35	59
<i>Surface Operations</i>																		
Surface Operations ⁽³⁾	33.6	34.5	34.5	0.18	0.20	0.22	193	223	240	912	941	883	1,006	1,153	969	17	46	39
<i>Other</i> ⁽⁴⁾							12	3		-	-		-	-		8	8	
CONTINENTAL AFRICA																		
<i>Ghana</i>																		
Iduapriem	4.7	4.9	4.8	1.27	1.13	1.43	193	177	221	995	865	861	1,020	1,020	1,025	15	21	28
Obuasi ⁽⁵⁾	1.0	2.2	1.7	1.47	4.67	4.94	53	243	239	966	1,086	1,406	1,185	1,374	2,214	23	82	196
<i>Guinea</i>																		
Siguiri (85%)	10.0	10.1	10.2	0.80	0.89	0.82	255	290	268	827	799	918	965	917	1,085	25	26	25
<i>Mali</i>																		
Morila (40%)	1.2	1.3	1.4	1.24	1.06	1.23	49	44	57	698	1,162	773	815	1,298	1,051	6	6	13
Sadiola (41%)	2.1	2.1	2.0	1.04	1.28	1.34	69	85	86	818	1,028	1,334	886	1,133	1,510			