

ANGLOGOLD ASHANTI LTD  
Form 6-K  
June 27, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**  
**PURSUANT TO RULE 13a-16 or 15d-16 OF**  
**THE SECURITIES EXCHANGE ACT OF 1934**

**Report on Form 6-K dated June 27, 2012**

*This Report on Form 6-K shall be incorporated by reference in  
our automatic shelf Registration Statement on Form F-3 as amended (File No. 333-161634) and our Registration  
Statements on Form S-8 (File Nos. 333-10990 and 333-113789) as amended, to the extent not superseded by  
documents or reports subsequently filed by us under the Securities Act of 1933 or the Securities Exchange Act of  
1934, in each case as amended*

**Commission file number: 1-14846**

**AngloGold Ashanti Limited**

(Name of Registrant)

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**76 Jeppe Street**

**Newtown, Johannesburg, 2001**

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

**South Africa**

**(Address of Principal Executive Offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

**Form 20-F:**  **Form 40-F:**

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

**Yes:**  **No:**

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

**Yes:**  **No:**

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

**Yes:**  **No:**

Enclosures: Unaudited condensed consolidated financial statements as of March 31, 2012 and December 31, 2011 and for each of the three month periods ended March 31, 2012 and 2011, prepared in accordance with U.S. GAAP, and related management's discussion and analysis of financial condition and results of operations.

## ANGLOGOLD ASHANTI LIMITED

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Prepared in accordance with US GAAP

|   | <b>Three months ended March 31,</b>              |             |
|---|--|-------------|
|   | <b>2012</b>                                      | <b>2011</b> |
|   | (unaudited)                                      | (unaudited) |
|   | (in US Dollars, millions, except for share data) |             |
| <b>Sales and other income</b>   | 1,720  | 1,435       |
| Product sales   | 1,706  | 1,422       |
| Interest, dividends and other   | 14   | 13          |
| <b>Cost and expenses</b>  | 1,068  | 1,077       |
| Production costs  | 785  | 708         |
| Exploration costs   | 75   | 57          |
| Related party transactions  | (4)  | (4)         |
| General and administrative  | 70   | 68          |
| Royalties   | 48   | 40          |
| Market development costs  | 1  | 3           |
| Depreciation, depletion and amortization  | 189  | 192         |
| Impairment of assets  |  | 1           |
| Interest expense  | 44   | 44          |
| Accretion expense   | 8  | 7           |
| Employment severance costs  | 3  | 4           |
| Profit on sale of assets, realization of loans, indirect taxes and other (see note E)               | (27)   | (2)         |
| Non-hedge derivative gain and movement on bonds (see note F)  | (124)  | (41)        |
| <b>Income from continuing operations before income tax and equity income in associates</b>          | 652  | 358         |
| Taxation expense (see note G)   | (265)  | (124)       |
| Equity income in associates   | 10   | 9           |
| <b>Net income</b>   | 397  | 243         |
| Less: Net income attributable to noncontrolling interests   | (13)   | (6)         |
| <b>Net income attributable to AngloGold Ashanti</b>   | 384  | 237         |
| <b>Income per share attributable to AngloGold Ashanti common stockholders: (cents) (see note I)</b> |  |             |
| Net income  |  |             |
| Ordinary shares   | 100  | 62          |
| E Ordinary shares   | 50   | 31          |
| Ordinary shares diluted   | 68   | 53          |
| E Ordinary shares diluted   | 47   | 29          |
| <b>Weighted average number of shares used in computation</b>  |  |             |
| Ordinary shares   | 384,276,242                                      | 382,859,559 |
| Ordinary shares diluted   | 418,771,725                                      | 417,218,627 |
| E Ordinary shares basic and diluted   | 2,569,675  | 2,782,784   |
| <b>Dividend declared per ordinary share (cents)</b>   | 26   | 11          |
| <b>Dividend declared per E ordinary share (cents)</b>   | 13   | 6           |

**ANGLOGOLD ASHANTI LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Prepared in accordance with US GAAP

|   | <b>Three months ended March 31,</b> |             |
|---|-------------------------------------|-------------|
|   | <b>2012</b>                         | <b>2011</b> |
|   | (unaudited)                         | (unaudited) |
|   | (in US Dollars, millions)           |             |
| Net income  | 397                                 | 243         |
| Other comprehensive income consists of the following:   |                                     |             |
| Translation gain/(loss)   | 102                                 | (52)        |
| Net gain/(loss) on available-for-sale financial assets arising during the period, net of tax of \$nil million and \$nil million, respectively           | 1                                   | (2)         |
| Reclassification of other-than-temporary impairment on available-for-sale financial assets to Net income during the period, net of tax of \$nil million | 1                                   |             |
| Other comprehensive income  | 104                                 | (54)        |
| Comprehensive income  | 501                                 | 189         |
| Total comprehensive income attributable to:   |                                     |             |
| AngloGold Ashanti   | 486                                 | 184         |
| Noncontrolling interests  | 15                                  | 5           |
|   | 501                                 | 189         |

## ANGLOGOLD ASHANTI LIMITED

## CONDENSED CONSOLIDATED BALANCE SHEETS

Prepared in accordance with US GAAP

|   | At March 31,<br>2012<br>(unaudited) | At December 31,<br>2011 |
|---|-------------------------------------|-------------------------|
|   | (in US Dollars, millions)           |                         |
| <b>ASSETS</b>   |                                     |                         |
| <b>Current assets</b>   | 2,822                               | 2,631                   |
| Cash and cash equivalents   | 1,216                               | 1,112                   |
| Restricted cash   | 54                                  | 35                      |
| Receivables   | 408                                 | 351                     |
| Trade   | 62                                  | 46                      |
| Recoverable taxes, rebates, levies and duties   | 181                                 | 170                     |
| Other   | 165                                 | 135                     |
| Inventories (see note C)  | 973                                 | 959                     |
| Materials on the leach pad (see note C)   | 103                                 | 98                      |
| Deferred taxation assets  | 66                                  | 75                      |
| Assets held for sale  | 2                                   | 1                       |
| <b>Property, plant and equipment, net</b>   | 6,359                               | 6,123                   |
| <b>Acquired properties, net</b>   | 785                                 | 779                     |
| <b>Goodwill and other intangibles, net</b>  | 221                                 | 213                     |
| <b>Other long-term inventory</b> (see note C)   | 31                                  | 31                      |
| <b>Materials on the leach pad</b> (see note C)  | 404                                 | 393                     |
| <b>Other long-term assets</b> (see note K)  | 1,070                               | 1,001                   |
| <b>Deferred taxation assets</b>   | 6                                   | 14                      |
| <b>Total assets</b>   | 11,698                              | 11,185                  |
| <b>LIABILITIES AND EQUITY</b>   |                                     |                         |
| <b>Current liabilities</b>  | 959                                 | 919                     |
| Accounts payable and other current liabilities  | 743                                 | 779                     |
| Short-term debt   | 51                                  | 30                      |
| Short-term debt at fair value (see note D)  | 2                                   | 2                       |
| Tax payable   | 163                                 | 108                     |
| <b>Other non-current liabilities</b>  | 67                                  | 63                      |
| <b>Long-term debt</b> (see note D)  | 1,722                               | 1,715                   |
| <b>Long-term debt at fair value</b> (see note D)  | 676                                 | 758                     |
| <b>Derivatives</b>  | 50                                  | 93                      |
| <b>Deferred taxation liabilities</b>  | 1,370                               | 1,242                   |
| <b>Provision for environmental rehabilitation</b>   | 667                                 | 653                     |
| <b>Provision for labor, civil, compensation claims and settlements</b>                        | 36                                  | 35                      |
| <b>Provision for pension and other post-retirement medical benefits</b>                       | 214                                 | 185                     |
| <b>Commitments and contingencies</b>  |                                     |                         |
| <b>Equity</b>   | 5,937                               | 5,522                   |
| <b>Common stock</b>   |                                     |                         |
| Share capital 600,000,000 (2011 600,000,000) authorized ordinary shares of 25 ZAR cents each. |                                     |                         |
| Share capital 4,280,000 (2011 4,280,000) authorized E ordinary shares of 25 ZAR cents each.   |                                     |                         |
| Ordinary shares issued 2012 382,075,676 (2011 381,915,437). E ordinary shares issued          |                                     |                         |
| 2012 1,050,000 (2011 1,050,000)   | 13                                  | 13                      |
| Additional paid in capital  | 8,755                               | 8,740                   |
| Accumulated deficit   | (2,292)                             | (2,575)                 |
| Accumulated other comprehensive income  | (730)                               | (832)                   |
| Other reserves  | 36                                  | 36                      |
| <b>Total AngloGold Ashanti stockholders' equity</b>   | 5,782                               | 5,382                   |
| <b>Noncontrolling interests</b>   | 155                                 | 140                     |

|                                     |        |        |
|-------------------------------------|--------|--------|
| <b>Total liabilities and equity</b> | 11,698 | 11,185 |
|-------------------------------------|--------|--------|

## ANGLOGOLD ASHANTI LIMITED

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Prepared in accordance with US GAAP

|  | Three months ended<br>March 31, |                     |
|--|---------------------------------|---------------------|
|  | 2012<br>(unaudited)             | 2011<br>(unaudited) |
|  | (in US Dollars, millions)       |                     |
| <b>Net cash provided by operating activities</b>   | 576                             | 503                 |
| Net income   | 397                             | 243                 |
| Reconciled to net cash provided by operations:   |                                 |                     |
| (Profit)/loss on sale of assets, realization of loans, indirect taxes and other                                | (8)                             | 6                   |
| Depreciation, depletion and amortization   | 189                             | 192                 |
| Impairment of assets   |                                 | 1                   |
| Deferred taxation  | 102                             | 69                  |
| Movement in non-hedge derivatives and bonds  | (124)                           | (41)                |
| Equity income in associates  | (10)                            | (9)                 |
| Dividends received from associates   | 20                              | 30                  |
| Other non cash items   | 16                              | 4                   |
| Net increase in provision for environmental rehabilitation, pension and other post-retirement medical benefits | 22                              | 7                   |
| Effect of changes in operating working capital items:  |                                 |                     |
| Receivables  | (56)                            | (66)                |
| Inventories  | (23)                            | 1                   |
| Accounts payable and other current liabilities   | 51                              | 66                  |
| <b>Net cash used in investing activities</b>   | (381)                           | (269)               |
| Available for sale investments acquired  |                                 | (3)                 |
| Held to maturity investments acquired  | (39)                            | (28)                |
| Contributions to associates and equity accounted joint ventures  | (45)                            | (24)                |
| Additions to property, plant and equipment   | (312)                           | (234)               |
| Interest capitalized and paid  | (2)                             |                     |
| Expenditure on intangible assets   | (7)                             |                     |
| Proceeds on sale of mining assets  | 1                               | 2                   |
| Proceeds on sale of available for sale investments   |                                 | 1                   |
| Proceeds on redemption of held to maturity investments   | 36                              | 14                  |
| Proceeds on disposal of equity accounted joint ventures  | 20                              |                     |
| Proceeds on disposal of subsidiary   |                                 | 9                   |
| Loans advanced to associates and equity accounted joint ventures   | (15)                            |                     |
| Cash of subsidiary disposed  |                                 | (11)                |
| Change in restricted cash  | (18)                            | 5                   |
| <b>Net cash used by financing activities</b>   | (113)                           | (194)               |
| Repayments of debt   | (4)                             | (152)               |
| Issuance of stock  |                                 | 1                   |
| Debt issue costs   | (8)                             |                     |
| Dividends paid to common stockholders  | (101)                           | (43)                |
| <b>Net increase in cash and cash equivalents</b>   | 82                              | 40                  |
| <b>Effect of exchange rate changes on cash</b>   | 22                              | (7)                 |
| <b>Cash and cash equivalents January 1,</b>  | 1,112                           | 586                 |
| <b>Cash and cash equivalents March 31,</b>   | 1,216                           | 619                 |

## ANGLOGOLD ASHANTI LIMITED

## CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

Prepared in accordance with US GAAP

FOR THE THREE MONTHS ENDED MARCH 31, 2012

(unaudited)

(In millions, except share information)

|  | AngloGold Ashanti stockholders |       |                               |        |             |          |                |       |
|--|--------------------------------|-------|-------------------------------|--------|-------------|----------|----------------|-------|
|  | Common                         |       | Additional paid comprehensive |        | Accumulated | Other    | Noncontrolling | Total |
|  | stock                          | stock | in capital                    | income | deficit     | reserves | interests      |       |
|  |                                | \$    | \$                            | \$     | \$          | \$       | \$             | \$    |
| <b>Balance December 31, 2011</b>   | 382,965,437                    | 13    | 8,740                         | (832)  | (2,575)     | 36       | 140            | 5,522 |
| Net income   |                                |       |                               |        | 384         |          | 13             | 397   |
| Other comprehensive income   |                                |       |                               | 102    |             |          | 2              | 104   |
| Stock issues as part of Share Incentive Scheme                                   | 154,406                        |       | 6                             |        |             |          |                | 6     |
| Stock issues in exchange for E Ordinary shares cancelled                         | 2,269                          |       |                               |        |             |          |                |       |
| Stock issues transferred from Employee Share Ownership Plan to exiting employees | 3,564                          |       |                               |        |             |          |                |       |
| Stock based compensation expense   |                                |       | 9                             |        |             |          |                | 9     |
| Dividends  |                                |       |                               |        | (101)       |          |                | (101) |
| <b>Balance March 31, 2012</b>  | 383,125,676                    | 13    | 8,755                         | (730)  | (2,292)     | 36       | 155            | 5,937 |

\* The cumulative charge, net of deferred taxation of \$1 million (2011: \$1 million), included in accumulated other comprehensive income in respect of cash flow hedges amounted to \$2 million (2011: \$2 million).



## ANGLOGOLD ASHANTI LIMITED

## CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

Prepared in accordance with US GAAP

FOR THE THREE MONTHS ENDED MARCH 31, 2011

(unaudited)

(In millions, except share information)

|         |  | AngloGold Ashanti stockholders |            |               |             |          |                |       |       |
|---------|--|--------------------------------|------------|---------------|-------------|----------|----------------|-------|-------|
|         |  | Common                         | Additional | Accumulated   | Accumulated | Other    | Noncontrolling | Total |       |
|         |  | stock                          | paid in    | other         | deficit     | reserves | interests      |       |       |
|         |  | \$                             | \$         | comprehensive | \$          | \$       | \$             | \$    |       |
|         |  |                                | capital    | income*       |             |          |                |       |       |
|         |  |                                |            |               |             |          |                |       |       |
| Balance | December 31, 2010  | 381,889,139                    | 13         | 8,670         | (385)       | (3,869)  | 37             | 123   | 4,589 |
|         | Net income   |                                |            |               |             | 237      |                | 6     | 243   |
|         | Other comprehensive income   |                                |            |               | (53)        |          |                | (1)   | (54)  |
|         | Stock issues as part of Share Incentive Scheme                                   | 199,875                        |            | 8             |             |          |                |       | 8     |
|         | Stock issues in exchange for E Ordinary shares cancelled                         |                                |            | 1             |             |          |                |       | 1     |
|         | Stock issues transferred from Employee Share Ownership Plan to exiting employees | 8,085                          |            | 1             |             |          |                |       | 1     |
|         | Stock based compensation expense   |                                |            | 5             |             |          |                |       | 5     |
|         | Dividends  |                                |            |               |             | (43)     |                |       | (43)  |
| Balance | March 31, 2011   | 382,097,099                    | 13         | 8,685         | (438)       | (3,675)  | 37             | 128   | 4,750 |

\* The cumulative charge, net of deferred taxation of \$1 million (2010: \$1 million), included in accumulated other comprehensive income in respect of cash flow hedges amounted to \$2 million (2010: \$2 million).

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ANGLOGOLD ASHANTI LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012**

Prepared in accordance with US GAAP

**Note A. Basis of presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ( US GAAP ) for interim financial information. Accordingly, they do not include all of the information and footnotes required by US GAAP for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012.

The balance sheet as at December 31, 2011 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by US GAAP for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company s annual report on Form 20-F for the year ended December 31, 2011.

**Note B. Accounting developments**

**Recently adopted pronouncements**

*Goodwill impairment testing*

In September 2011, the Financial Accounting Standards Board ( FASB ) Accounting Standards Codification ( the Codification or ASC ) guidance was issued which simplifies how an entity tests goodwill for impairment. The guidance allows both public and nonpublic entities an option to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under that option, an entity no longer would be required to calculate the fair value of a reporting unit unless the entity determines, based on that qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The adoption of the updated guidance on January 1, 2012 had no impact on the Company s financial statements.

*Presentation of comprehensive income*

In June 2011, the FASB issued guidance for disclosures about comprehensive income. The guidance is intended to increase the prominence of other comprehensive income in financial statements. The main provisions of the guidance provide that an entity that reports items of other comprehensive income has the option to present comprehensive income in either one statement or two consecutive statements. The Company adopted the two consecutive statement approach on January 1, 2012. Except for presentation changes, the adoption had no impact on the Company s financial statements.

*Fair value measurements*

In May 2011, the FASB issued updated guidance on fair value measurement and disclosure requirements. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within US GAAP. The update will supersede most of the FASB ASC guidance for fair value measurements, although many of the changes are clarifications of existing guidance or wording changes. The adoption of the updated guidance on January 1, 2012 had no impact on the Company s financial statements.

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note C. Inventories

|   | At March 31,<br>2012<br>(unaudited) | At December 31,<br>2011 |
|---|-------------------------------------|-------------------------|
|   | (in US Dollars, millions)           |                         |
| The components of inventory consist of the following: |                                     |                         |
| <b>Short-term</b>                                     |                                     |                         |
| Metals in process                                     | 207                                 | 189                     |
| Gold on hand (doré/bullion)                           | 64                                  | 94                      |
| Ore stockpiles  | 475                                 | 454                     |
| Uranium oxide and sulfuric acid                       | 25                                  | 24                      |
| Supplies  | 305                                 | 296                     |
|   | 1,076                               | 1,057                   |
| Less: Materials on the leach pad <sup>(1)</sup>       | (103)                               | (98)                    |
|   | 973                                 | 959                     |

<sup>(1)</sup> Short-term portion relating to heap leach inventory classified separately, as materials on the leach pad.

|   | At March 31,<br>2012<br>(unaudited) | At December<br>31, 2011 |
|---|-------------------------------------|-------------------------|
|   | (in US Dollars, millions)           |                         |
| <b>Long-term</b>                                |                                     |                         |
| Metals in process                               | 404                                 | 393                     |
| Ore stockpiles                                  | 31                                  | 31                      |
|   | 435                                 | 424                     |
| Less: Materials on the leach pad <sup>(1)</sup> | (404)                               | (393)                   |
|   | 31                                  | 31                      |

<sup>(1)</sup> Long-term portion relating to heap leach inventory classified separately, as materials on the leach pad.

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note D. Debt**

The Company's outstanding debt includes:

**Debt carried at amortized cost****Rated bonds**

On April 22, 2010, the Company announced the pricing of an offering of 10-year and 30-year notes. The offering closed on April 28, 2010. The notes were issued by AngloGold Ashanti Holdings plc, a wholly-owned subsidiary of AngloGold Ashanti Limited, and are fully and unconditionally guaranteed by AngloGold Ashanti Limited. The notes are unsecured and interest is payable semi-annually.

Details of the rated bonds are summarized as follows:

|                         | Coupon rate<br>% | Total offering | At March 31, 2012<br>Unamortized<br>discount<br>(unaudited)<br>(in US Dollars, millions) | Accrued<br>interest | Total carrying<br>value |
|-------------------------|------------------|----------------|--|---------------------|-------------------------|
| 10-year unsecured notes | 5.375            | 700            | (1)  | 17                  | 716                     |
| 30-year unsecured notes | 6.500            | 300            | (5)  | 9                   | 304                     |
|                         |                  | 1,000          | (6)  | 26                  | 1,020                   |

|                         | Coupon<br>rate<br>% | Total<br>offering | At December 31, 2011<br>Unamortized<br>discount<br>(in US Dollars, millions) | Accrued<br>interest | Total<br>carrying<br>value |
|-------------------------|---------------------|-------------------|--|---------------------|----------------------------|
| 10-year unsecured notes | 5.375               | 700               | (1)  | 8                   | 707                        |
| 30-year unsecured notes | 6.500               | 300               | (5)  | 4                   | 299                        |
|                         |                     | 1,000             | (6)  | 12                  | 1,006                      |

**Loan facilities**

On April 20, 2010, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Inc., each a wholly-owned subsidiary of AngloGold Ashanti Limited, as borrowers, and AngloGold Ashanti Limited entered into a \$1.0 billion four-year revolving credit facility with a syndicate of lenders. AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Inc. each guaranteed the obligations of the borrowers and other guarantors under the facility. Amounts may be repaid and reborrowed under the facility during its four-year term. No draw down was made during the three months ended March 31, 2012 under the facility.

Details of the syndicated revolving credit facility are summarized as follows:

|  | At March 31, 2012        |                         |          |                           |             |
|--|--------------------------|-------------------------|----------|---------------------------|-------------|
|  | Interest                 | Commitment              | Total    | Undrawn                   | Total drawn |
|  | rate <sup>(1)</sup><br>% | fee <sup>(2)</sup><br>% | facility | facility<br>(unaudited)   | facility    |
|  |                          |                         |          | (in US Dollars, millions) |             |
| \$1.0 billion syndicated revolving credit facility | LIBOR + 1.75             | 0.7                     | 1,000    | 1,000                     |             |
|  |                          |                         | 1,000    | 1,000                     |             |

|  | At December 31, 2011         |                         |          |                                       |             |
|--|------------------------------|-------------------------|----------|---------------------------------------|-------------|
|  | Interest rate <sup>(1)</sup> | Commitment              | Total    | Undrawn                               | Total drawn |
|  | %                            | fee <sup>(2)</sup><br>% | facility | facility<br>(in US Dollars, millions) | facility    |
| \$1.0 billion syndicated revolving credit facility | LIBOR + 1.75                 | 0.7                     | 1,000    | 1,000                                 |             |
|  |                              |                         | 1,000    | 1,000                                 |             |

<sup>(1)</sup> Outstanding amounts bear interest at a margin over the London Interbank Offered Rate ( LIBOR ).

<sup>(2)</sup> Commitment fees are payable quarterly in arrears on the undrawn portion of the facility.

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**ANGLOGOLD ASHANTI LIMITED**
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012**

Prepared in accordance with US GAAP

**Note D. Debt (continued)**
**Debt carried at amortized cost (continued)**
**Syndicated revolving credit facility (A\$600 million)**

On December 22, 2011, AngloGold Ashanti Australia Limited entered into a four-year revolving credit facility of A\$600 million with a syndication of banks. Interest is charged at the Bank Bill Swap Bid Rate ( BBSY ) plus two percent per annum. AngloGold Ashanti Limited together with AngloGold Ashanti Holdings plc has each guaranteed all payments and other obligations of AngloGold Ashanti Australia Limited under the facility. Amounts may be repaid and reborrowed under the facility during its four-year term. No draw down was made during the three months ended March 31, 2012 under the facility. A commitment fee of 50 percent of the applicable margin is payable quarterly in arrears on the undrawn portion of the facility.

**Convertible bonds**

The issue of convertible bonds in the aggregate principal amount of \$732.5 million at an interest rate of 3.5 percent was concluded on May 22, 2009. These bonds are convertible into ADSs at an initial conversion price of \$47.6126. The conversion price is subject to standard weighted average anti-dilution protection. The convertible bonds were issued by AngloGold Ashanti Holdings Finance plc, a finance company wholly-owned by AngloGold Ashanti Limited. AngloGold Ashanti Limited has fully and unconditionally guaranteed the convertible bonds issued by AngloGold Ashanti Holdings Finance plc. There are no significant restrictions on the ability of AngloGold Ashanti Limited to obtain funds from its subsidiaries by dividend or loan.

The convertible bonds mature on May 22, 2014. However, at any time on or after June 12, 2012 the Company has the right, but not the obligation, to redeem all (but not part) of the convertible bonds at their principal amount together with accrued interest if the volume weighted average price of the ADSs that would be delivered by the Company on the conversion of a convertible bond of a principal amount of \$100,000 exceeds \$130,000 on each of at least 20 consecutive dealing days ending not earlier than five days prior to the date that the Company gives notice of the redemption.

Upon the occurrence of a change of control of the Company, each convertible bond holder will have the right to require the Company to redeem its convertible bonds at their principal amount plus accrued interest thereon. If the convertible bond holder elects to convert its convertible bonds in connection with such change of control, the Company will pay a make whole premium to such convertible bond holder in connection with such conversion. The conversion price is subject to adjustment on occurrence of certain events, as described in the terms and conditions of the bonds.

The Company is separately accounting for the conversion features of the convertible bonds at fair value as a derivative liability with subsequent changes in fair value recorded in earnings each period. The total fair value of the derivative liability on May 22, 2009 (date of issue) amounted to \$142.2 million. The difference between the initial carrying value and the stated value of the convertible bonds is being accreted to interest expense using the effective interest method over the 5 year term of the bonds.

The convertible bonds and associated derivative liability (which has been accounted for separately) are summarized as follows:

|                          | <b>At March 31,<br/>2012</b> | <b>At December 31,<br/>2011</b> |
|--------------------------|------------------------------|---------------------------------|
|                          | (unaudited)                  |                                 |
|                          | (in US Dollars, millions)    |                                 |
| <b>Convertible bonds</b> |                              |                                 |

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|  |      |      |
|--|------|------|
| Senior unsecured fixed rate bonds                                | 664  | 656  |
| Accrued interest   | 9    | 3    |
|  | 673  | 659  |
| <b>Convertible bond derivative liability</b>                     |      |      |
| Balance at beginning of period                                   | 92   | 176  |
| Fair value movements on conversion features of convertible bonds | (43) | (84) |
| Balance at end of period   | 49   | 92   |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note D. Debt (continued)****Debt carried at fair value****Mandatory convertible bonds**

In September 2010, the Company issued mandatory convertible bonds at a coupon rate of 6 percent due in September 2013. The conversion of the mandatory convertible bonds into ADSs was subject to shareholder approval, which was granted in October 2010. These bonds are convertible into a variable number of ADSs, ranging from 18,140,000 at a share price equal to or lesser than \$43.50, to 14,511,937 at a share price equal to or greater than \$54.375, each as calculated in accordance with the formula set forth in the indenture and subject to adjustment.

The mandatory convertible bonds contain certain embedded derivatives relating to change in control and anti-dilution protection provisions. The FASB ASC guidance contains an election for the Company to record the entire instrument at fair value as opposed to separating the embedded derivatives from the instrument. The shareholders have authorized that the convertible bonds will be settled in equity and not have any cash settlement potential except if a fundamental change or conversion rate adjustment causes the number of ADSs deliverable upon conversion to exceed the number of shares reserved for such purpose, among other circumstances provided in the indenture, and therefore the Company has chosen to recognize the instrument, in its entirety, at fair value. Depending on the final calculated share price on the date of conversion, the liability recognized may differ from the principal amount.

Other convertible bonds that have been issued by the Company will only be settled in equity if future events, outside of the control of the Company, result in equity settlement and thus have a potential cash settlement at maturity that will not exceed the principal amount, in those circumstances the liabilities are recognized at amortized cost.

In determining the fair value liability of the mandatory convertible bonds, the Company has measured the effect based on the ex interest NYSE closing price on the reporting date. The ticker code used by the NYSE for the mandatory convertible bonds is AUPRA. The accounting policy of the Company is to recognize interest expense separately from the fair value adjustments in the income statement. Interest is recognized at a quarterly coupon rate of 6 percent per annum. Fair value adjustments are included in Non-hedge derivative gain and movement on bonds in the income statement. See note F.

The contractual principal amount of the mandatory convertible bonds is \$789 million, provided the calculated share price of the Company is within the range of \$43.50 to \$54.375. If the calculated share price is below \$43.50, the Company will recognize a gain on the principal amount and above \$54.375 a loss. As at March 31, 2012, the actual share price was \$36.92.

The mandatory convertible bonds were issued by AngloGold Ashanti Holdings Finance plc, a finance company wholly-owned by AngloGold Ashanti Limited. AngloGold Ashanti Limited has fully and unconditionally guaranteed the mandatory subordinated convertible bonds issued by AngloGold Ashanti Holdings Finance plc. There are no significant restrictions on the ability of AngloGold Ashanti Limited to obtain funds from its subsidiaries by dividend or loan.

The mandatory convertible bonds are summarized as follows:

|                                    | At March 31,<br>2012<br>(unaudited) | At December 31,<br>2011 |
|------------------------------------|-------------------------------------|-------------------------|
|                                    | (in US Dollars, millions)           |                         |
| <b>Mandatory convertible bonds</b> |                                     |                         |
| Long-term debt at fair value       | 676                                 | 758                     |



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|  |     |     |
|--|-----|-----|
| Accrued interest included in short-term debt at fair value | 2   | 2   |
|  | 678 | 760 |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note E. (Profit)/loss on sale of assets, realization of loans, indirect taxes and other

|  | Three months ended March 31, |             |
|--|------------------------------|-------------|
|  | 2012                         | 2011        |
|  | (unaudited)                  | (unaudited) |
|  | (in US Dollars, millions)    |             |
| Indirect tax expenses and legal claims <sup>(1)</sup>  | 6                            | 5           |
| Loss on disposal of land, equipment and assets in South Africa, mineral rights and exploration properties  | 2                            | 2           |
| Impairment of investments  | 1                            |             |
| Impairment of other receivables  |                              | 1           |
| Profit on disposal of AGA-Polymetal Strategic Alliance <sup>(2)</sup>  | (20)                         |             |
| Royalties received <sup>(3)</sup>  | (16)                         | (8)         |
| Profit on disposal of the Company's subsidiary ISS International Limited <sup>(4)</sup>  |                              | (2)         |
|  | (27)                         | (2)         |
| Taxation expense/(benefit) on above items  | 4                            |             |
| <sup>(1)</sup> Indirect taxes and legal claims are in respect of:  |                              |             |
| Ghana  |                              | 5           |
| Guinea   | 3                            |             |
| United States of America   | 2                            |             |
| Argentina  | 1                            |             |
| <sup>(2)</sup> On February 8, 2012, the transaction to dispose of the AGA-Polymetal Strategic Alliance consisting of AGA-Polymetal Strategic Alliance Management Company Holdings Limited, Amikan Holding Limited, AS APK Holdings Limited, Imitoloto Holdings Limited and Yeniseiskaya Holdings Limited to Polyholding Limited was completed. These assets were fully impaired as at December 31, 2011. |                              |             |
| <sup>(3)</sup> Royalties received include:   |                              |             |
| Newmont Mining Corporation (2009 Boddington Gold mine sale)  | (14)                         | (6)         |
| Simmers & Jack Mines Limited (2010 sale of Tau Lekoa Gold mine)  | (1)                          | (1)         |
| Other royalties  | (1)                          | (1)         |
| <sup>(4)</sup> ISS International Limited ( ISSI ) was classified as held for sale in 2010. The sale was concluded on February 28, 2011.  |                              |             |

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note F. Non-hedge derivative gain and movement on bonds

|                                  | Three months ended<br>March 31, |                     |
|----------------------------------|---------------------------------|---------------------|
|                                  | 2012<br>(unaudited)             | 2011<br>(unaudited) |
|                                  | (in US dollars, millions)       |                     |
| <b>Non-hedge derivative gain</b> |                                 |                     |
| Gain on non-hedge derivatives    | 43                              | 17                  |

The net gain recorded in the three months ended March 31, 2012 relates to the fair value movements of the conversion features of convertible bonds.

|   | Three months ended<br>March 31, |                     |
|---|---------------------------------|---------------------|
|   | 2012<br>(unaudited)             | 2011<br>(unaudited) |
|   | (in US Dollars, millions)       |                     |
| <b>Movement on bonds</b>                                    |                                 |                     |
| Fair value gain on mandatory convertible bonds (See Note D) | 81                              | 24                  |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note G. Taxation**

The net taxation expense in the three months ended March 31, 2012 compared to a net expense for the same period in 2011, constitutes the following:

|   | Three months ended<br>March 31,                  |                     |
|---|--|---------------------|
|   | 2012<br>(unaudited)<br>(in US Dollars, millions) | 2011<br>(unaudited) |
| Charge for current taxation <sup>(1)</sup>  | 163  | 55                  |
| Charge for deferred taxation <sup>(2)</sup>   | 102  | 69                  |
|   | 265  | 124                 |
| Income from continuing operations before income tax and equity income in associates | 652  | 358                 |

<sup>(1)</sup> The higher current taxation is mainly due to higher earnings in Tanzania, South Africa and South America for the three months ended March 31, 2012.

<sup>(2)</sup> The higher deferred taxation in 2012 mainly relates to the reversal of timing differences in North America and the taxation rate change in Ghana from 25 percent to 35 percent, which is limited to 30 percent for AngloGold Ashanti in terms of the stability agreement between the Company and the Ghanaian government.

*Uncertain taxes*

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

|  | At March 31,<br>2012<br>(unaudited) | At December 31,<br>2011 |
|--|-------------------------------------|-------------------------|
|  | (in US Dollars, millions)           |                         |
| Balance at beginning of period                         | 78                                  | 52                      |
| Additions for tax positions identified in prior years  | 9                                   | 38                      |
| Reductions for tax positions identified in prior years |                                     | (3)                     |
| Translation  | 2                                   | (9)                     |
| Balance at end of period                               | 89                                  | 78                      |

Unrecognized tax benefits are summarized as follows:

|  |    |    |
|--|----|----|
| Recognized as a reduction of deferred tax assets           | 36 | 29 |
| Recognized in other non-current liabilities <sup>(1)</sup> | 53 | 49 |

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|                          |    |    |
|--------------------------|----|----|
| Balance at end of period | 89 | 78 |
|--------------------------|----|----|

- (1) Unrecognized tax benefits which, if recognized, would affect the Company's effective tax rate.

(in US Dollars, millions)

|  |    |
|--|----|
| The Company's continuing practice is to recognize interest and penalties related to unrecognized tax benefits as part of its income tax expense. |    |
| For the three months ended and as at March 31, 2012, interest recognized and interest accrued amounted to:                                       |    |
| Interest recognized during the three months ended March 31, 2012   | 1  |
| Interest accrued as at March 31, 2012  | 13 |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note H. Segment information**

The Company produces gold as its primary product and does not have distinct divisional segments in terms of principal business activity, but manages its business on the basis of different geographic segments. This information is consistent with the information used by the Company's Chief Operating Decision Maker, defined as the Executive Management team, in evaluating operating performance of, and making resource allocation decisions among operations.

|  | <b>Three months ended March 31,</b> |              |
|--|-------------------------------------|--------------|
|  | <b>2012</b>                         | <b>2011</b>  |
|  | (unaudited)                         | (unaudited)  |
|  | (in US Dollars, millions)           |              |
| <b>Revenues by area</b>  |                                     |              |
| South Africa   | 529                                 | 564          |
| Continental Africa   | 728                                 | 543          |
| Australasia  | 115                                 | 98           |
| Americas   | 427                                 | 305          |
| Other, including Corporate and Non-gold producing subsidiaries | 7                                   | 5            |
|  | 1,806                               | 1,515        |
| Less: Equity method investments included above                 | (86)                                | (80)         |
| <b>Total revenues</b>  | <b>1,720</b>                        | <b>1,435</b> |
| <b>Segment income/(loss)</b>                                   |                                     |              |
| South Africa   | 156                                 | 197          |
| Continental Africa   | 302                                 | 157          |
| Australasia  | 33                                  | 8            |
| Americas   | 222                                 | 146          |
| Other, including Corporate and Non-gold producing subsidiaries | (29)                                | (54)         |
| <b>Total segment income</b>                                    | <b>684</b>                          | <b>454</b>   |

The following are included in segment income/(loss):

|  |    |   |
|--|----|---|
| <b>Interest revenue</b>  |    |   |
| South Africa   | 7  | 4 |
| Continental Africa   | 2  | 1 |
| Australasia  | 1  | 2 |
| Americas   | 1  | 1 |
| Other, including Corporate and Non-gold producing subsidiaries | 1  |   |
| Total interest revenue   | 12 | 8 |

**Interest expense**

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|  |    |    |
|--|----|----|
| South Africa   | 1  | 2  |
| Continental Africa   | 1  |    |
| Other, including Corporate and Non-gold producing subsidiaries | 42 | 42 |
| Total interest expense   | 44 | 44 |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note H. Segment information (continued)

|   | Three months ended March 31, |                        |
|---|------------------------------|------------------------|
|   | 2012                         | 2011                   |
|   | (unaudited)                  | (unaudited)            |
|   | (in US Dollars, millions)    |                        |
| <b>Equity income/(loss) in associates</b>   |                              |                        |
| Continental Africa  | 12                           | 15                     |
| Other, including Corporate and Non-gold producing subsidiaries  | (2)                          | (6)                    |
| Total equity income in associates   | 10                           | 9                      |
| <b>Reconciliation of segment income to Net income - attributable to AngloGold Ashanti</b>                       |                              |                        |
| Segment total   | 684                          | 454                    |
| Exploration costs   | (75)                         | (57)                   |
| General and administrative expenses   | (70)                         | (68)                   |
| Market development costs  | (1)                          | (3)                    |
| Non-hedge derivative gain and movement on bonds   | 124                          | 41                     |
| Taxation expense  | (265)                        | (124)                  |
| Noncontrolling interests  | (13)                         | (6)                    |
| Net income attributable to AngloGold Ashanti  | 384                          | 237                    |
|   | <b>At March 31,</b>          | <b>At December 31,</b> |
|   | <b>2012</b>                  | <b>2011</b>            |
|   | (unaudited)                  |                        |
|   | (in US Dollars, millions)    |                        |
| <b>Segment assets</b>   |                              |                        |
| South Africa <sup>(1)</sup>   | 3,091                        | 2,974                  |
| Continental Africa  | 4,562                        | 4,365                  |
| Australasia   | 731                          | 714                    |
| Americas  | 2,636                        | 2,527                  |
| Other, including Corporate and Non-gold producing subsidiaries  | 678                          | 605                    |
| <b>Total segment assets</b>   | <b>11,698</b>                | <b>11,185</b>          |
| <sup>(1)</sup> Includes the following which have been classified as assets held for sale: Rand Refinery Limited | 2                            | 1                      |



## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note I. Income per share data

|   | Three months ended March 31, |             |
|---|------------------------------|-------------|
|   | 2012                         | 2011        |
|   | (unaudited)                  | (unaudited) |
| The following table sets forth the computation of basic and diluted income per share (in US dollars millions, except per share data): |                              |             |
| Ordinary shares undistributed income  | 282                          | 193         |
| E Ordinary shares undistributed income  | 1                            | 1           |
| Total undistributed income  | 283                          | 194         |
| Ordinary shares distributed income  | 101                          | 43          |
| E Ordinary shares distributed income  |                              |             |
| Total distributed income  | 101                          | 43          |
| Numerator Net income  |                              |             |
| Attributable to Ordinary shares   | 383                          | 236         |
| Attributable to E Ordinary shares   | 1                            | 1           |
| Total attributable to AngloGold Ashanti   | 384                          | 237         |

In calculating diluted income per ordinary share, the following were taken into consideration:

|   |       |     |
|---|-------|-----|
| Income attributable to equity shareholders                        | 383   | 236 |
| Interest expense on convertible bonds                             | 18    |     |
| Amortization of issue cost and discount on convertible bonds      | 8     |     |
| Fair value adjustment on convertible bonds included in income     | (124) |     |
| Income used in calculation of diluted earnings per ordinary share | 285   | 236 |

|   | Three months ended March 31, |             |
|---|------------------------------|-------------|
|   | 2012                         | 2011        |
|   | (unaudited)                  | (unaudited) |
| Denominator for basic income per ordinary share |                              |             |
| Ordinary shares                                 | 382,305,903                  | 381,272,542 |
| Fully vested options <sup>(1)</sup>             | 1,970,339                    | 1,587,017   |
| Weighted average number of ordinary shares      | 384,276,242                  | 382,859,559 |

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|  |             |             |
|--|-------------|-------------|
| Effect of dilutive potential ordinary shares   |             |             |
| Dilutive potential of stock incentive options  | 970,868     | 834,453     |
| Dilutive potential of convertible bonds  | 33,524,615  | 33,524,615  |
| Dilutive potential of E Ordinary shares  |             |             |
| Denominator for diluted income per share adjusted weighted average number of ordinary shares and assumed conversions | 418,771,725 | 417,218,627 |
| Weighted average number of E Ordinary shares used in calculation of basic and diluted income per E Ordinary share    | 2,569,675   | 2,782,784   |

- (1) Compensation awards are included in the calculation of basic income per common share from when the necessary conditions have been met, and it is virtually certain that shares will be issued as a result of employees exercising their options. The mandatory convertible bonds issued during 2010 are not included in basic income per common share as they contain features that could result in their settlement in cash and therefore do not meet the definition of an equity instrument.

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note J. Employee benefit plans**

The Company has made provision for pension and provident schemes covering substantially all employees.

|                                | Three months ended March 31, |                |                  |                |
|--------------------------------|------------------------------|----------------|------------------|----------------|
|                                | 2012                         |                | 2011             |                |
|                                | (unaudited)                  |                | (unaudited)      |                |
|                                | (in US Dollars, millions)    |                |                  |                |
|                                | Pension benefits             | Other benefits | Pension benefits | Other benefits |
| Service cost                   | 1                            | 19             | 2                |                |
| Interest cost                  | 5                            | 4              | 5                | 4              |
| Expected return on plan assets | (6)                          |                | (7)              |                |
| Net periodic benefit cost      |                              | 23             |                  | 4              |

**Employer contributions**

|   | (in US Dollars, millions) |
|---|---------------------------|
| Expected contribution for 2012 <sup>(1)</sup>                 | 5                         |
| Actual contribution for the three months ended March 31, 2012 | 2                         |

<sup>(1)</sup> The Company's expected contribution to its pension plan in 2012 as disclosed in the Company's Form 20-F for the year ended December 31, 2011.

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note K. Other long-term assets

|   | At March<br>31,<br>2012<br>(unaudited) | At December<br>31,<br>2011<br>(unaudited) |
|---|--|---|
|   | (in US Dollars, millions)              |   |
| Investments in associates unlisted                            | 5                                      | 5   |
| Investments in associates listed                              | 20                                     | 15  |
| Investments in equity accounted joint ventures                | 720                                    | 671                                       |
| Carrying value of equity method investments                   | 745                                    | 691                                       |
| Investment in marketable equity securities available for sale | 85                                     | 82  |
| Investment in marketable debt securities held to maturity     | 8                                      | 8   |
| Investment in non-marketable assets held to maturity          | 2                                      | 2   |
| Cost method investment  | 9                                      | 9   |
| Investment in non-marketable debt securities held to maturity | 92                                     | 85  |
| Restricted cash   | 24                                     | 23  |
| Other non-current assets                                      | 105                                    | 101                                       |
|   | 1,070                                  | 1,001                                     |

**Investment in marketable equity securities available for sale**

Available for sale investments in marketable equity securities consists of investments in ordinary shares.

|                                 |     |     |
|---------------------------------|-----|-----|
| Cost                            | 52  | 51  |
| Gross unrealized gains          | 35  | 34  |
| Gross unrealized losses         | (2) | (3) |
| Fair value (net carrying value) | 85  | 82  |

**Three months ended March 31,**  
**2012**                      **2011**  
(unaudited)                      (unaudited)  
(in US Dollars, millions)

**Other-than-temporary impairments of marketable equity securities available for sale**

|  |   |
|--|---|
| First Uranium Corporation (South Africa) | 1 |
|--|---|

The impairment recognized resulted in a transfer of fair value adjustments to the income statement.

In addition, the Company holds various equities as strategic investments in gold exploration companies. Three of the strategic investments are in an unrealized loss position and the Company has the intent and ability to hold these investments until the losses are recovered.



## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note K. Other long-term assets (continued)**

The following tables present the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by length of time that the individual securities have been in a continuous unrealized loss position:

|  | Less than 12<br>months    | More than 12<br>months | Total |
|--|---------------------------|------------------------|-------|
|  | (in US Dollars, millions) |                        |       |
| <b>At March 31, 2012</b>                                   |                           |                        |       |
| Aggregate fair value of investments with unrealized losses |                           | 1                      | 1     |
| Aggregate unrealized losses                                |                           | (2)                    | (2)   |
| <b>At December 31, 2011</b>                                |                           |                        |       |
| Aggregate fair value of investments with unrealized losses | 8                         |                        | 8     |
| Aggregate unrealized losses                                | (3)                       |                        | (3)   |

|   | At March 31,<br>2012<br>(unaudited) | At December 31,<br>2011 |
|---|-------------------------------------|-------------------------|
|   | (in US Dollars, millions)           |                         |
| <b>Investment in marketable debt securities held to maturity</b>  | 8                                   | 8                       |
| Investments in marketable debt securities represent held to maturity government bonds held by the Environmental Rehabilitation Trust Fund with a total fair value of \$11 million (2011: \$11 million) and gross unrealized gains of \$3 million (2011: \$3 million). |                                     |                         |
| <b>Investment in non-marketable assets held to maturity</b>   | 2                                   | 2                       |
| Investments in non-marketable assets represent secured loans and receivables secured by pledge of assets.   |                                     |                         |
| <b>Cost method investment</b>   | 9                                   | 9                       |
| The cost method investment mainly represent shares held in XDM Resources Limited. <sup>(1)</sup>  |                                     |                         |
| <b>Investment in non-marketable debt securities held to maturity</b>  | 92                                  | 85                      |
| Investments in non-marketable debt securities represent the held to maturity fixed-term deposits required by legislation for the Environmental Rehabilitation Trust Fund and Nufcor Uranium Trust Fund.   |                                     |                         |

As at March 31, 2012 the contractual maturities of debt securities were as follows:

| <b>Marketable debt securities</b> |   |
|-----------------------------------|---|
| Three to seven years              | 8 |

**Non-marketable debt securities**

|                    |    |
|--------------------|----|
| Less than one year | 92 |
|--------------------|----|

**Restricted cash**

|    |    |
|----|----|
| 24 | 23 |
|----|----|

Restricted cash mainly represent cash balances held by Environmental Rehabilitation Trust Fund and Environmental Protection Bond.

**Financing receivables**

Loans of \$42 million (2011: \$29 million) to equity accounted joint ventures and associates are included in Other long-term assets. There are no allowances for credit losses relating to these loans. Credit quality of loans is monitored on an ongoing basis.

- (1) The fair value is not estimated as there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment and it is not practicable to estimate the fair value of the investment.

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**ANGLOGOLD ASHANTI LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012**

Prepared in accordance with US GAAP

**Note L. Financial and derivative instruments**

In the normal course of its operations, the Company is exposed to gold and other commodity price, currency, interest rate, equity price, liquidity and non-performance risk, which includes credit risk. The Company is also exposed to certain by-product commodity price risk. In order to manage these risks, the Company may enter into transactions which make use of derivatives. The Company has developed a risk management process to facilitate, control and monitor these risks. The board has approved and monitors this risk management process, inclusive of documented treasury policies, counterpart limits, controlling and reporting structures. The Company does not acquire, hold or issue derivatives for speculative purposes.

Contracts that meet the criteria for hedge accounting are designated as the hedging instruments hedging the variability of forecasted cash flows from the sale of production into the spot market and from capital expenditure denominated in a foreign currency and are classified as cash flow hedges under the FASB ASC guidance on derivatives and hedging. Cash flows related to these instruments designated as qualifying hedges are reflected in the consolidated statement of cash flows in the same category as the cash flow from the items being hedged. Accordingly, cash flows relating to the settlement of forward sale commodity derivatives contracts hedging the forecasted sale of production into the spot market as well as the forward sale currency derivative contracts hedging the forecasted capital expenditure, have been reflected upon settlement as a component of operating cash flows. As at March 31, 2012, the Company does not have any open cash flow hedge contracts relating to product sales or forecasted capital expenditure. Cash flow hedge losses pertaining to capital expenditure of \$3 million as at March 31, 2012 are expected to be reclassified from accumulated other comprehensive income and recognized as an adjustment to depreciation expense until 2019.

A gain on non-hedge derivatives of \$124 million was recorded in the three months ended March 31, 2012 (2011:\$41 million). See note F Non-hedge derivative gain and movement on bonds for additional information.

**Gold price management activities**

Gold price risk arises from the risk of an adverse effect of current or future earnings resulting from fluctuations in the price of gold. The Company historically utilized derivatives as part of its hedging of the risk. At March 31, 2012, there were no net forward sales contracts, net call options sold and net put options sold.

**Foreign exchange price risk protection agreements**

The Company, from time to time, may enter into currency forward exchange and currency option contracts to hedge certain anticipated transactions denominated in foreign currencies. The objective of the Company's foreign currency hedging activities is to protect the Company from the risk that the eventual cash flows resulting from transactions denominated in US dollars will be adversely affected by changes in exchange rates.

As at March 31, 2012, the Company had no open forward exchange or currency option contracts in its currency hedge position.

**Interest and liquidity risk**

Fluctuations in interest rates impacts interest paid and received on the short-term cash investments and financing activities, giving rise to interest rate risk.

In the ordinary course of business, the Company receives cash from the proceeds of its gold sales and is required to fund working capital requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve market related returns while minimizing risks.

The Company is able to actively source financing at competitive rates. The counterparts are financial and banking institutions and their credit ratings are regularly monitored by the Company.





## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note L. Financial and derivative instruments (continued)****Non-performance risk**

Realization of contracts is dependent upon counterpart's performance. The Company has not obtained collateral or other security to support the financial instruments subject to non-performance risk, but the credit standing of counterpart's was monitored on a regular basis throughout the period. The Company spreads its business over a number of financial and banking institutions to minimize the risk of potential non-performance risk. Furthermore, the approval process of counterpart's and the limits applied to each counterpart were monitored by the board of directors. Where possible, ISDA netting agreements were put into place by management.

The combined maximum credit risk exposure at March 31, 2012 amounts to \$242 million. Credit risk exposure netted by open derivative positions with counterpart's was \$nil million as at March 31, 2012. No set-off is applied to balance sheet amounts due to the different maturity profiles of assets and liabilities.

**Fair value of financial instruments**

The estimated fair values of financial instruments are determined at discrete points in time based on relevant market information. The estimated fair values of the Company's financial instruments, as measured at March 31, 2012 and December 31, 2011, are as follows (assets (liabilities)):

|   | March 31, 2012<br>(unaudited) |            | December 31, 2011  |               |
|---|-------------------------------|------------|--------------------|---------------|
|   | Carrying<br>amount            | Fair Value | Carrying<br>amount | Fair<br>Value |
| Cash and cash equivalents                       | 1,216                         | 1,216      | 1,112              | 1,112         |
| Restricted cash                                 | 78                            | 78         | 58                 | 58            |
| Short-term debt                                 | (51)                          | (51)       | (30)               | (30)          |
| Short-term debt at fair value                   | (2)                           | (2)        | (2)                | (2)           |
| Long-term debt                                  | (1,722)                       | (1,861)    | (1,715)            | (1,857)       |
| Long-term debt at fair value                    | (676)                         | (676)      | (758)              | (758)         |
| Derivatives                                     | (50)                          | (50)       | (93)               | (93)          |
| Marketable equity securities available for sale | 85                            | 85         | 82                 | 82            |
| Marketable debt securities held to maturity     | 8                             | 11         | 8                  | 11            |
| Non-marketable assets held to maturity          | 2                             | 2          | 2                  | 2             |
| Non-marketable debt securities held to maturity | 92                            | 92         | 85                 | 85            |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note L. Financial and derivative instruments (continued)**

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

**Cash restricted for use, cash and cash equivalents and short-term debt**

The carrying amounts approximate fair value because of the short-term duration of these instruments.

**Long-term debt**

The mandatory convertible bonds are carried at fair value. The fair value of the convertible and rated bonds are shown at their quoted market value. Other long-term debt re-prices on a short-term floating rate basis, and accordingly the carrying amount approximates fair value.

**Derivatives**

The fair value of volatility-based instruments (i.e. options) are estimated based on market prices, volatilities, credit risk and interest rates for the periods under review.

**Investments**

Marketable equity securities classified as available-for-sale are carried at fair value. Marketable debt securities classified as held to maturity are measured at amortized cost. Non-marketable assets classified as held to maturity are measured at amortized cost. The fair value of marketable debt securities and non-marketable assets has been calculated using market interest rates. Investments in non-marketable debt securities classified as held to maturity are measured at amortized cost. The cost method investment is carried at cost. There is no active market for the investment and the fair value cannot be reliably measured.

**Fair value of the derivative liabilities split by accounting designation**

|                                       |                                     | <b>At March 31, 2012</b>       |              |
|---------------------------------------|-------------------------------------|--------------------------------|--------------|
|                                       |                                     | (unaudited)                    |              |
|                                       |                                     | (in US Dollars, millions)      |              |
| <b>Liabilities</b>                    | <b>Balance Sheet location</b>       | <b>Non-hedge<br/>accounted</b> | <b>Total</b> |
| Option component of convertible bonds | Non-current liabilities derivatives | (49)                           | (49)         |
| Embedded derivatives                  | Non-current liabilities derivatives | (1)                            | (1)          |
| <b>Total derivatives</b>              |                                     | <b>(50)</b>                    | <b>(50)</b>  |

|                    |                               | <b>At December 31, 2011</b>    |              |
|--------------------|-------------------------------|--------------------------------|--------------|
|                    |                               | (in US Dollars, millions)      |              |
| <b>Liabilities</b> | <b>Balance Sheet location</b> | <b>Non-hedge<br/>accounted</b> | <b>Total</b> |

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|                                       |                                     |      |      |
|---------------------------------------|-------------------------------------|------|------|
| Option component of convertible bonds | Non-current liabilities derivatives | (92) | (92) |
| Embedded derivatives                  | Non-current liabilities derivatives | (1)  | (1)  |
| Total derivatives                     |                                     | (93) | (93) |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note L. Financial and derivative instruments (continued)

## Non-hedge derivative gain and movement on bonds recognized

|  | Three months ended March 31,<br>2012<br>(unaudited) | 2011<br>(unaudited) |
|--|---|---------------------|
|  | (in US Dollars, millions)                           |                     |
| <b>Unrealized</b> <sup>(1)</sup>                   |   |                     |
| Option component of convertible bonds              | 43  | 14                  |
| Warrants on shares                                 |   | 3                   |
| Fair value movement on mandatory convertible bonds | 81  | 24                  |
| Non-hedge derivative gain and movement on bonds    | 124   | 41                  |

<sup>(1)</sup> Unrealized gains on non-hedge derivatives are included in Non-hedge derivative gain and movement on bonds in the income statement.

**Other comprehensive income**

|   | Accumulated<br>other<br>comprehensive income<br>as of<br>January 1,<br>2012 | Changes in fair<br>value<br>and other<br>movements<br>recognized<br>in<br>2012 | Reclassification<br>adjustments<br>(unaudited) | Accumulated<br>other<br>comprehensive income<br>as of March 31,<br>2012 |
|---|---|--|--|---|
|   | (in US Dollars, millions)   |  |  |   |
| Derivatives designated as Capital expenditure | (3)   |  |  | (3)   |
| Before tax totals                             | (3)   |  |  | (3)   |
| After tax totals                              | (2)   |  |  | (2)   |

|  | Accumulated<br>other<br>comprehensive income<br>as of<br>of | Changes in<br>fair<br>value and<br>other<br>movements | Reclassification<br>adjustments | Accumulated<br>other<br>comprehensive income<br>as of March 31,<br>2011 |
|--|---|---|---------------------------------|---|
|--|---|---|---------------------------------|---|

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|   | January<br>1,<br>2011 | recognized in<br>2011 | (unaudited)               |
|---|-----------------------|-----------------------|---------------------------|
|   |                       |                       | (in US Dollars, millions) |
| Derivatives designated as Capital expenditure | (3)                   |                       | (3)                       |
| Before tax totals                             | (3)                   |                       | (3)                       |
| After tax totals                              | (2)                   |                       | (2)                       |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note M. Commitments and contingencies**

Capital expenditure commitments:

|  | At March 31,<br>2012<br>(unaudited)<br>(in US Dollars, millions) |
|--|--|
| Contracts for capital expenditure                      | 370  |
| Authorized by the directors but not yet contracted for | 1,444  |
|  | 1,814  |

The Company intends to finance these capital expenditures from cash on hand, cash flow from operations, existing and new replacement credit facilities and long-term debt financing and, potentially if deemed appropriate, the issuance of equity and equity linked instruments.

Contingencies and guarantees are summarized as follows for disclosure purposes. Amounts represent possible losses for loss contingencies, where an estimate can be made, and quantification of guarantees:

|   | At March 31,<br>2012<br>(unaudited)<br>(in US Dollars, millions) |
|---|--|
| <b>Contingent liabilities</b>   |  |
| Groundwater pollution <sup>(1)</sup>  |  |
| Deep groundwater pollution South Africa <sup>(2)</sup>                              |  |
| Sales tax on gold deliveries Brazil <sup>(3)</sup>                                  | 91   |
| Other tax disputes Brazil <sup>(3)</sup>  | 42   |
| Indirect taxes Ghana <sup>(4)</sup>   | 14   |
| Tax disputes Tanzania <sup>(5)</sup>  |  |
| Occupational Diseases in Mines and Works Act ( ODMWA )<br>litigation <sup>(7)</sup> |  |
| <b>Contingent assets</b>  |  |
| Royalty Boddington Gold Min <sup>(8)</sup>  |  |
| Royalty Tau Lekoa Gold Min <sup>(9)</sup>   |  |
| <b>Financial guarantees</b>   |  |
| Oro Group surety <sup>(10)</sup>  | 13   |
| AngloGold Ashanti USA reclamation bonds <sup>(11)</sup>                             | 101  |
| AngloGold Ashanti Australia environmental bonds <sup>(12)</sup>                     | 33   |
| AngloGold Ashanti environmental guarantees <sup>(13)</sup>                          | 175  |
| Guarantee provided for syndicated revolving credit facility <sup>(14)</sup>         |  |
| Guarantee provided for mandatory convertible bonds <sup>(15)</sup>                  | 791  |
| Guarantee provided for rated bonds <sup>(16)</sup>                                  | 1,026  |
| Guarantee provided for convertible bonds <sup>(17)</sup>                            | 742  |

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Guarantee provided for A\$ syndicated revolving credit facility  
(18)

**Hedging guarantees**

Gold delivery guarantees (19)

Ashanti Treasury Services Limited ( ATS ) hedging guarantees  
(20)

Geita Management Company Limited ( GMC ) hedging  
guarantees (21)

3,028



## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note M. Commitments and contingencies (continued)

<sup>(1)</sup> Ground water pollution

The Company has identified groundwater contamination plumes at certain of its operations, which have occurred primarily as a result of seepage from mine residue stockpiles. Numerous scientific, technical and legal studies have been undertaken to assist in determining the magnitude of the contamination and to find sustainable remediation solutions. The Company has instituted processes to reduce future potential seepage and it has been demonstrated that Monitored Natural Attenuation ( MNA ) by the existing environment will contribute to improvement in some instances. Furthermore, literature reviews, field trials and base line modeling techniques suggest, but are not yet proven, that the use of phyto-technologies can address the soil and groundwater contamination. Subject to the completion of trials and the technology being a proven remediation technique, no reasonable estimate can be made for the obligation.

<sup>(2)</sup> Deep ground water pollution South Africa

The Company has identified a flooding and future pollution risk posed by deep groundwater in the Klerksdorp and Far West Rand gold fields. Various studies have been undertaken by AngloGold Ashanti since 1999. Due to the interconnected nature of mining operations, any proposed solution needs to be a combined one supported by all the mines located in these gold fields. As a result, the Department of Mineral Resources and affected mining companies are involved in the development of a Regional Mine Closure Strategy . In view of the limitation of current information for the estimation of a liability, no reasonable estimate can be made for the obligation.

**At March 31,  
2012**  
(unaudited)  
(in US Dollars, millions)

<sup>(3)</sup> Sales tax on gold deliveries Brazil

In 2006, Mineração Serra Grande S.A. ( MSG ) received two tax assessments from the State of Goiás related to payments of state sales taxes at the rate of 12 percent on gold deliveries for export from one Brazilian state to another during the period from February 2004 to the end of May 2006. AngloGold Ashanti Córrego do Sítio Mineração S.A. manages the operation. In November 2006, the administrative council 's second chamber ruled in favor of MSG and fully cancelled the tax liability related to the first period. In July 2011, the administrative council 's second chamber ruled in favor of MSG and fully cancelled the tax liability related to the second period. The State of Goiás has appealed to the full board of the State of Goiás tax administrative council. In November 2011, the administrative council 's second chamber approved the suspension of proceedings and the remittance of the matter to the Department of Supervision of Foreign Trade ( Comex ) for review and verification. The Company believes both assessments are in violation of federal legislation on sales taxes.

The Company 's attributable share of the assessments are as follows:

|                   |    |
|-------------------|----|
| First assessment  | 56 |
| Second assessment | 35 |

91

<sup>(4)</sup> Other tax disputes Brazil

|   |    |
|---|----|
| MSG received a tax assessment in October 2003 from the State of Minas Gerais related to sales taxes on gold. The tax administrators rejected the Company's appeal against the assessment. The Company is now appealing the dismissal of the case. The Company's attributable share of the assessment is approximately:  | 10 |
| In addition, in November 2007, the Departamento Nacional de Produção Mineral ( DNPM ), a Brazilian federal mining authority, issued a tax assessment against AngloGold Ashanti Brazil Mineração ( AABM ) relating to the calculation and payment by AABM of the financial contribution on mining exploitation ( CFEM ) in the period from 1991 to 2006. The amount involved is approximately: | 23 |
| Subsidiaries of the Company in Brazil are involved in various other disputes with tax authorities. These disputes involve federal tax assessments including income tax, royalties, social contributions and annual property tax. The amount involved is approximately:  | 9  |
|   | 42 |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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## Note M. Commitments and contingencies (continued)

At March 31,  
2012  
(unaudited)  
(in US Dollars, millions)

<sup>(5)</sup> Indirect taxes Ghana

AngloGold Ashanti (Ghana) Limited received a tax assessment during September 2009 in respect of the 2006, 2007 and 2008 tax years following an audit by the tax authorities related to indirect taxes on various items. Management is of the opinion that the indirect taxes are not payable and the Company has lodged an objection.

The assessment is approximately:

14

<sup>(6)</sup> Tax disputes Tanzania

Geita Gold Mine Limited ( GGML ) and Samax Resources Limited (Tanzania Branch) received a letter from the Tanzania Revenue Authority ( TRA ) dated March 15, 2012.

The TRA advised that it intends to issue assessments or demands in relation to a number of tax matters. The Company intends to defend the assessments and demands. As no assessments or demands have been received to date, no reasonable estimate can be made for the obligation.

<sup>(7)</sup> ODMWA litigation

The case of Mr Thembekile Mankayi was heard in the High Court of South Africa in June 2008, and an appeal heard in the Supreme Court of Appeal in 2010. In both instances judgment was awarded in favor of AngloGold Ashanti Limited on the basis that an employer is indemnified against such a claim for damages by virtue of the provisions of section 35 of the Compensation for Occupational Injuries and Diseases Act, 1993 ( COIDA ). A further appeal that was lodged by Mr Mankayi was heard in the Constitutional Court in 2010. Judgment in the Constitutional Court was handed down on March 3, 2011. The Constitutional Court held that section 35 of COIDA does not indemnify the employer against such claims.

Mr Mankayi passed away subsequent to the hearing in the Supreme Court of Appeal. Following the Constitutional Court judgment, Mr Mankayi's executor may proceed with his case in the High Court. This will comprise, amongst others, providing evidence showing that Mr Mankayi contracted silicosis as a result of negligent conduct on the part of AngloGold Ashanti Limited.

The Company will defend the case and any subsequent claims on their merits. Should other individuals or groups lodge similar claims, these too will be defended by the Company and adjudicated by the Courts on their merits. In view of the limitation of current information for the estimation of a possible liability, no reasonable estimate can be made of this possible obligation.

<sup>(8)</sup> Royalty Boddington Gold Mine

As a result of the sale of the interest in the Boddington Gold Mine during 2009, the Company is entitled to receive a royalty on any gold recovered or produced by the Boddington Gold Mine, where the gold price is in excess of Boddington Gold Mine's cash costs plus \$600 per ounce. The royalty is payable in each quarter from and after the second quarter in 2010, within forty five days of reporting period close and is capped at a total amount of \$100 million.

Details of the royalty are as follows:

Total royalties received and receivable to date 56

<sup>(9)</sup> Royalty Tau Lekoa Gold Mine

As a result of the sale of the Tau Lekoa Gold Mine during 2010, the Company is entitled to receive a royalty on the production of a total of 1.5 million ounces by the Tau Lekoa Gold Mine and in the event that the average monthly rand price of gold exceeds R180,000 per kilogram (subject to an inflation adjustment). Where the average monthly rand price of gold does not exceed R180,000 per kilogram (subject to an inflation adjustment), the ounces produced in that quarter do not count towards the total 1.5 million ounces upon which the royalty is payable. The royalty will be determined at 3 percent of the net revenue (being gross revenue less state royalties) generated by the Tau Lekoa assets. Royalties on 219,005 ounces produced have been received to date.

Royalties received in cash during the three months ended March 31, 2012 1

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note M. Commitments and contingencies (continued)

|                                  | At March 31,<br>2012<br>(unaudited)<br>(in US Dollars, millions) |
|----------------------------------|--|
| <sup>(10)</sup> Oro Group surety | 13   |

The Company has provided surety in favor of a lender on a gold loan facility with its associate Oro Group (Proprietary) Limited and one of its subsidiaries. The Company has a total maximum liability, in terms of the suretyships, of R100 million. The probability of the non-performance under the suretyships is considered minimal.

|   |     |
|---|-----|
| <sup>(11)</sup> AngloGold Ashanti USA reclamation bonds | 101 |
|---|-----|

Pursuant to US environmental and mining requirements, gold mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these requirements. AngloGold Ashanti USA has posted reclamation bonds with various federal and state governmental agencies to cover potential rehabilitation obligations. The Company has provided a guarantee for these obligations which would be payable in the event of AngloGold Ashanti USA not being able to meet its rehabilitation obligations. The obligations will expire upon completion of such rehabilitation and release of such areas by the applicable federal and/or state agency. AngloGold Ashanti is not indemnified by third parties for any of the amounts that may be paid by AngloGold Ashanti under its guarantee.

|   |    |
|---|----|
| <sup>(12)</sup> AngloGold Ashanti Australia environmental bonds | 33 |
|---|----|

Pursuant to Australia environmental and mining requirements, gold mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these requirements. AngloGold Ashanti Australia has posted bonds with state governmental agencies to cover potential rehabilitation obligations. The Company has provided a guarantee for these obligations which would be payable in the event of AngloGold Ashanti Australia not being able to meet its rehabilitation obligations. The obligations will expire upon completion of such rehabilitation and release of such areas by the applicable state agency. AngloGold Ashanti is not indemnified by third parties for any of the amounts that may be paid by AngloGold Ashanti under its guarantee.

|  |     |
|--|-----|
| <sup>(13)</sup> AngloGold Ashanti environmental guarantees | 175 |
|--|-----|

Pursuant to South African mining laws, mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these laws. In order to cover against premature closure costs, the Company has secured bank guarantees to cover potential rehabilitation obligations of certain mines in South Africa. The Company has provided a guarantee for these obligations which would be payable in the event of the South African mines not being able to meet such rehabilitation obligations. The obligations will expire upon compliance with all provisions of the environment management program in terms of South African mining laws. AngloGold Ashanti is not indemnified by third parties for any of the amounts that may be paid by AngloGold Ashanti under its guarantee.

|   |  |
|---|--|
| <sup>(14)</sup> Guarantee provided for syndicated revolving credit facility |  |
|---|--|

AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Incorporated, as guarantors, have each guaranteed all payments and other obligations of the borrowers

and the other guarantors under the \$1.0 billion four-year revolving credit facility.

The total amount outstanding under this facility as at March 31, 2012 amounted to:

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note M. Commitments and contingencies (continued)

|   | At March 31,<br>2012<br>(unaudited)<br>(in US Dollars, millions) |
|---|--|
| (15) Guarantee provided for mandatory convertible bonds   | 791  |
| AngloGold Ashanti Limited has fully and unconditionally guaranteed all payments and other obligations of AngloGold Ashanti Holdings Finance plc regarding the issued \$789 million 6 percent mandatory convertible bonds due 2013.  |  |
| (16) Guarantee provided for rated bonds   | 1,026  |
| AngloGold Ashanti Limited has fully and unconditionally guaranteed all payments and other obligations of AngloGold Ashanti Holdings plc regarding the issued \$700 million 5.375 percent rated bonds due 2020 and the issued \$300 million 6.5 percent rated bonds due 2040.  |  |
| (17) Guarantee provided for convertible bonds   | 742  |
| AngloGold Ashanti Limited has fully and unconditionally guaranteed all payments and other obligations of AngloGold Ashanti Holdings Finance plc regarding the issued \$732.5 million 3.5 percent convertible bonds due 2014.  |  |
| (18) Guarantee provided for A\$ syndicated revolving credit facility  |  |
| AngloGold Ashanti Limited together with AngloGold Ashanti Holdings plc, as guarantors, has each guaranteed all payments and other obligations of AngloGold Ashanti Australia Limited under the A\$600 million four-year revolving credit facility entered into during December 2011.  |  |
| The total amount outstanding under this facility as at March 31, 2012 amounted to:  |  |
| (19) Gold delivery guarantees   |  |
| The Company has issued gold delivery guarantees to several counterpart banks pursuant to which it guarantees the due performance of its subsidiaries AngloGold (USA) Trading Company, AngloGold South America Limited and Cerro Vanguardia S.A. under their respective gold hedging agreements. At March 31, 2012 the Company had no open gold hedge contracts.   |  |
| (20) ATS hedging guarantees   |  |
| The Company together with its wholly-owned subsidiary AngloGold Ashanti Holdings plc has provided guarantees to several counterpart banks for the hedging commitments of its wholly-owned subsidiary ATS. The maximum potential amount of future payments is all moneys due, owing or incurred by ATS under or pursuant to the hedging agreements. At March 31, 2012 the Company had no open gold hedge contracts. The guarantee was cancelled subsequent to quarter end. |  |
| (21) GMC hedging guarantees   |  |
| The Company and its wholly-owned subsidiary AngloGold Ashanti Holdings plc have issued hedging guarantees to several counterpart banks in which they have guaranteed the due performance by GMC of its obligations under or pursuant to the hedging agreements entered into by GMC, and to the payment of all money owing or incurred by GMC as and when due. The maximum potential amount of future payments is  |  |

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all moneys due, owing or incurred by GMC under or pursuant to the hedging agreements. At March 31, 2012 the Company had no open gold hedge contracts. The guarantee was cancelled subsequent to quarter end.



## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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**Note N. Recent developments****Announcements made after March 31, 2012:**

On May 29, 2012, AngloGold Ashanti, which currently holds, through a subsidiary, a 50 percent interest in the Serra Grande ( Crixás ) mine in Brazil, agreed to acquire the remaining 50 percent stake in the mine from Kinross Gold Corporation for \$220 million in cash. The transaction which will be funded from existing cash reserves and debt facilities; is expected to be completed during the second quarter of 2012, and is subject to the fulfillment of various conditions.

On June 14, 2012, AngloGold Ashanti announced that the First Uranium Corporation shareholders and security holders approved, in a general meeting, the proposed acquisition by AngloGold Ashanti of First Uranium (Pty) Ltd, the owner of Mine Waste Solutions in South Africa, for a cash consideration of \$335 million. The transaction which was originally announced on March 2, 2012 is expected to close before the end of June 2012, subject to the remaining conditions precedent being fulfilled. Mine Waste Solutions is a recently commissioned tailings retreatment operation located in South Africa's Vaal River region and in the immediate proximity of AngloGold Ashanti's own tailings facilities.

**Note O. Declaration of dividends**

Details of the final dividends of 2011 and interim dividends of 2012 are set forth in the table below:

|  | Ordinary shareholders |                        | E ordinary shareholders |                        |
|--|-----------------------|------------------------|-------------------------|------------------------|
|  | Final dividend 2011   | Interim dividends 2012 | Final dividend 2011     | Interim dividends 2012 |
| Declaration date   | Feb 14, 2012          | May 8, 2012            | Feb 14, 2012            | May 8, 2012            |
| Record date  | Mar 9, 2012           | Jun 1, 2012            | Mar 9, 2012             | Jun 1, 2012            |
| Payment date Ordinary / E ordinary shareholders          | Mar 16, 2012          | Jun 8, 2012            | Mar 16, 2012            | Jun 8, 2012            |
| Payment date CDIs  | Mar 16, 2012          | Jun 8, 2012            |                         |                        |
| Payment date GhDSs                                       | Mar 19, 2012          | Jun 11, 2012           |                         |                        |
| Payment date ADSs  | Mar 26, 2012          | Jun 18, 2012           |                         |                        |
| Dividend amount per share declared (US cents)            | 26.401                | 11.806                 | 13.201                  | 5.903                  |
| Dividend amount per share declared (South African cents) | 200.0                 | 100.0                  | 100.0                   | 50.0                   |
| Dividend amount per share paid (US cents)                | 26.401                | 10.035 <sup>(1)</sup>  | 13.201                  | 5.018 <sup>(1)</sup>   |
| Dividend amount per share paid (South African cents)     | 200.0                 | 85.0 <sup>(1)</sup>    | 100.0                   | 42.5 <sup>(1)</sup>    |

<sup>(1)</sup> Net of 15 percent withholding tax.

During the third quarter of 2011, the Company changed its frequency of dividend payments to quarterly rather than half-yearly.

Withholding tax on dividends and other distributions to shareholders of 15 percent became effective on April 1, 2012. The withholding tax, which was announced by the South African government on February 21, 2007, replaces the Secondary Tax on Companies.

Dividends are declared in South African cents. Dollar cents per share figures have been calculated based on exchange rates prevailing on each of the respective payment dates.

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In addition to the cash dividend, an amount equal to the dividend paid to holders of E ordinary shares will be offset when calculating the strike price of E ordinary shares.

Each CDI represents one-fifth of an ordinary share and 100 GhDSs represents one ordinary share. Each ADS represents one ordinary share.

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

**Note P. Fair value measurements**

The FASB ASC guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company utilizes the market approach to measure fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The following table sets out the Company's financial assets and (liabilities) measured at fair value, by level, within the hierarchy as at March 31, 2012 (in US Dollars, millions):

**Items measured at fair value on a recurring basis**

| Description                           | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|---------|---------|---------|-------|
| Cash and cash equivalents             | 1,216   |         |         | 1,216 |
| Marketable equity securities          | 85      |         |         | 85    |
| Mandatory convertible bonds           | (678)   |         |         | (678) |
| Embedded derivatives                  |         | (1)     |         | (1)   |
| Option component of convertible bonds |         | (49)    |         | (49)  |

The Company's cash equivalents are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The cash instruments that are valued based on quoted market prices in active markets are primarily money market securities. Due to the short maturity of cash, carrying amounts approximate fair values.

The Company's marketable equity securities are included in Other long-term assets in the Company's consolidated balance sheet. They consist of investments in ordinary shares and are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company.

The Company's mandatory convertible bonds are included in debt in the Company's consolidated balance sheet. The bonds are valued using quoted market prices in an active market and as such are classified within Level 1 of the fair value hierarchy. The fair value of the bonds is calculated as the quoted market price of the bond multiplied by the quantity of bonds issued by the Company.

Embedded derivatives and the conversion features of convertible bonds are included as derivatives on the balance sheet. Such instruments are typically classified within Level 2 of the fair value hierarchy.

The following inputs were used in the valuation of the conversion features of convertible bonds as at March 31:

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|   | <b>2012</b> |
|---|-------------|
| Market quoted bond price (percent)                        | 109.625     |
| Fair value of bond excluding conversion feature (percent) | 102.930     |
| Fair value of conversion feature (percent)                | 6.695       |
| Total issued bond value (\$ million)                      | 732.5       |

The option component of the convertible bonds is calculated as the difference between the price of the bond including the option component (bond price) and the price excluding the option component (bond floor price).

**ANGLOGOLD ASHANTI LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012**

Prepared in accordance with US GAAP

**Note Q. Supplemental condensed consolidating financial information**

AngloGold Ashanti Holdings plc ( IOMco ), a wholly-owned subsidiary of AngloGold Ashanti, has issued debt securities which are fully and unconditionally guaranteed by AngloGold Ashanti Limited (being the Guarantor ). Refer to Notes D Debt and M Commitments and Contingencies . IOMco is an Isle of Man registered company that holds certain of AngloGold Ashanti s operations and assets located outside South Africa (excluding certain operations and assets in the United States of America and Namibia). The following is condensed consolidating financial information for the Company as of March 31, 2012 and December 31, 2011 and for the three months ended March 31, 2012 and 2011, with a separate column for each of AngloGold Ashanti Limited as Guarantor, IOMco as Issuer and the other subsidiaries of the Company combined (the Non-Guarantor Subsidiaries ). For the purposes of the condensed consolidating financial information, the Company carries its investments under the equity method. The following supplemental condensed consolidating financial information should be read in conjunction with the Company s condensed consolidated financial statements.

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note Q. Supplemental condensed consolidating financial information (continued)

## Condensed consolidating statements of income

## FOR THE THREE MONTHS ENDED MARCH 31, 2012

(unaudited)

(in US dollars, millions)

|   | AngloGold                   |                        | Other subsidiaries                   |       | Consolidation adjustments | Total |
|---|-----------------------------|------------------------|--------------------------------------|-------|---------------------------|-------|
|   | Ashanti<br>(the Guarantor ) | IOMco<br>(the Issuer ) | (the Non-Guarantor<br>Subsidiaries ) |       |                           |       |
| <b>Sales and other income</b>   | 554                         | 1                      | 1,201                                | (36)  | 1,720                     |       |
| Product sales   | 524                         |                        | 1,182                                |       | 1,706                     |       |
| Interest, dividends and other   | 30                          | 1                      | 19                                   | (36)  | 14                        |       |
| <b>Costs and expenses</b>   | 437                         | 25                     | 644                                  | (38)  | 1,068                     |       |
| Production costs  | 281                         |                        | 504                                  |       | 785                       |       |
| Exploration costs   | 8                           | 2                      | 65                                   |       | 75                        |       |
| Related party transactions  | (4)                         |                        |                                      |       | (4)                       |       |
| General and administrative expenses/(recoveries)                                | 50                          | (3)                    | 15                                   | 8     | 70                        |       |
| Royalties paid  | 12                          |                        | 36                                   |       | 48                        |       |
| Market development costs  |                             |                        | 1                                    |       | 1                         |       |
| Depreciation, depletion and amortization  | 80                          |                        | 109                                  |       | 189                       |       |
| Interest expense  | 1                           | 17                     | 26                                   |       | 44                        |       |
| Accretion expense   | 3                           |                        | 5                                    |       | 8                         |       |
| Employment severance costs  | 2                           |                        | 1                                    |       | 3                         |       |
| Loss/(profit) on sale of assets, realization of loans, indirect taxes and other | 4                           | 9                      | 6                                    | (46)  | (27)                      |       |
| Non-hedge derivative gain and movement on bonds                                 |                             |                        | (124)                                |       | (124)                     |       |
| <b>Income/(loss) before income tax provision</b>                                | 117                         | (24)                   | 557                                  | 2     | 652                       |       |
| Taxation expense  | (38)                        | (1)                    | (226)                                |       | (265)                     |       |
| Equity income in associates   | 5                           | 5                      |                                      |       | 10                        |       |
| Equity income/(loss) in subsidiaries  | 310                         | 185                    |                                      | (495) |                           |       |
| <b>Income/(loss) from continuing operations</b>                                 | 394                         | 165                    | 331                                  | (493) | 397                       |       |
| Preferred stock dividends   | (10)                        |                        | (10)                                 | 20    |                           |       |
| <b>Net income/(loss)</b>  | 384                         | 165                    | 321                                  | (473) | 397                       |       |
| Less: Net income attributable to noncontrolling interests                       |                             |                        | (13)                                 |       | (13)                      |       |
| <b>Net income/(loss) attributable to AngloGold Ashanti</b>                      | 384                         | 165                    | 308                                  | (473) | 384                       |       |

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|   |     |     |      |       |      |
|---|-----|-----|------|-------|------|
| Comprehensive income  | 486 | 171 | 333  | (489) | 501  |
| Comprehensive income attributable to noncontrolling interests |     |     | (15) |       | (15) |
| Comprehensive income attributable to AngloGold Ashanti        | 486 | 171 | 318  | (489) | 486  |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note Q. Supplemental condensed consolidating financial information (continued)

## Condensed consolidating statements of income

## FOR THE THREE MONTHS ENDED MARCH 31, 2011

(unaudited)

(in US dollars, millions)

|  | AngloGold Ashanti<br>(the Guarantor ) | IOMco<br>(the Issuer ) | Other subsidiaries<br>(the Non-Guarantor<br>Subsidiaries ) | Consolidation<br>adjustments | Total |
|--|---------------------------------------|------------------------|--|------------------------------|-------|
| <b>Sales and other income</b>  | 591                                   |                        | 884  | (40)                         | 1,435 |
| Product sales  | 560                                   |                        | 862  |                              | 1,422 |
| Interest, dividends and other  | 31                                    |                        | 22   | (40)                         | 13    |
| <b>Costs and expenses</b>  | 412                                   | 30                     | 627  | 8                            | 1,077 |
| Production costs   | 251                                   |                        | 457  |                              | 708   |
| Exploration costs  | 4                                     | 4                      | 49   |                              | 57    |
| Related party transactions   | (4)                                   |                        |  |                              | (4)   |
| General and administrative expenses/(recoveries)                                   | 56                                    | 9                      | 6  | (3)                          | 68    |
| Royalties paid   | 14                                    |                        | 26   |                              | 40    |
| Market development costs   | 1                                     |                        | 2  |                              | 3     |
| Depreciation, depletion and amortization   | 94                                    |                        | 98   |                              | 192   |
| Impairment of assets   | 1                                     |                        |  |                              | 1     |
| Interest expense   | 2                                     | 17                     | 25   |                              | 44    |
| Accretion expense  | 3                                     |                        | 4  |                              | 7     |
| Employment severance costs   | 3                                     |                        | 1  |                              | 4     |
| (Profit)/loss on sale of assets, realization of loans,<br>indirect taxes and other | (13)                                  |                        |  | 11                           | (2)   |
| Non-hedge derivative gain and movement on bonds                                    |                                       |                        | (41)   |                              | (41)  |
| <b>Income/(loss) before income tax provision</b>                                   | 179                                   | (30)                   | 257  | (48)                         | 358   |
| Taxation expense   | (59)                                  |                        | (65)   |                              | (124) |
| Equity income in associates  | 7                                     | 2                      |  |                              | 9     |
| Equity income/(loss) in subsidiaries   | 123                                   | 111                    |  | (234)                        |       |
| <b>Income/(loss) from continuing operations</b>                                    | 250                                   | 83                     | 192  | (282)                        | 243   |
| Preferred stock dividends  | (13)                                  |                        | (13)   | 26                           |       |
| <b>Net income/(loss)</b>   | 237                                   | 83                     | 179  | (256)                        | 243   |
| Less: Net income attributable to noncontrolling<br>interests                       |                                       |                        | (6)  |                              | (6)   |
| <b>Net income/(loss) attributable to AngloGold Ashanti</b>                         | 237                                   | 83                     | 173  | (256)                        | 237   |
| Comprehensive income   | 184                                   | 83                     | 192  | (270)                        | 189   |



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|   |     |    |     |       |     |
|---|-----|----|-----|-------|-----|
| Comprehensive income attributable to noncontrolling interests |     |    | (5) |       | (5) |
| Comprehensive income attributable to AngloGold Ashanti        | 184 | 83 | 187 | (270) | 184 |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note Q. Supplemental condensed consolidating financial information (continued)

## Condensed consolidating balance sheets

AT MARCH 31, 2012

(unaudited)

(in US dollars, millions)

|   | AngloGold Ashanti<br>(the Guarantor ) | IOMco<br>(the Issuer ) | Other subsidiaries<br>(the Non-Guarantor<br>Subsidiaries ) | Consolidation<br>adjustments | Total   |
|---|---------------------------------------|------------------------|--|------------------------------|---------|
| <b>ASSETS</b>   |                                       |                        |  |                              |         |
| <b>Current Assets</b>   | 943                                   | 2,575                  | 3,708  | (4,404)                      | 2,822   |
| Cash and cash equivalents   | 295                                   | 521                    | 400  |                              | 1,216   |
| Restricted cash   | 1                                     |                        | 53   |                              | 54      |
| Receivables, inter-group balances and other current assets              | 647                                   | 2,054                  | 3,255  | (4,404)                      | 1,552   |
| <b>Property, plant and equipment, net</b>                               | 2,070                                 |                        | 4,289  |                              | 6,359   |
| <b>Acquired properties, net</b>   | 174                                   |                        | 611  |                              | 785     |
| <b>Goodwill</b>   |                                       |                        | 199  | (16)                         | 183     |
| <b>Other intangibles, net</b>   | 15                                    |                        | 23   |                              | 38      |
| <b>Other long-term inventory</b>  |                                       |                        | 31   |                              | 31      |
| <b>Materials on the leach pad</b>                                       |                                       |                        | 404  |                              | 404     |
| <b>Other long-term assets and deferred taxation assets</b>              | 4,779                                 | 4,141                  | 853  | (8,697)                      | 1,076   |
| <b>Total assets</b>   | 7,981                                 | 6,716                  | 10,118   | (13,117)                     | 11,698  |
| <b>LIABILITIES AND EQUITY</b>   |                                       |                        |  |                              |         |
| <b>Current liabilities including inter-group balances</b>               | 1,077                                 | 1,571                  | 3,078  | (4,767)                      | 959     |
| <b>Other non-current liabilities</b>                                    | 53                                    |                        | 47   | (33)                         | 67      |
| <b>Long-term debt</b>   | 35                                    | 994                    | 1,369  |                              | 2,398   |
| <b>Derivatives</b>  |                                       |                        | 50   |                              | 50      |
| <b>Deferred taxation liabilities</b>                                    | 675                                   |                        | 690  | 5                            | 1,370   |
| <b>Provision for environmental rehabilitation</b>                       | 159                                   |                        | 508  |                              | 667     |
| <b>Other accrued liabilities</b>  |                                       |                        | 36   |                              | 36      |
| <b>Provision for pension and other post-retirement medical benefits</b> | 200                                   |                        | 14   |                              | 214     |
| <b>Commitments and contingencies</b>                                    |                                       |                        |  |                              |         |
| <b>Equity</b>   | 5,782                                 | 4,151                  | 4,326  | (8,322)                      | 5,937   |
| Stock issued  | 13                                    | 5,320                  | 897  | (6,217)                      | 13      |
| Additional paid in capital  | 8,755                                 | 460                    | 219  | (679)                        | 8,755   |
| Accumulated (deficit)/profit  | (2,292)                               | (1,629)                | (1,046)  | 2,675                        | (2,292) |
| Accumulated other comprehensive income and reserves                     | (694)                                 |                        | 4,102  | (4,102)                      | (694)   |

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|   |              |              |               |                 |               |
|---|--------------|--------------|---------------|-----------------|---------------|
| Total AngloGold Ashanti stockholders equity | 5,782        | 4,151        | 4,172         | (8,323)         | 5,782         |
| Noncontrolling interests                    |              |              | 154           | 1               | 155           |
| <b>Total liabilities and equity</b>         | <b>7,981</b> | <b>6,716</b> | <b>10,118</b> | <b>(13,117)</b> | <b>11,698</b> |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note Q. Supplemental condensed consolidating financial information (continued)

## Condensed consolidating balance sheets

AT DECEMBER 31, 2011

(in US Dollars, millions)

|   | AngloGold Ashanti<br>(the Guarantor ) | IOMco<br>(the Issuer ) | Other subsidiaries<br>(the Non-Guarantor<br>Subsidiaries ) | Consolidation<br>adjustments | Total   |
|---|---------------------------------------|------------------------|--|------------------------------|---------|
| <b>ASSETS</b>   |                                       |                        |  |                              |         |
| <b>Current Assets</b>   | 833                                   | 2,469                  | 3,486  | (4,157)                      | 2,631   |
| Cash and cash equivalents   | 388                                   | 458                    | 266  |                              | 1,112   |
| Restricted cash   | 1                                     |                        | 34   |                              | 35      |
| Receivables, inter-group balances and other current assets              | 444                                   | 2,011                  | 3,186  | (4,157)                      | 1,484   |
| <b>Property, plant and equipment, net</b>                               | 1,940                                 |                        | 4,183  |                              | 6,123   |
| <b>Acquired properties, net</b>   | 167                                   |                        | 612  |                              | 779     |
| <b>Goodwill</b>   |                                       |                        | 198  | (16)                         | 182     |
| <b>Other intangibles, net</b>   | 9                                     |                        | 22   |                              | 31      |
| <b>Other long-term inventory</b>  |                                       |                        | 31   |                              | 31      |
| <b>Materials on the leach pad</b>                                       |                                       |                        | 393  |                              | 393     |
| <b>Other long-term assets and deferred taxation assets</b>              | 4,362                                 | 3,558                  | 815  | (7,720)                      | 1,015   |
| <b>Total assets</b>   | 7,311                                 | 6,027                  | 9,740  | (11,893)                     | 11,185  |
| <b>LIABILITIES AND EQUITY</b>   |                                       |                        |  |                              |         |
| <b>Current liabilities including inter-group balances</b>               | 889                                   | 1,550                  | 2,992  | (4,512)                      | 919     |
| <b>Other non-current liabilities</b>                                    | 49                                    |                        | 46   | (32)                         | 63      |
| <b>Long-term debt</b>   | 33                                    | 994                    | 1,446  |                              | 2,473   |
| <b>Derivatives</b>  |                                       |                        | 93   |                              | 93      |
| <b>Deferred taxation liabilities</b>                                    | 641                                   |                        | 596  | 5                            | 1,242   |
| <b>Provision for environmental rehabilitation</b>                       | 147                                   |                        | 506  |                              | 653     |
| <b>Other accrued liabilities</b>  |                                       |                        | 35   |                              | 35      |
| <b>Provision for pension and other post-retirement medical benefits</b> | 170                                   |                        | 15   |                              | 185     |
| <b>Commitments and contingencies</b>                                    |                                       |                        |  |                              |         |
| <b>Equity</b>   | 5,382                                 | 3,483                  | 4,011  | (7,354)                      | 5,522   |
| Stock issued  | 13                                    | 5,269                  | 897  | (6,166)                      | 13      |
| Additional paid in capital  | 8,740                                 | 435                    | 219  | (654)                        | 8,740   |
| Accumulated (deficit)/profit  | (2,575)                               | (2,220)                | (3,521)  | 5,741                        | (2,575) |
| Accumulated other comprehensive income and reserves                     | (796)                                 | (1)                    | 6,277  | (6,276)                      | (796)   |

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|   |              |              |              |                 |               |
|---|--------------|--------------|--------------|-----------------|---------------|
| Total AngloGold Ashanti stockholders equity | 5,382        | 3,483        | 3,872        | (7,355)         | 5,382         |
| Noncontrolling interests                    |              |              | 139          | 1               | 140           |
| <b>Total liabilities and equity</b>         | <b>7,311</b> | <b>6,027</b> | <b>9,740</b> | <b>(11,893)</b> | <b>11,185</b> |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note Q. Supplemental condensed consolidating financial information (continued)

## Condensed consolidating statements of cash flows

## FOR THE THREE MONTHS ENDED MARCH 31, 2012

(unaudited)

(in US Dollars, millions)

|  | AngloGold Ashanti<br>(the<br>Guarantor ) | IOMco<br>(the<br>Issuer ) | Other<br>subsidiaries<br>(the Non-Guarantor<br>Subsidiaries ) | Consolidation<br>adjustments | Total |
|--|--|---------------------------|---|------------------------------|-------|
| <b>Net cash provided by/(used) in operating activities</b>   | 108                                      | (38)                      | 526   | (20)                         | 576   |
| Net income/(loss)  | 384                                      | 165                       | 321   | (473)                        | 397   |
| Reconciled to net cash provided by/(used) in operations:   |  |                           |   |                              |       |
| Loss/(profit) on sale of assets, realization of loans, indirect taxes and other                                | 5  | 9                         | 24  | (46)                         | (8)   |
| Depreciation, depletion and amortization   | 80                                       |                           | 109   |                              | 189   |
| Impairment of assets   |  |                           |   |                              |       |
| Deferred taxation  | 5  |                           | 97  |                              | 102   |
| Other non cash items   | (404)                                    | (190)                     | (3)   | 499                          | (98)  |
| Net increase in provision for environmental rehabilitation, pension and other post-retirement medical benefits | 20                                       |                           | 2   |                              | 22    |
| Effect of changes in operating working capital items:  |  |                           |   |                              |       |
| Net movement inter-group receivables and payables  | 39                                       | (35)                      | (4)   |                              |       |
| Receivables  | (18)                                     | (1)                       | (37)  |                              | (56)  |
| Inventories  | (8)                                      |                           | (15)  |                              | (23)  |
| Accounts payable and other current liabilities   | 5  | 14                        | 32  |                              | 51    |
| <b>Net cash used in investing activities</b>   | (108)                                    | (21)                      | (252)   |                              | (381) |
| Increase in non-current investments  |  | (41)                      | (43)  |                              | (84)  |
| Net associates and equity accounted joint ventures loans advanced  |  |                           | (15)  |                              | (15)  |
| Additions to property, plant and equipment   | (103)                                    |                           | (209)   |                              | (312) |
| Interest capitalized and paid  |  |                           | (2)   |                              | (2)   |
| Expenditure on intangible assets   | (5)                                      |                           | (2)   |                              | (7)   |
| Proceeds on sale of mining assets  |  |                           | 1   |                              | 1     |
| Proceeds on sale of investments  |  | 20                        | 36  |                              | 56    |
| Change in restricted cash  |  |                           | (18)  |                              | (18)  |
| <b>Net cash (used)/generated by financing activities</b>   | (111)                                    | 122                       | (144)   | 20                           | (113) |
| Repayments of debt   |  |                           | (4)   |                              | (4)   |
| Issuance of stock  |  | 77                        | (77)  |                              |       |

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|   |              |            |            |              |
|---|--------------|------------|------------|--------------|
| Debt issue costs  |              |            | (8)        | (8)          |
| Dividends (paid)/received                                   | (111)        | 45         | (55)       | 20           |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | <b>(111)</b> | <b>63</b>  | <b>130</b> | <b>82</b>    |
| <b>Effect of exchange rate changes on cash</b>              | <b>18</b>    |            | <b>4</b>   | <b>22</b>    |
| <b>Cash and cash equivalents January 1,</b>                 | <b>388</b>   | <b>458</b> | <b>266</b> | <b>1,112</b> |
| <b>Cash and cash equivalents March 31,</b>                  | <b>295</b>   | <b>521</b> | <b>400</b> | <b>1,216</b> |

## ANGLOGOLD ASHANTI LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

## Note Q. Supplemental condensed consolidating financial information (continued)

## Condensed consolidating statements of cash flows

## FOR THE THREE MONTHS ENDED MARCH 31, 2011

(unaudited)

(in US Dollars, millions)

|  | AngloGold Ashanti<br>(the<br>Guarantor ) | IOMco<br>(the<br>Issuer ) | Other subsidiaries<br>(the<br>Non-Guarantor<br>Subsidiaries ) | Consolidation<br>adjustments | Total |
|--|--|---------------------------|---|------------------------------|-------|
| <b>Net cash provided by/(used) in operating activities</b>   | 272                                      | 41                        | 216   | (26)                         | 503   |
| Net income/(loss)  | 237                                      | 83                        | 179   | (256)                        | 243   |
| Reconciled to net cash provided by/(used) in operations:   |  |                           |   |                              |       |
| (Profit)/loss on sale of assets, realization of loans, indirect taxes and other                                | (13)                                     |                           | 8   | 11                           | 6     |
| Depreciation, depletion and amortization   | 94                                       |                           | 98  |                              | 192   |
| Impairment of assets   | 1  |                           |   |                              | 1     |
| Deferred taxation  | 56                                       |                           | 13  |                              | 69    |
| Other non cash items   | (165)                                    | (113)                     | 43  | 219                          | (16)  |
| Net increase in provision for environmental rehabilitation, pension and other post-retirement medical benefits | 2  |                           | 5   |                              | 7     |
| Effect of changes in operating working capital items:  |  |                           |   |                              |       |
| Net movement inter-group receivables and payables  | 75                                       | 57                        | (132)   |                              |       |
| Receivables  | (3)                                      |                           | (63)  |                              | (66)  |
| Inventories  | 3  |                           | (2)   |                              | 1     |
| Accounts payable and other current liabilities   | (15)                                     | 14                        | 67  |                              | 66    |
| <b>Net cash used in investing activities</b>   | (85)                                     | (19)                      | (165)   |                              | (269) |
| Increase in non-current investments  |  | (19)                      | (36)  |                              | (55)  |
| Additions to property, plant and equipment   | (95)                                     |                           | (139)   |                              | (234) |
| Proceeds on sale of mining assets  | 1  |                           | 1   |                              | 2     |
| Proceeds on sale of investments  |  |                           | 15  |                              | 15    |
| Proceeds on disposal of subsidiary   | 9  |                           |   |                              | 9     |
| Cash of subsidiary disposed  |  |                           | (11)  |                              | (11)  |
| Change in restricted cash  |  |                           | 5   |                              | 5     |
| <b>Net cash (used)/generated by financing activities</b>   | (154)                                    | 20                        | (86)  | 26                           | (194) |
| Repayments of debt   | (99)                                     | (50)                      | (3)   |                              | (152) |
| Issuance of stock  | 1  | 40                        | (40)  |                              | 1     |
| Dividends (paid)/received  | (56)                                     | 30                        | (43)  | 26                           | (43)  |



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|   |     |     |      |     |
|---|-----|-----|------|-----|
| <b>Net increase/(decrease) in cash and cash equivalents</b> | 33  | 42  | (35) | 40  |
| <b>Effect of exchange rate changes on cash</b>              | (4) |     | (3)  | (7) |
| <b>Cash and cash equivalents January 1,</b>                 | 152 | 114 | 320  | 586 |
| <b>Cash and cash equivalents March 31,</b>                  | 181 | 156 | 282  | 619 |

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**REVIEW OF FINANCIAL AND OPERATING PERFORMANCE FOR THE THREE MONTHS ENDED MARCH 31, 2012  
PREPARED IN ACCORDANCE WITH US GAAP**

In the following discussion; 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 euro or € are to the lawful currency of the member states of the European Union participating in the Economic and Monetary Union, references to AUD dollars and A\$ are to the lawful currency of Australia, references to BRL are to the lawful currency of Brazil, references to C\$ are to the lawful currency of Canada and references to GHC or cedi are to the lawful currency of Ghana.

**Introduction**

AngloGold Ashanti's operating results are directly related to the price of gold, which can fluctuate widely and which is affected by numerous factors beyond AngloGold Ashanti's control, including changes in the supply of gold from production, divestment, scrap and hedging, industrial and jewellery demand, expectations with respect to the rate of inflation, the strength of the US dollar (the currency in which the price of gold is generally quoted) and of other currencies, interest rates, actual or expected gold sales and purchases by central banks and the International Monetary Fund (IMF), monetary policies announced or implemented by central banks, gold hedging and de-hedging by gold producers, global or regional political or economic events, and production and cost levels in major gold-producing regions. In addition, the price of gold is often subject to sharp, short-term changes because of speculative activities. The shift in gold demand from physical demand to investment and speculative demand may exacerbate the volatility of gold prices.

The current demand for and supply of gold may affect gold prices, but not necessarily in the same manner as current supply and demand affect the prices of other commodities. The supply of gold consists of a combination of new production and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals.

As the amounts produced in any single year constitute a very small portion of the total potential supply of gold, variations in current production do not necessarily have a significant impact on the supply of gold or on its price. If revenue from gold sales falls for a substantial period below the Company's cost of production at its operations, AngloGold Ashanti could determine that it is not economically feasible to continue commercial production at any or all of its operations or to continue the development of some or all of its projects.

***Dividend***

For the first quarter of 2012, in line with previous guidance, the board has declared a dividend of 100 South African cents per share. The board will continue to keep the level of return to shareholders under close review and will remain flexible as to the most effective way to achieve this.

***Impact of exchange rate fluctuations***

Production costs in all business segments are largely incurred in local currency where the relevant operation is located. US dollar denominated production costs and net income tend to be adversely impacted by local currency strength and favorably impacted by local currency weakness, assuming there are no other offsetting factors. AngloGold Ashanti's financial results can be influenced significantly by the fluctuations in the South African Rand, Brazilian Real, Australian Dollar and, to a lesser extent, the Argentinean Peso, Ghanaian Cedi and other local currencies.

During the first three months of 2012 the rand strengthened against the US dollar (based on the exchange rates of R8.04 and R7.63 per US dollar on January 1, 2012 and March 31, 2012, respectively). However, the value of the rand weakened by 11 percent against the US dollar when compared to the average exchange rates of the rand against the US dollar of R7.74 and R6.99 during the first three months of 2012 and 2011, respectively.

The value of the Australian dollar strengthened by 4 percent against the US dollar when compared to the average exchange rate of A\$0.95 for the first three months of 2012 against an average exchange rate of A\$0.99 for the same period in 2011. The value of the Brazilian real weakened by 6 percent against the US dollar based on the average exchange rates of BRL1.77 and BRL1.67 per US dollar during the first three months of 2012 and 2011, respectively.

***Acquisitions and dispositions***

On February 8, 2012, the transaction to dispose of the AngloGold Ashanti-Polymetal Strategic Alliance consisting of AngloGold Ashanti-Polymetal Strategic Alliance Management Company Holdings Limited, Amikan Holdings Limited, AS APK Holdings Limited, Imitzoloto Holdings Limited and Yeniseiskaya Holdings Limited to Polyholding Limited was completed. The Company realized a profit of \$20 million on disposal.



**Operating review for the three months ended March 31, 2012**

Presented in the table below is selected operating data for AngloGold Ashanti for the three months ended March 31, 2012 and 2011. The operating data gives effect to acquisitions and dispositions as of their effective dates:

| Operating data for AngloGold Ashanti               | Three months ended March 31, |       |
|--|------------------------------|-------|
|  | 2012                         | 2011  |
| Total gold production (000 oz) <sup>(1)</sup>      | 981                          | 1,039 |
| Capital expenditure (\$ million) <sup>(1)(2)</sup> | 354                          | 249   |

<sup>(1)</sup> Including equity accounted joint ventures.

<sup>(2)</sup> Including noncontrolling interests.

**Gold production**

AngloGold Ashanti's total gold production for the three months ended March 31, 2012 decreased by approximately 60,000 ounces, or about 6 percent, to 0.98 million ounces from 1.04 million ounces produced in the same period in 2011. The reduction was primarily due to disruptions from a relatively higher number of safety related stoppages which decreased output by approximately 76,000 ounces at South Africa's operations. Lower grade material processed at Iduapriem and at Obuasi, where operations were impacted by frequent power interruptions as well as downtime for shaft repairs also impacted on production. Gold production was negatively impacted at Siguiri due to relining of the plant and lower yield.

The reduction in gold production over the same period when compared to 2011 was partially offset by a strong performance from Geita in Tanzania due to stronger recovered grades from Nyankanga, Star and Comet pits. There were also good performances at Cripple Creek & Victor and Cerro Vanguardia in the Americas where gold produced increased compared to the same period in 2011.

**Capital expenditures**

Total capital expenditure of \$354 million was recorded during the three months ended March 31, 2012 compared to \$249 million in the same period in 2011. This represented a \$105 million, or 42 percent, increase from the same period in 2011. The increased capital expenditure during the three months ended March 31, 2012 was primarily due to increased spending on growth related projects, which accounted for \$73 million. In particular, capital expenditure increased at Tropicana by \$29 million, Iduapriem by \$8 million, Mponeng by \$5 million, Kibali joint venture by \$13 million, Cerro Vanguardia by \$4 million, Sadiola by \$6 million, Obuasi by \$15 million and Geita by \$11 million.

**Comparison of financial performance on a segment basis for the three months ended March 31, 2012 and 2011**

The Company produces gold as its primary product and does not have distinct divisional segments in terms of principal business activity, but manages its business on the basis of different geographic segments. This information is consistent with the information used by the Company's Chief Operating Decision Maker, defined as the Executive Management team, in evaluating operating performance of, and making resource allocation decisions among, operations.

**Revenues**

| Category of activity   | Three months ended March 31, |            |                        |            |
|--|------------------------------|------------|------------------------|------------|
|  | 2012                         |            | 2011                   |            |
|  | (unaudited)                  |            | (unaudited)            |            |
|  | US dollar,<br>millions       | Percentage | US dollar,<br>millions | Percentage |
| Product sales  | 1,706                        |            | 1,422                  |            |
| Interest, dividends and other                                  | 14                           |            | 13                     |            |
| Total revenues   | 1,720                        |            | 1,435                  |            |
| <b>Geographical area data</b>                                  |                              |            |                        |            |
| South Africa   | 529                          | 31%        | 564                    | 39%        |
| Continental Africa   | 728                          | 42%        | 543                    | 38%        |
| Australasia  | 115                          | 7%         | 98                     | 7%         |
| Americas   | 427                          | 25%        | 305                    | 21%        |
| Other, including Corporate and Non-gold producing subsidiaries | 7                            | 0%         | 5                      | 0%         |
|  | 1,806                        | 105%       | 1,515                  | 106%       |
| Less: Equity method investments included above                 | (86)                         | (5%)       | (80)                   | (6%)       |
| Total revenues   | 1,720                        | 100%       | 1,435                  | 100%       |

**Assets**

| Geographical area data   | At March 31,           |            |                        |            | At December 31,        |            |                        |            |
|--|------------------------|------------|------------------------|------------|------------------------|------------|------------------------|------------|
|  | 2012                   |            |                        |            | 2011                   |            |                        |            |
|  | (unaudited)            |            |                        |            | (unaudited)            |            |                        |            |
|  | US dollar,<br>millions | Percentage | US dollar,<br>millions | Percentage | US dollar,<br>millions | Percentage | US dollar,<br>millions | Percentage |
| Total segment assets   |                        |            |                        |            |                        |            |                        |            |
| South Africa   | 3,091                  | 26%        | 2,974                  | 27%        |                        |            |                        |            |
| Continental Africa   | 4,562                  | 39%        | 4,365                  | 39%        |                        |            |                        |            |
| Australasia  | 731                    | 6%         | 714                    | 6%         |                        |            |                        |            |
| Americas   | 2,636                  | 23%        | 2,527                  | 23%        |                        |            |                        |            |
| Other, including Corporate and Non-gold producing subsidiaries | 678                    | 6%         | 605                    | 5%         |                        |            |                        |            |
| Total segment assets   | 11,698                 | 100%       | 11,185                 | 100%       |                        |            |                        |            |

**Comparison of financial performance for the three months ended March 31, 2012 and 2011**

| Financial performance of AngloGold Ashanti          | Three months ended March 31, |                     |
|---|------------------------------|---------------------|
|   | 2012<br>(unaudited)          | 2011<br>(unaudited) |
|   | (in US Dollars, millions)    |                     |
| Revenue   | 1,720                        | 1,435               |
| Cost and expenses                                   | 1,068                        | 1,077               |
| Taxation expense                                    | (265)                        | (124)               |
| Equity income in associates                         | 10                           | 9                   |
| Net income attributable to noncontrolling interests | (13)                         | (6)                 |
| Net income attributable to AngloGold Ashanti        | 384                          | 237                 |

**Comparison of financial performance for the three months ended March 31, 2012 and 2011*****Revenues***

Revenues from product sales and other income increased from \$1,435 million in the first three months of 2011 to \$1,720 million in the same period of 2012, representing a 20 percent increase over the period in 2011. This was due to an increase in the average spot price of gold from \$1,387 per ounce for the three months ended March 31, 2011, to \$1,691 per ounce during the three months ended March 31, 2012, which more than offset a decrease in production primarily in South Africa and at the Continental Africa operations. However, the price of gold has continued to be volatile in recent months, rising by more than \$200 per ounce during January and February 2012, but declining by almost as much post quarter-end. Substantially all product sales consisted of US dollar-denominated gold sales.

***Production costs***

During the three months ended March 31, 2012, AngloGold Ashanti incurred production costs of \$785 million representing an increase of \$77 million, or 11 percent, from \$708 million recorded for the same period in 2011. The increase was primarily due to an increase in operational costs including labor, consumables and power. In particular, increased services and inventory adjustments, contractor costs at Sunrise Dam in Australia and Geita in Tanzania and power tariff increases mainly in South Africa and at AngloGold Ashanti Córrego do Sítio Mineração in Brazil contributed to higher production costs. These increases were partially offset by the weakening of local currencies against the US dollar.

***Exploration costs***

Exploration costs increased from \$57 million in the three months ended March 31, 2011 to \$75 million in the same period in 2012 primarily due to an increased level of expenditure at Mongbwalu in the DRC, La Colosa and Gramalote in Colombia, Siguiri in Guinea, Tropicana in Australia and increased brownfield exploration activities at operating mines.

***Royalties***

Royalties paid by AngloGold Ashanti increased from \$40 million in the three months ended March 31, 2011, to \$48 million paid in the same period in 2012. Royalties paid were higher at the Geita mine in Tanzania and Cerro Vanguardia in Argentina as a result of higher spot prices of gold and improved production levels. Royalties are predominantly calculated based on a percentage of revenues and are payable primarily to local governments.

***Profit/loss on sale of assets, realization of loans, indirect taxes and other***

In the three months ended March 31, 2012, the Company recorded a profit on sale of assets, realization of loans, indirect taxes and other of \$27 million. The profit includes royalties from Newmont Mining Corporation (2009 sale of Boddington Gold mine) and a profit on the sale of AngloGold Ashanti-Polymetal Strategic Alliance to Polyholding Limited of \$20 million, partially offset by indirect tax expenses and legal claims in Continental Africa, United States of America and Argentina.

In the three months ended March 31, 2011, the Company recorded a profit on sale of assets, realization of loans, indirect taxes and other of \$2 million. The profit included royalties from Newmont Mining Corporation (2009 sale of Boddington Gold mine) and profit on the sale of the Company's subsidiary ISS International Limited, partially offset by indirect tax expenses and legal claims in Continental Africa.



**Non-hedge derivative gain/loss and movement on bonds****Non-hedge derivative gain/loss**

A gain on non-hedge derivatives of \$43 million was recorded in the three months ended March 31, 2012, compared to a gain of \$17 million in the same period of 2011 relating to the use of non-hedging instruments. The gain on non-hedge derivatives recorded in the three months ended March 31, 2012 was due to the fair value gain of the conversion features of convertible bonds during the period. Non-hedge derivatives and movement on bonds recorded in the three months ended March 31, 2012 and 2011 included:

|  | <b>Three months ended March 31,<br/>2012<br/>(unaudited)</b> | <b>2011<br/>(unaudited)</b> |
|--|--|-----------------------------|
|  | <b>(in US Dollars, millions)</b>                             |                             |
| Gain on unrealized non-hedge derivatives                 |  | 3                           |
| Fair value gain on option component of convertible bonds | 43   | 14                          |
| <b>Net gain</b>  | <b>43</b>  | <b>17</b>                   |

**Movement on bonds**

|  | <b>Three months ended March 31,<br/>2012<br/>(unaudited)</b> | <b>2011<br/>(unaudited)</b> |
|--|--|-----------------------------|
|  | <b>(in US Dollars, millions)</b>                             |                             |
| Fair value gain on mandatory convertible bonds | 81   | 24                          |

Fair value movements on the mandatory convertible bonds relate to the ex interest NYSE closing price of these bonds.

**Taxation expense**

A net taxation expense of \$265 million was recorded in the three months ended March 31, 2012 compared to a net expense of \$124 million in the same period in 2011. Deferred tax charges in the three months ended March 31, 2012 amounted to \$102 million compared to \$69 million in the same period in 2011 due primarily to the reversal of timing differences in North America and the increase in the taxation rate in Ghana from 25 percent to 35 percent, which is limited to 30 percent for AngloGold Ashanti in terms of the stability agreement between the Company and the Ghanaian government. Charges for current tax in the three months ended March 31, 2012 amounted to \$163 million compared to \$55 million in the same period in 2011. The higher current taxation was primarily due to higher earnings in Tanzania, South Africa and South America for the three months ended March 31, 2012.

**Noncontrolling interests net income**

Net income attributable to noncontrolling interests increased from \$6 million in the three months ended March 31, 2011 to \$13 million in the three months ended March 31, 2012, primarily due to increased revenue at Serra Grande in Brazil and Cerro Vanguardia in Argentina.

**Net income**

Net income of \$397 million was recorded during the first three months of 2012 compared to a net income of \$243 million during the first three months of 2011, primarily due to increased revenue from product sales due to a higher spot gold price. The net income attributable to AngloGold Ashanti (after allowing for non-controlling interests) amounted to \$384 million for the three months to March 31, 2012 compared to a net income of \$237 million for the same period in 2011.



### **Liquidity and capital resources**

Net cash provided by operating activities was \$576 million in the three months ended March 31, 2012, an increase of \$73 million when compared to net cash provided by operating activities of \$503 million for the comparable period in 2011. This was due primarily to increased profitability in the three months ended March 31, 2012 (relative to the same period in 2011), as a result of higher realized gold prices.

Investing activities in the three months ended March 31, 2012 resulted in a net cash outflow of \$381 million compared to a net cash outflow of \$269 million in the three months ended March 31, 2011. Additions to property, plant and equipment, which included capital expenditure of \$312 million compared to \$234 million in the same period in 2011, were recorded in the first three months of 2012.

Financing activities in the three months ended March 31, 2012 resulted in an outflow of \$113 million compared to an outflow of \$194 million in the three months ended March 31, 2011. Cash outflows from normal scheduled loan repayments amounted to \$4 million and debt issue costs of \$8 million were paid on the A\$600 million syndicated revolving credit facility during the three months ended March 31, 2012. The Company made dividend payments of \$101 million in the first quarter of 2012.

As a result of the items discussed above, at March 31, 2012 AngloGold Ashanti had \$1,216 million of cash and cash equivalents compared with \$1,112 million at December 31, 2011, an increase of \$104 million. Cash classified as restricted amounted to \$78 million at March 31, 2012, compared to \$58 million at December 31, 2011. At March 31, 2012, the Company had a total of \$1.78 billion available but undrawn under its credit facilities.

AngloGold Ashanti is currently involved in a number of capital projects. As at March 31, 2012, \$370 million of AngloGold Ashanti's short-term future capital expenditure had been contracted for and another approximately \$1,444 million had been authorized but not yet contracted for, as described in note M Commitments and contingencies to the condensed consolidated financial statements. However, approximately \$1,252 million is expected to be contracted within one year. AngloGold Ashanti intends to finance these capital expenditures from cash on hand, cash flow from operations, existing and new replacement credit facilities and long-term debt financing and, potentially if deemed appropriate, the issuance of equity and equity linked instruments.

Cash generated from operations is subject to operational, market and other risks. Distributions from operations may be subject to foreign investment and exchange control laws and regulations and the quantity of foreign exchange available in offshore countries. In addition, distributions from joint ventures are subject to the relevant board approval.

### **Critical accounting policies**

The preparation of AngloGold Ashanti's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. For a full discussion of the Company's critical accounting policies, please see Management's discussion and analysis of financial condition and results of operations Critical accounting policies and the consolidated financial statements for the years ended December 31, 2011, 2010 and 2009 and as at December 31, 2011 and 2010 and footnotes thereto included in the Company's Form 20-F for the year ended December 31, 2011, which was filed with the SEC on April 23, 2012.

### **Recent accounting pronouncements adopted and issued**

For a description of accounting changes and recent accounting pronouncements, including the expected dates of adoption and estimated effects, if any, on the Company's financial statements, see notes A Basis of presentation and B Accounting developments to the condensed consolidated financial statements.

### **Contractual obligations**

In addition to the contractual obligations disclosed in the Company's Annual Report on Form 20-F for the year ended December 31, 2011, during the three months ended March 31, 2012 the Company made normal scheduled loan repayments of \$4 million. No draw downs were made during this period.

For a further description and discussion of the Company's outstanding debt as at March 31, 2012, see note D Debt to the condensed consolidated financial statements.

As at March 31, 2012, the estimated fair value of derivatives (the conversion features of convertible bonds) amounted to negative \$49 million compared to negative \$92 million at December 31, 2011.

### **Recent developments**

On February 8, 2012, the transaction to dispose of the AGA-Polymetal Strategic Alliance consisting of AGA-Polymetal Strategic Alliance Management Company Holdings Limited, Amikan Holding Limited, AS APK Holdings Limited, Imitoloto Holdings Limited and Yeniseiskaya Holdings Limited to Polyholding Limited was completed. The consideration received for the disposal was \$20 million.

On May 17, 2012, AngloGold Ashanti announced the appointment of Mr Michael James Kirkwood to its board of directors, with effect from June 1, 2012.

On May 29, 2012, AngloGold Ashanti, which currently holds, through a subsidiary, a 50 percent interest in the Serra Grande ( Crixás ) mine in Brazil, agreed to acquire the remaining 50 percent stake in the mine from Kinross Gold Corporation for \$220 million in cash. The transaction which will be funded from existing cash reserves and debt facilities; is expected to be completed during the second quarter of 2012, and is subject to the fulfillment of various conditions.

On June 14, 2012, AngloGold Ashanti announced that the First Uranium Corporation shareholders and security holders approved, in a general meeting, the proposed acquisition by AngloGold Ashanti of First Uranium (Pty) Ltd, the owner of Mine Waste Solutions in South Africa, for a cash consideration of \$335 million. The transaction which was originally announced on March 2, 2012 is expected to close before the end of June 2012, subject to the remaining conditions precedent being fulfilled. Mine Waste Solutions is a recently commissioned tailings retreatment operation located in South Africa's Vaal River region and in the immediate proximity of AngloGold Ashanti's own tailings facilities.

**Forward-looking statements**

Certain statements made in this communication, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, cash costs and other operating results, return on shareholders' equity, productivity improvements, growth prospects and outlook of AngloGold Ashanti's operations, individually or in the aggregate, including the completion and commencement of commercial operations of certain of AngloGold Ashanti's exploration and production projects and the completion of acquisitions and dispositions, AngloGold Ashanti's liquidity, capital resources and capital expenditure and the outcome and consequences of any potential or pending litigation or regulatory proceedings or environmental issues, are forward-looking statements regarding AngloGold Ashanti's operations, economic performance and financial condition. These forward-looking statements 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 and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions including environmental approvals and actions, fluctuations in gold prices and exchange rates, and business and operational risk management. For a discussion of certain of these and other factors, refer to AngloGold Ashanti's 2011 annual report on Form 20-F, which was filed with the Securities and Exchange Commission in the United States on April 23, 2012. 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 today's date 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report to be signed on its behalf by the undersigned, thereunto duly authorized.

AngloGold Ashanti Limited

Date: June 27, 2012

By: /s/ L EATWELL  
Name: L Eatwell  
Title: Company Secretary