

ANGLOGOLD ASHANTI LTD

Form 6-K

February 21, 2017

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 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 February 21, 2017

Commission File Number 1-14846

AngloGold Ashanti Limited

(Name of registrant)

76 Rahima Moosa Street (formerly Jeppe Street)

Newtown, 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**

Enclosure:

**Report -**

**for the six months and year ended 31 December 2016 and declaration of Dividend No. 118**

**Published : 21 February 2017**

**December 2016**

AngloGold Ashanti Limited

(Incorporated in the Republic of South Africa)

Reg. No. 1944/017354/06

ISIN. ZAE000043485 – JSE share code: ANG

CUSIP: 035128206 – NYSE share code: AU

(“AngloGold Ashanti” or the “Company”)

**Report**

**for the six months and year ended 31 December 2016 and declaration of Dividend No. 118**

**FULL YEAR REVIEW**

- Free cash flow \$278m up 97% from 2015 (after once-off bond redemption costs)
- High yield \$1.25bn bond fully redeemed, reducing interest and improving free cash flow
- Production of 3.628Moz, within original guidance
- Total cash costs \$744/oz, all-in sustaining costs (AISC) \$986/oz, within revised guidance
- Adjusted headline earnings (AHE) of \$143m, up from \$49m in 2015
- Reduced net debt level \$1.92bn and improved Net debt to Adjusted EBITDA ratio 1.24 times
- Dividends resume after 3 year hiatus – ZAR 130 cents per share (approximately US 10 cents per share)
- Proven and probable gold reserves at year end of 50.1Moz, substantially offsets depletion

**SECOND HALF YEAR REVIEW**

- Strong safety performance; fatality-free fourth quarter
- Free cash flow \$170m, up 55% from \$110m in the second-half of 2015
- Production (from continuing operations) of 1.883Moz, down from 1.953Moz in the second half of 2015
- Total cash costs at \$780/oz; AISC \$1,058/oz, up from \$699/oz and \$897/oz respectively, in the second half of 2015

**Six months**

**Six months**

**Year**

**Year**

**ended**

**Dec**

**2016**

**ended**

**Dec**

**2015**

**ended**

**Dec**

**2016**

**ended**

**Dec**

**2015**

**US dollar / Imperial**

**Operating review**

Gold

Produced from continuing operations

- oz (000)

**1,883**

1,953

3,628

3,830

Produced from discontinued operations

- oz (000)

-

19

-

117

Produced continuing and discontinued operations - oz (000)

**1,883**

1,972

3,628

3,947

Sold from continuing operations

- oz (000)

**1,844**

1,947

3,590

3,850

Sold

from

discontinued

operations

- oz (000)

-

21

-

115

Sold continuing and discontinued operations

- oz (000)

**1,844**

1,968

3,590

3,965

**Continuing operations**

**Financial review**

Gold income

- \$m

**2,125**

1,970

4,085

4,015

Cost of sales

- \$m

**1,763**

1,641

3,263

3,294

Total cash costs

- \$m

**1,323**

1,247

2,435

2,493

Gross profit

- \$m

**412**

324

841

714

Price received \*

- \$/oz

**1,274**

1,113

1,249

1,158

All-in sustaining costs\*

- \$/oz

**1,058**

897

986

910

All-in costs\*

- \$/oz

**1,155**

991

1,071

1,001

Total cash costs\*

- \$/oz

**780**

699

744

712

**Continuing and discontinued operations**

Profit (loss) attributable to equity shareholders

- \$m

**11**

58

63

(85)

- cents/share

**2**

14

15

(20)

Headline earnings (loss)

- \$m

**18**

55

111

(73)

- cents/share

**4**

13

27  
(18)  
Adjusted headline (loss)earnings\*  
- \$m  
**(16)**  
(12)  
143  
49  
- cents/share  
**(4)**  
(3)  
35  
12  
Net cash flow from operating activities  
- \$m  
**710**  
626  
1,186  
1,139  
Free cash flow  
\*  
- \$m  
**170**  
110  
278  
141  
Total borrowings  
- \$m  
**2,178**  
2,737  
2,178  
2,737  
Net debt\*  
- \$m  
**1,916**  
2,190  
1,916  
2,190  
Capital expenditure  
- \$m  
**493**  
430  
811  
857

**Notes:**

\*

*Refer to "Non-GAAP disclosure" for the definition.*

\$ represents US dollar, unless otherwise stated.

*Rounding of figures may result in computational discrepancies.*

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

Operations

**at a glance**

for the six months ended 31 December 2016

**oz (000)**

**Year-on-year**

**% Variance**

**3**

**\$m**

**Year-on-year**

**% Variance**

**3**

**\$/oz**

**Year-on-year**

**% Variance**

**3**

**\$/oz**

**Year-on-year**

**% Variance**

**3**

**\$m**

**Year-on-year**

**\$m Variance**

**3**

**SOUTH AFRICA**

**481**

**(5)**

**(562)**

**7**

**1,205**

**12**

**984**

**13**

**80**

**64**

**Vaal River Operations**

**198**

**10**

**(215)**

**10**

**1,086**

**(2)**

**903**

**3**

**36**

**32**

**Kopanang**

**44**

**(20)**

**(79)**

**13**

**1,785**

42  
**1,504**  
45  
**(22)**  
(14)  
Moab Khotsong  
**154**  
23  
**(137)**  
9  
**886**  
(15)  
**730**  
(9)  
**58**  
45  
**West Wits Operations**  
**185**  
(16)  
**(244)**  
3  
**1,331**  
24  
**1,062**  
25  
**(10)**  
(20)  
Mponeng  
**124**  
7  
**(140)**  
12  
**1,135**  
2  
**870**  
5  
**16**  
12  
TauTona  
**61**  
(42)  
**(103)**  
(7)  
**1,731**  
68  
**1,453**  
68  
**(26)**  
(32)  
**Total Surface Operations**  
**93**

(3)  
**(103)**  
11  
**1,169**  
19  
**1,002**  
12  
**54**  
52  
First Uranium SA  
**45**

-  
**(49)**  
14  
**1,137**  
22  
**896**  
6  
**46**  
52  
Surface Operations  
**48**

(8)  
**(54)**  
6  
**1,197**  
16  
**1,100**  
16  
**8**  
1  
**Other**  
**5**

(29)  
-  
-  
-  
-  
-  
-  
-  
-

**INTERNATIONAL OPERATIONS**

**1,402**  
(3)  
**(1,415)**  
8  
**981**  
22  
**707**  
11



**352**

25

**CONTINENTAL AFRICA**

**702**

(2)

**(716)**

8

**958**

17

**742**

9

**155**

17

**DRC**

Kibali - Attr. 45%

4

**150**

6

**(156)**

10

**887**

32

**693**

10

**23**

8

**Ghana**

Iduapriem

**115**

10

**(113)**

1

**940**

(1)

**888**

(8)

**31**

32

Obuasi

-

(100)

-

(100)

-

(100)

-

(100)

**2**

4

**Guinea**

Siguiri - Attr. 85%

**134**

9

**(114)**

5

**1,008**

4

**857**

5

**39**

15

**Mali**

Morila - Attr. 40%

4

**9**

(36)

**(17)**

(6)

**1,702**

57

**1,330**

32

**(6)**

(4)

Sadiola - Attr. 41%

4

**34**

3

**(46)**

44

**1,264**

35

**1,166**

47

**(2)**

(7)

**Tanzania**

Geita

**260**

(6)

**(250)**

23

**919**

26

**562**

19

**63**

(32)

Non-controlling interests,  
exploration and other

**(21)**

**6**

3

**AUSTRALASIA**

**269**

(3)

**(286)**

9

**1,115**

28

**781**

11

**50**

(9)

**Australia**

Sunrise Dam

**114**

12

**(130)**

13

**1,151**

3

**994**

1

**12**

9

Tropicana - Attr. 70%

**155**

(12)

**(145)**

5

**999**

46

**565**

11

**49**

(16)

Exploration and other

**(11)**

**(11)**

(2)

**AMERICAS**

**431**

(5)

**(411)**

9

**929**

25

**604**

14

**147**

17

**Argentina**

Cerro Vanguardia - Attr. 92.50%

**146**

2

**(126)**

6

**819**

(2)

**582**

(4)

**64**

31

**Brazil**

AngloGold Ashanti Mineração

**219**

(9)

**(202)**

15

**948**

41

**589**

29

**67**

(21)

Serra Grande

**67**

(6)

**(71)**

1

**1,095**

43

**681**

20

**13**

4

Non-controlling interests,

exploration and other

**(12)**

(8)

**3**

3

**Continuing operations**

**1,883**

(4)

**1,058**

18

**780**

12

**Discontinued operations**

Cripple Creek & Victor

-

(100)

**OTHER**

(6)

500

(6)

(6)

**Total**

**1,883**

(5)

**(1,982)**

8

**426**

84

Equity accounted investments included above

**219**

15

**(14)**

5

**AngloGold Ashanti**

**(1,763)**

7

**412**

88

1

Refer to note C under "Non-GAAP disclosure" for definition

2

Refer to note D under "Non-GAAP disclosure" for definition

3

Variance December 2016 six months on December 2015 six months - increase (decrease).

4

Equity accounted joint ventures.

*Rounding of figures may result in computational discrepancies.*

**Production**

**Total cash costs**

2

**Gross profit (loss)**

**All-in sustaining costs**

1

**Cost of sales**

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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Financial and Operating Report

## **FINANCIAL AND CORPORATE REVIEW**

AngloGold Ashanti's strong production and financial performance for the second-half and year ended 31 December 2016 reflects delivery on its strategy to improve cash flows and returns on a sustainable basis, with an increase in positive annual free cash flow year on year. In addition, through its continued self-help measures, AngloGold Ashanti has again reduced its debt significantly over this period, improved balance-sheet flexibility with good liquidity levels and no material near-dated debt maturities, while continuing to develop optionality within the business.

The improved earnings and free cash flow were achieved through strong ongoing focus on cost and capital discipline, and also a higher gold price.

*“Production from our operations delivered a strong turn around in the second half of the year. We have again generated strong cash flows despite a volatile gold price, which has further strengthened our balance sheet and improved flexibility,” Chief Executive Officer Srinivasan Venkatakrishnan said. “We will continue to deliver on our strategy through the development of high-return, brownfield projects in order to continue to improve the underlying quality of our portfolio.”*

The Company's strategy remains on track with a focus on generating free cash flow on a sustainable basis. Having delivered certain production improvements, significant achievements in addressing our cost structures, balance sheet, and portfolio mix of AngloGold Ashanti, management will continue to work to strengthen the foundation of the business by unlocking value at its existing assets. The extraction of value through high return, low capital projects with relatively accelerated payback periods will become the next source of improved cash flows and portfolio quality enhancements. These in turn will assist in sustainable cash generation from the business.

## **FULL YEAR REVIEW**

Free cash flow for 2016 was \$278m, nearly double the \$141m achieved in 2015, after meeting \$30m in once-off costs to redeem the high-yield bond, helped by a strong turn-around in the production performance in the second half of the year, the higher gold price and lower interest payments.

Cash inflow from operating activities for 2016 was \$1,186m, \$47m more than the \$1,139m in 2015, despite a 5% drop in production from continued operations and higher operating costs. The gold price received was up 8% year-on-year.

Production of 3.628Moz, from continuing operations, was within the original guidance for the year ended 31 December 2016 at a total cash cost of \$744/oz, compared to production of 3.830Moz at a cash cost of \$712/oz for the year ended 31 December 2015. Production

was negatively impacted by weaker production from the South African operations largely as a result of safety-related stoppages, lower grades from Kibali, a planned decrease in head grades at Tropicana and Geita as noted earlier in the year, and Obuasi being in care and maintenance for all of 2016. However, Mponeng and Moab Khotsong in South Africa delivered increased production for the year together with Iduapriem and Siguiri in the Continental Africa region, and Sunrise Dam in Australia. Mponeng delivered the best improvement, with a 16% increase in production and a 14% decrease in AISC year-on-year.

AISC came in at \$986/oz, up from \$910/oz in 2015. The AISC reflects continued cost discipline and weaker currencies in some jurisdictions, offset by an increase in capital expenditure, inflation and exploration costs, all against the backdrop of a 15% decline in grade and safety-related stoppages in South Africa, which led to lower year-on-year production levels.

Earnings improved sharply in 2016 from the previous year. Adjusted Headline Earnings were up to \$143m, or 35 cents per share, compared with \$49m, or 12 cents per share in 2015. Net profit attributable to equity shareholders during 2016 was \$63m compared with a net loss from continuing operations of \$85m a year earlier. The increase in earnings was primarily due to the higher gold price received, weaker operating currencies in Argentina, Brazil and South Africa, continued focus on cost control, interest savings and a lower effective tax rate, and was partially offset by reduced income from associates and joint ventures.

Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) of \$1,548m in 2016 increased by \$76m, or 5% from the \$1,472m recorded in 2015. The Adjusted EBITDA margin expanded to 37.9% in 2016, from 36.7% in 2015. The ratio of net debt to Adjusted EBITDA at the end of December 2016 was 1.24 times compared with 1.49 times at the end of December 2015, highlighting the success of AngloGold Ashanti's continued efforts to improve financial flexibility as the current net debt to Adjusted EBITDA ratio falls in well below the covenant ratio of 3.5 times which applies under our revolving credit agreements.

Net debt fell by 13% to \$1.916bn in 2016, from \$2.190bn at the end of 2015. At the end of July 2016, AngloGold Ashanti redeemed the \$503m outstanding on the 8.5% bonds due in 2020 by drawing down \$330m from the US dollar \$1bn revolving credit facility (RCF) and the balance from cash on hand. The redemption was executed with the purpose of eliminating the company's highest-cost debt, and reducing both interest payments and the concentration of debt maturities in 2020, while improving free cash flow and introducing additional balance-sheet flexibility. Management has since focused on paying down existing RCFs at a steady pace.

The balance sheet remains robust, with strong liquidity comprising \$950m available on the \$1bn US dollar RCF at the end of December 2016, A\$265m undrawn on the A\$500m Australian dollar RCF, approximately R2.2bn available from the South African RCF and other facilities and cash and cash equivalents of \$215m as at the end of December 2016.

Capital expenditure (including equity accounted investments) fell within the guidance given earlier in the year at \$811m for the year ended 31 December 2016 compared to \$799m for the year ended 31 December 2015 (from continuing operations). This increase was largely due to increased spend on asset improvements in Australia and Brazil as planned, partially offset by lower spend in South Africa and the Continental Africa region. The capital expenditure in Continental Africa was mainly impacted by the cessation of work on the underground decline access at Obuasi in Ghana and a reduction in spending at Kibali. In the South Africa region, although spending remained relatively stable year-on-year in rand terms, there was lower capital spend than initially planned, mainly due to the impact of safety stoppages and exchange rates.

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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## **SECOND HALF YEAR REVIEW**

Free cash flow of \$170m was generated in the second half of 2016, after accounting for the once-off \$30m bond redemption cost paid on settlement of the remaining \$1.25bn bonds. The second-half free cash flow improvement was boosted by a receipt of \$28m in cash, from the sale of metal from Argentina which was delayed in the first half of 2016 and received in the first week of the second half of 2016.

The second half of 2016 reflected a steady operating and financial performance, despite safety-related stoppages that impacted production by about 60,000oz in SA, planned lower grades at Geita and Tropicana, and the Obuasi mine having been on care and maintenance for the 2016 year. These negative production factors were offset by continued focus on fundamental cost management, a 14% higher realised gold price, and weaker currencies in some jurisdictions.

AISC for second half of 2016 was \$1,058/oz, higher than the \$897/oz for the second half of 2015 as a result of the lower gold ounces sold, higher overall cash costs, higher brownfields exploration costs, and increased sustaining capital expenditure. AISC were also favourably impacted by weaker currencies in South Africa and Argentina, which was partially offset by the strengthening of the Brazilian Real and the Australian dollar against the US dollar. Despite the reduction in net finance costs and an increase in the gold price, the second half of 2016 saw an adjusted headline loss of \$16m, compared to a loss of \$12m in the second half of 2015 due to an increase in net income tax and lower earnings from equity accounted investments.

Adjusted EBITDA of \$767m, increased by 13% in the second half of 2016 compared to \$679m in the second half of 2015, due to the increase in the average gold price received, and despite a 5% reduction in ounces sold over this period. Capital expenditure in the second half of 2016 (including discontinued operations and equity accounted investments) was \$493m compared to \$430m (includes \$10m for discontinued operations) in the same period of 2015. Of the total capital spent, project capital expenditure during the period amounted to \$71m. Total capital expenditure was 55% higher in the second half of 2016 compared to the first half mainly due to normal seasonal spending patterns at our operations.

### **Summary of six months-on-prior year-six months and year-on-year operating and cost variations:**

#### **Particulars**

**Six months**

**ended**

**Dec 2016**

**Six months**

**ended**

**Dec 2015**

**Six months**

**on prior year**

**six months**

**Variance**

**Year**

**Dec 2016**

**Year**

**Dec 2015**

**Year**

**on year**

**Variance**

**Operating Review**

**Gold**

Production from continuing operations (kozs)

1,883

1,953

-4%

3,628

3,830

-5%

Production from discontinued operations (kozs)

-

19

-100%

-

117

-100%

Production from continuing and discontinued operations

(kozs)

1,883

1,972

-5%

3,628

3,947

-8%

**Continuing Operations**

Gold price received (\$/oz)

1,274

1,113

14%

1,249

1,158

8%

Total cash costs per unit (\$/oz)

780

699

12%

744

712

4%

Corporate & marketing costs (\$m) \*

32

33

-3%

61  
 78  
 -22%

Exploration & evaluation costs (\$m)

71  
 72  
 -1%

133  
 132  
 1%

All-in sustaining costs (\$/oz) \*\*

1,058  
 897  
 18%

986  
 910  
 8%

All-in costs (\$/oz) \*\*

1,155  
 991  
 17%

1,071  
 1,001  
 7%

Adjusted EBITDA (\$m)

767  
 679  
 13%

1,548  
 1,472  
 5%

**Continuing and discontinued operations**

Cash inflow from operating activities (\$m)

710  
 626  
 13%

1,186  
 1,139  
 4%

Free cash flow (\$m)

170  
 110  
 55%

278  
 141  
 97%

Capital expenditure (\$m)

493  
 430  
 15%

811

857  
-5%  
Free cash flow (\$m) excl. tender premium  
200  
171  
17%  
308  
202  
52%

\* *Includes administration and other expenses.*

\*\* *World Gold Council standard, excludes stockpiles written off.*

#### **SAFETY UPDATE**

There is no higher priority for AngloGold Ashanti than the safety of every one of its employees. It is a commitment that the company will continue to demonstrate across its global portfolio, including the world's deepest mines that it operates in South Africa. Over the past decade, AngloGold Ashanti has reduced operating fatalities by more than 80%. Over the same period, it has improved its all injury frequency rate (AIFR), the broadest measure of workplace injuries, by more than two-thirds. We will not relent in our endeavours to prevent harm to employees.

The improvements of the past decade have come through a focus on improved operating and safety systems and technologies, as well as an emphasis on ensuring that every person in the company places a greater focus on identifying and avoiding risk. In an

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environment where minor missteps can have catastrophic consequences, it is critical that we not only are relentless in identifying and eliminating hazards, but that we instil a culture that prizes safety above all else. We have made encouraging strides in that regard and will continue to look for ways to improve.

Like in any heavy industry, and especially in a company like ours that employs more than 50,000 people globally, human error remains among our greatest challenges. This is an aspect of the business that we continue to work hard to mitigate in cooperation with a broad group of stakeholders.

As has been reported, six operating fatalities were recorded in South Africa during 2016 and another in Brazil. There have, however, been important gains. In our efforts to deal with this challenge, the fourth quarter of 2016 passed without a fatality

in any business unit, and at year-end the South Africa business unit reached fatality-free 158 days. Whilst this demonstrates some successes in the implementation of our safety strategy, we must remain vigilant to ensure that we continue to make gains in this most important area of the business.

The AIFR improved to 7.02 per million hours worked for the quarter ended 31 December 2016 compared to 7.25 per million hours

worked for the quarter ended 31 December 2015. Significant safety milestones recorded during the year include one million fatality free shifts at Mponeng, Kopanang, Moab Khotsong and the Regional Services Department, two-million fatality-free shifts for the Vaal River

Region as a whole; Moab Khotsong achieved a full calendar year without a fatality in September and the Surface Operations unit

achieved a full year with no lost-time injury. The Savuka gold plant won South Africa's coveted JT Ryan award for operating without a

fatality since 1961. In Continental Africa, Siguri and Iduapriem passed the second half of 2016 with no injuries whatsoever, whilst the

Americas had 46 injuries of which 15 were lost time injuries and Australia had 18 injuries of which 10 were lost time injuries.

As AngloGold Ashanti has continually demonstrated, we value close cooperation with all role players in this industry, including our

employees and our partners in organised labour, and also our regulator in the Department of Mineral Resources (DMR). We believe it is

crucial to the wellbeing of every employee that this relationship is not only professional and respectful, but also tightly bound by the laws

and regulations that govern the industry.

We continue to seek dialogue with the DMR at every level, with the primary aim of improving safety and ensuring fair and proportional

application of applicable safety legislation. Where there is disagreement, we will continue - as we have done - to use the proper appeal

mechanisms and legal remedies available under the Mine Health and Safety Act and associated legislation.

We believe that through close cooperation among stakeholders and fair application of regulations with due regard to proportionality, as

well as continued vigilance in an unpredictable operating environment, we can further improve on the safety gains made in the past

decade.

## **OPERATING HIGHLIGHTS**

The **South African operations** produced 967,000oz at a total cash cost of \$896/oz for the year ended 31 December 2016 compared to 1,004,000oz at a total cash cost of \$881/oz for the year ended 31 December 2015. The decline in production was mainly due to lower underground volumes and grades over the period, with the most significant decrease at TauTona. The operational performance in 2016 was predominantly impacted by a range of safety-related stoppages across all operations resulting in an estimated loss of 104,000oz, with TauTona, Moab Khotsong and Kopanang most affected.

The benefit of the weaker exchange rate compared with the corresponding period a year earlier largely offset the impact of lower production volumes and inflationary pressures on total cash costs, which rose 2%. Inflationary pressures included annual power tariff increases and salary adjustments. AISC at \$1,081/oz for the year ended 31 December 2016 reflected a decline from \$1,088/oz achieved for the year ended 31 December 2015.

For the **six months ended 31 December 2016** the region produced 481,000oz at a total cash cost of \$984/oz compared to the 505,000oz at a total cash cost of \$867/oz for the same period in 2015. AISC were \$1,205/oz for the six months ended 31 December 2016, compared to \$1,079/oz achieved in the second half of 2015. Lower grades and inflationary pressures had a significant impact on unit costs in the second half of 2016.

At the **West Wits**, Mponeng delivered the best performance in the region for the year, with a 16% increase in production and a 14% decrease in AISC year-on-year, mainly through successful implementation of the 'de-risk mine plan' formulated to improve safety at the mine. The subsequent move out of higher grade areas was augmented by high-quality mining practices and an improved mining mix, whilst the mine had fewer safety related disruptions in 2016 compared to the previous year.

At TauTona, production for 2016 decreased due to four main issues:

- early in the first quarter the need for modified secondary support standards for all development ends was identified, delaying some development during implementation;
- a seismic event occurred in the Savuka section in April, leading to the suspension of the majority of mining in that section for safe rehabilitation;
- a fatal underground locomotive accident in third quarter suspended operations whilst remedial actions were taken; and
- lower face-grades, compounded by off-reef mining due to underground geological structures.

At the **Vaal River**, Moab Khotsong delivered a production increase of 10% year-on-year. This was as a result of an increase in volumes mined, with additional face length and a 5% increase in Mine Call Factor, while the underground mined grade increased by 3% given the areas mined.

At Kopanang, production for the year was dampened by lower volumes mined and a 6% drop in mined grade year-on-year as well as plagued by safety related stoppages throughout the year. Lower volumes mined were a result of lower efficiencies brought about by face time constraints due to mining in the extremities. The mining cycle has been changed to mitigate this going forward, allowing for the most efficient use of the limited face time.

**Surface Operations** for the year ended 31 December 2016 produced 187,000oz at a total cash costs of \$899/oz, compared to 193,000oz at a total cash cost of \$912/oz for the year ended 31 December 2015. At Mine Waste Solutions (MWS), production ended relatively flat year-on-year with a 7% increase in tonnage throughput for 2016, offset by lower feed grades and lower recoveries. The

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uranium plant was recommissioned in the second half of 2016 and the first uranium was produced in August. Additionally, the optimisation of the plant circuit continues so as to improve the recoveries going forward.

The **Continental Africa** region delivered 1.321Moz at a total cash cost of \$717/oz for the year ended 31 December 2016 compared to 1.435Moz at a total cash cost of \$678/oz for the year ended 31 December 2015. The region has maintained its record of consistent and solid delivery despite no contribution from Obuasi (currently under care and maintenance) and operational challenges at Kibali encountered during first half of 2016. Production was also impacted by planned lower recovered grades at Geita whilst Morila, in closure phase, is now treating lower grade marginal and tailings grade ore. AISC were \$904/oz for the year ended 31 December 2016 compared to \$815/oz the year ended 31 December 2015.

For the six months ended 31 December 2016 the region produced 702,000oz at a total cash cost of \$742/oz compared to the 716,000oz at a total cash cost of \$681/oz for the same period in 2015. Total cash costs increased due to lower production, grades and inefficiencies. AISC were \$958/oz for the six months ended 31 December 2016, compared to \$822/oz achieved in the same period in 2015.

In **Ghana**, production at Iduapriem increased 11% as a result of mining in deeper, higher-grade areas, and a 9% increase in tonnage treated from higher plant utilisation, compared to the previous year when the plant had an extended major shutdown upgrading the SAG mill. Total cash costs decreased with production uptake partly offset by increased mining activity and associated costs. In the **Republic of Guinea**, production at Siguiiri increased as a result of a 3% increase in tonnes treated as the mine plan improved compared to the previous year, partly offset by a planned decrease in recovered grade. Total cash costs decreased by 5%, mostly as a result of increased production due to the improved mine plan.

In **Mali**, Morila has fully transitioned to treat lower grade marginal and tailings ore, although the decrease in recovered grade has been partly offset by a 23% increase in tonnage throughput compared to the previous year as a result of consistent plant availability and treatment of softer ore.

Sadiola delivered the planned 5% year-on-year increase in recovered grade, partly offset by a 3% decrease in tonnage throughput as a result of an increase in the treatment of transitional material.

In the **DRC**, Kibali's attributable production was 264,000oz for 2016, having increased significantly in the second half relative to the first half of 2016 by 32%, due to much improved plant performance and recovery, and increased production from the underground mine.

In **Tanzania**, Geita's 7% decrease in production was due to a planned 12% decrease in recovered grade in line with the mining plan,



partly offset by a 5% increase in plant throughput from treatment of softer ore, improved plant availability and consistent operations.

Total cash costs increased as a result of the decrease in production year-on-year. The mine has seen a good transition from the Star &

Comet pit to underground. Permitting for underground mining at Nyankanga has been granted in full. The mine will now commence the

evaluation of additional underground options to increase resource and production, and extend mine life.

The **Americas region** produced 819,000oz for the year ended 31 December 2016 at a total cash cost of \$578/oz compared to

831,000oz at a total cash cost of \$576/oz for the year ended 31 December 2015. AISC were \$875/oz, compared to \$792/oz achieved in

the same period in 2015. Production volumes were impacted by lower year-on-year contribution from Brazil.

For the six months ended 31 December 2016 the region produced 431,000oz at a total cash cost of \$604/oz compared to 454,000oz at

a total cash cost of \$529/oz for the same period in 2015. Total cash costs increased due to decreased production. AISC were \$929/oz,

compared to \$745/oz achieved in the same period in 2015.

In **Argentina**, Cerro Vanguardia achieved the highest annual production for the past 17 years; producing 281,000oz for the year ended

31 December 2016 at a total cash cost of \$563/oz compared to 278,000oz at a total cash cost \$625/oz for the year ended 31 December

2015. The production increase was attributable to the higher tonnes treated at the plant following operational and metallurgical

improvements, partially offset by lower grades due to variability in the mining model. Total cash costs were 10% lower mainly due to

local currency devaluation, higher by-product income helped by volume and price improvements, partially offset by annual salary

increases.

**Brazil** commenced 2016 facing production challenges caused by geotechnical, licensing and geological modelling issues. The mine

plan at Mineração was revised accordingly, delivering improved production which helped offset the shortfall from the first half of 2016.

The revised mine plan comprised the treatment of additional ore from lower grade zones, partially compensating the production gap with

higher tonnage treated.

Serra Grande experienced a delay in receiving permits required for the open pit as well as the geotechnical challenges at the ramp to access high grade areas at underground Mina Nova, in the Pequizaio orebody.

AISC were \$923/oz for the year ended 31 December 2016 compared to \$748/oz for same period in 2015, mainly due to higher capital

expenditure, inflation pressures, local currency appreciation, and lower gold produced. The higher capital expenditure is attributable to

higher ore reserve development and work done to increase mine flexibility at all operations, as well as tailings dam raises and

conversion of metallurgical leaching process.

The **Australia region** produced 520,000oz for 2016 at a total cash cost of \$793/oz compared to 560,000oz at a total cash cost of

\$702/oz for 2015.

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For the six months ended 31 December 2016 the region produced 269,000oz at a total cash cost of \$781/oz compared to 278,000oz at a total cash cost of \$704/oz for the same period in 2015. Total cash costs increased due to a weaker Australian dollar, planned lower production at Tropicana (70%) and increased mining spend at Sunrise Dam, where an extra jumbo was added to the fleet to set up new mining areas and carry out decline development, lifting mined ore tonnes. AISC was \$1,115/oz for the six months ended 31 December 2016, compared to \$873/oz achieved in the same period in 2015.

Production for 2016 in Australia was impacted by lower contribution from Tropicana, mainly due to the first phase of grade streaming coming to an end in December 2015. However, processing plant throughput was 13% higher for the period following completion of the

Plant Optimisation Project, and the plant was operating at an annualized rate of more than 7.5 mtpa by the end of H2. Production at

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Sunrise Dam increased due to 4% higher mill throughput and a 15% increase in head grade as the large Dolly stope was brought into production.

### **CORPORATE UPDATES**

In December 2016, AngloGold Ashanti reported an improved production outlook at the Tropicana Gold Mine in Western Australia, based on higher mining and processing rates along with a 45% increase in the mine's Ore Reserve estimate. See the Mineral Resource and Ore Reserve report that follows.

#### **Chief Operating Officer - International**

Ron Largent, who has had a distinguished career within AngloGold Ashanti since 1994 and more than 30 years' experience in international mining operations and project management, will be retiring with effect from 30 June 2017. During his period of service with AngloGold Ashanti, Ron has filled a number of roles with distinction, ranging from his time as a mining manager and general manager (both at Cripple Creek & Victor), to Executive Vice President of the Americas Region and finally -- since 2013 -- as Chief Operating Officer: International. In this role Ron showed exceptional leadership in driving a range of improvements across our International Portfolio at a critical time for the business. These improvements included, among others, a wide range of advances in safety, development and retention of key personnel, enhancements to our sustainability performance, consistent delivery on production and costs, reinforcement of capital discipline, and continual work necessary to uncover potential and value from our portfolio. Crucially, Ron also oversaw a robust succession plan in anticipation of his retirement

We thank Ron Largent for the significant contributions he has made to the Group and wish him well in his retirement. In line with the company's succession plan and to ensure an orderly handover, Ludwig Eybers who has been in the role of Deputy Chief Operating Officer International, has been appointed to succeed Ron as Chief Operating Officer: International. Ludwig has been with the company for five years, and has led the remarkable turnaround across all aspects of our Continental Africa portfolio since 2013. Ludwig, who has had extensive experience working across a number of international jurisdictions over a 25-year career, has overseen an increase in productivity for the Continental Africa region, along with an improvement in safety. He has been working very closely with Ron Largent on budgeting and business planning, as well as on the execution of Operational Excellence initiatives and assumed safety, production, costs and project accountabilities from Ron during 2017. Ludwig will replace Ron on AngloGold Ashanti's group executive committee effective 22 February 2017 and will continue to work with Ron to complete the well advanced transition.

#### **Board of Directors**

In accordance with paragraph 3.59 of the Listings Requirements of the JSE Limited, AngloGold Ashanti wishes to inform shareholders of changes to its board of directors ("the Board") and Board committees.

Professor Wiseman Nkuhlu (73) has notified the Board of his intention to retire as an independent non-executive director at the company's forthcoming annual general meeting to be held on 16 May 2017, after eight years of distinguished service, and will thus not stand for re-election on such date.

During his tenure, Professor Nkuhlu, a Chartered Accountant, was the deputy chairman of the Board and an invaluable member of its

Audit and Risk, Investment, Nominations, and Remuneration and Human Resources committees.

The Board wishes to thank Professor Nkuhlu for his significant contribution to the Company during his tenure and wishes him all the very best on his retirement from the Board.

"We greatly value the insight, incisiveness and independence that Wiseman has brought to the Board of AngloGold Ashanti for close to

a decade," Chairman Siphon Pityana said. "He has added value to the Board and the Company and we wish him well in any and all of his future endeavours."

In addition, on 2 December 2016 AngloGold Ashanti announced the appointment of Sindiswa Zilwa as an Independent Non-Executive

Director with effect from 1 April 2017.

Sindi Zilwa will be appointed as a member of the Audit and Risk Committee, Remuneration and Human Resources Committee and

Investment Committee, and Maria Richter will be appointed as a member of the Nominations Committee from May 2017.

#### **OBUASI UPDATE**

In early February 2016, following the incursion of hundreds of illegal miners inside the fenced area of the Obuasi mine site, AngloGold

Ashanti was forced to declare force majeure and, in the interests of safety, withdrew all employees performing non-essential functions.

At its peak, an estimated 12,000 illegal miners operated across the previously fenced-off area of the site. A directive to clear the site of

illegal mining by 10 October 2016 was given by the Minerals Commission which, along with a multi-stakeholder committee it

established, prepared alternative sites off the company lease for the miners to relocate to.

On 18 October 2016, the Security Task Force took the first concerted steps to start to restore safety and security at the Obuasi

concession.

At each step along the way, AngloGold Ashanti Ghana was at pains to petition authorities to ensure that the process of clearing illegal

mining activity from site should be done with the least amount of force and with full deference to the Voluntary Principles on Security

and Human Rights.

As of 13 February, 2017, all areas within our fenced operational area have been cleared of illegal miners, and all identified illegal mining

holes within the fence have been closed. Following a review of the safety, surface and underground conditions we have notified the

Ghanaian authorities that the circumstances that led to the declaration of force majeure no longer exist and as such lifted the force

majeure with effect from 13 February 2017.

Note, however, there remains further work to be undertaken in relation to the removal of the illegal mining activities outside of the

fenced area but within the Obuasi concession area. Only once that process is complete, and the feasibility study for the

redevelopment

of the mine has been updated with the relevant information, will the company be in a position to outline its plans for Obuasi.

**UPDATE ON CAPITAL PROJECTS**

**Mponeng project**

The Phase 1 project is in the production build up phase. Infrastructure development on 123 level has progressed to schedule with four

raise lines holed in total during 2016. The construction of the capital infrastructure, execution of ore reserve development, as well as the

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improvement of logistical efficiency ran on schedule during 2016. The ramp up to steady state ore reserve development is expected to commence in the second half of 2017 after the ore handling infrastructure has been commissioned. On Phase 2, commissioning of the surface sub-station was completed by Eskom at the end of 2016. Other activities continued during the quarter, including the inter-level ice-hole equipping, the construction of the 116 Level sub-station as well as the water handling infrastructure complex on 121 Level.

### **Siguiri**

Following the successful ratification of the Convention by the government of the Republic of Guinea, construction for the expansion and conversion of the processing plant infrastructure will commence, which will facilitate the processing of harder sulphide ore thereby extending mine life, increasing production and lowering unit costs, whilst also improving the exploration potential in the area surrounding the mine. In addition, a further \$43m has been approved for the construction of an owner build power station which will provide cost benefits.

### **Sadiola**

The updated feasibility study for the mining and treatment of harder sulphide ore at Sadiola, that will increase processing plant throughput, lower unit costs and extend mine life, has been completed together with IAMGOLD, our joint venture partner. Further work on the project is subject to achieving requisite government approvals, agreements and permits. Discussions are currently underway with ministries of the government of the Republic of Mali with a view to expeditiously achieve these approvals. Capital costs are now expected to be \$410m (100% of the project).

### **Kibali**

The shaft sinking has reached the shaft bottom at the completed depth of 751.2m and equipping of shaft has been completed. The focus for the quarter was on the off shaft development, with 780m of development achieved. The underground development during the latter part of 2016 totalled 3,503m. First ore from the shaft is expected in the third quarter in 2017. At the Ambarau hydro power plant, construction continued during the quarter, with first power having been rescheduled to the first quarter of 2017. The Azambi hydro power plant, the third hydro power plant to be constructed, is still on plan to be completed in 2018. The construction work has commenced, with focus on site establishment and soft excavations to allow for the temporary berm work to start. The project to expand the mine's ultra-fine grinding capacity to improve full sulphide feed recoveries, continued according to schedule, with commissioning planned for the first quarter of 2017.

### **Technology and Innovation**

The progress that the Technology Innovation Consortium made in 2016 and the highlights of the project are set out below:

#### **1.**

#### **Reef Boring**

## 1.1

### **Small range:**

In 2016 the Sandvik/Cubex machine was commissioned at the Savuka section of the mine but due to challenges faced during the stage gate reviews, the programme had to be discontinued and the machine will be decommissioned.

## 1.2

### **Medium Range:**

The medium range uses the MKIV Machine and MKIII machines. During the year, the MKIV machine was commissioned in the test site and has drilled 23 holes, with four holes drilled in the fourth quarter of 2016. It was determined that the quality of the holes

regressed due to the self-pinning cylinders failing during the drilling cycle. The MKIV is now designated for research and development

trials and to ensure that design targets are met on this proto-type machine.

The MK III Machines were used in the Carbon Leader Reef (CLR) and Ventersdorp Contact Reef proto type sites.

Drilling continued in

the CLR block, totalling 33 holes in the first half of 2016. At the end of the second quarter of 2016, geotechnical concerns resulted in a

revised extraction strategy that resulted in the loss of some current mining ground and consequently the reduction of one machine.

Another MK III machine was installed in the VCR site and drilling commenced in third quarter of 2016 after commissioning, ending the

year with a total eight holes drilled. The usual teething problems associated with a commissioning process were resolved. Work will

continue at both sites in a stage gate approach, with the aim of achieving consistent performance to prove the economic viability of the

project.

## 2.

### **Ore body Knowledge and Exploration**

The year started with the aim to improve on the final accuracy trial on the Sandvik/Cubex machine. The analysis indicated that the

drilled holes followed a similar trend, implying that a correction factor could be applied to ensure an accurate end point is reached. The

drilling trials with the Bohrmeister fit-for-purpose drill rig commenced in the fourth quarter of 2016 after it's commissioning at TauTona

mine. The first stage gates were met after drilling four holes at the set drilling target rate (8m/hr) and hole depth (100m) at different

inclinations.

## 3.

### **Ultra-High Strength Backfill (UHSB)**

To date two plants were successfully commissioned; one plant at the CLR site and the other at the VCR site at TauTona mine. The

plants are in full operation and have the capabilities of mixing the dry tailings underground with the other ingredients, thereafter

pumping the final product at 4m<sup>3</sup>/hour over a distance of 600m.

Engineering construction and equipping of the Savuka CLR plant and the TauTona Below 120 plant will commence as soon as

the site excavation is completed in the first half of 2017.

Construction of the surface solution plant was completed in the fourth quarter. This plant is expected to allow for pumping the

UHSB solution (UHSB product excluding cement) from surface to the Below 120 plant underground.

Mponeng extraction ratio improvement project product development is in progress. A range of designs have been tested and the characteristics have been modelled. Final results are pending before a suitable product can be identified.

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For more details on work done during the year, see the *Exploration Update document* on the company website: [www.anglogoldashanti.com](http://www.anglogoldashanti.com)

## **EXPLORATION UPDATE**

### **Greenfields Exploration**

During the second half of 2016, greenfields exploration activities were undertaken in Australia, Colombia, Brazil, Argentina, USA, Guinea, and Tanzania. Greenfields Exploration completed 1,173m of RC/diamond drilling and 39,555m of aircore drilling in Australia.

Total expenditure for the second half of 2016 was \$16m.

In Australia, the Butcher Well and Lake Carey farm-in agreement was signed between AngloGold Ashanti and Saracen Mineral

Holdings Limited. AngloGold Ashanti has acquired earn-in rights for 340 km

2

of tenements on and along the western margin of Lake

Carey in the Laverton district of Western Australia. The first phase of drilling at Butcher Well is expected to commence in February

2017.

Elsewhere in the Laverton district, AngloGold Ashanti completed aircore drilling over 100% AngloGold Ashanti-held targets with 526

holes drilled for a total of 34,977m. Results were received from drilling at Ahab, Nemo, Poseidon and Pioneer and included several

encouraging results from both Ahab and Pioneer. These positive aircore samples from Pioneer were followed-up by six RC holes with

three diamond tails (702m/471m) and results of this drilling will be available in the first quarter of 2017.

At the Strawbridge Project, the planned aircore drilling programme was completed with 61 aircore holes drilled for a total of 4,738m in

the third quarter. Results from the aircore drilling and geochemical sampling completed in 2016 were disappointing, with no significant

results returned. The project is currently under review.

In Colombia, a re-evaluation of the regional geology at Guintar led to identifying subtle multi-element epithermal signatures in gravels

associated with N-S trending graben structures to the east. Follow-up on this target, Nuevo Guintar, indicates a potentially preserved,

epithermal target. Detailed mapping, soil sampling and ground geophysics is underway delineating the drill target.

In Brazil, work concentrated on the Tromai Project which covers the large tenement package (~2,000km<sup>2</sup>) covered by the JV Agreement

2

with Luna Gold. Regional mapping and soil sampling programmes are underway, as is a high resolution aeromagnetic and radiometric

survey (11,200km<sup>2</sup> completed). This data is being compiled and interpreted to prioritize drill targets. In parallel, considerable effort has

also been placed on obtaining environmental permits for planned drilling expected to start in the first quarter of 2017.

In Tanzania, Guinea, Argentina, and the USA early stage Greenfields evaluation and reconnaissance programmes progressed.

### **Brownfields Exploration**

Brownfields exploration activities were undertaken across the globe in the second half of 2016. Brownfields Exploration completed 327

601m of diamond drilling for a total expenditure for the second half of 2016 of \$34m (capital) and \$31m (expensed).

At Mponeng in South Africa, Borehole UD59 was successfully completed and site rehabilitation is complete.

Borehole UD60 intersected

the VCR at a depth of 3,650m and yielded a significant gold value. The short deflection drilling programme has been completed and a

total of six reef intersections obtained. Borehole UD58A intersected moderate grade VCR at a depth of 3,794m. Short deflection drilling

is underway. The hole remains on target to complete deflection drilling and demobilisation by May 2017.

At Geita in Tanzania, exploration activities included Mineral Resource conversion drilling at Nyankanga Block 5, Star & Comet

Underground drilling (Cut 2 and 3), Mineral Resource delineation at Star & Comet Cut 2 NW, Cut 3 and Matandani as well as

reconnaissance exploration drilling at Prospect 30 and completion of a drillhole at Geita Hill East as part of the 3D seismic survey

programme. 90 holes totalling 18,200m were completed for both surface and underground exploration drilling programmes.

Interpretation and targeting continues on the 3D seismic data.

At Siguri in Guinea, a total of 27,483m were drilled. Exploration activities included infill drilling at Seguelen PB2, Seguelen PB2 East,

Silakoro, Tubani and Kami and reconnaissance drilling at Silakoro.

At Iduapriem in Ghana, exploration focused on drilling at Block 7&8, Nueng and Block 1W, as well as concluding of the soil

geochemistry programme across the western lease. A total of 6,467m drilling was completed, consisting of 4,497m

Diamond Drilling

(DD) and 1,970m reverse circulation (RC) drilling.

At Kibali in the DRC, near mine exploration took place at the Rhino-Agbarabo-Kombokolo area, Sessenge Southwest, Pamao, Kanga

Sud, Ndala Village and Aerodrome, while regional exploration was focused on the Kalimva-Ikamva targets in the north and Aindi Watsa-

Dilolo-Zambula in the south. A total of 15,506m was drilled (14,096m RC and 1,410m DD).

At Sadiola in Mali, a total of 9,667m drilling, comprising 8,955m RC and 712m DD, was completed across SSP North, FNa, FNb-c,

Tambali and Voyager East.

In Argentina, drilling continued at Cerro Vanguardia. Most of the drilling meters continuing to be completed at the nearby Claudia JV.

During H2, 10,657m were drilled, including 3,889m at the Claudia JV. Other work completed to support target generation included

trenching and channel sampling programmes to refine drill targeting and an HLEM geophysical survey at the Claudia JV.

In Brazil, exploration continued at the Cuiaba, Lamego and CdS production centers for AGABM with 74,107m drilled

from the combined surface and underground drilling programmes. Targets included ore body extension at Cuiaba and CdS. Follow up infill drilling to support mine planning and Mineral Resource conversion was also completed.

At Serra Grande, 33,177m were drilled as part of the exploration and Mineral Resource conversion programmes. Drilling target generation activities included mapping and soil sampling programmes. A ground magnetic EM geophysical survey was also completed to support drill target generation.

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In Colombia, the Gramalote JV completed 4,441m of drilling to support site and infrastructure investigations. The saprolite infill drilling programme continued to better define the thickness and gold mineralisation in the horizon. Work to update and refine the geological model progressed to support the pre-feasibility study, which remains on track for completion by the end of 2017. Drilling started on targets within the JV regional tenements outside the main project area. At La Colosa, 1,639m were drilled as the site investigation geotechnical and hydrology drilling programmes continued. A geophysical survey to support the site infrastructure designs was completed. The Quebradona JV programme completed conceptual study work and began field work and a drilling programme to support pre-feasibility study site investigation geotechnical and hydrology data collection. In Australia, exploration drilling at Sunrise Dam focused on resource extension and infill of the underground resource. Drilling targeted the Vogue South and Vogue Deeps domains, northern extensions to Cosmo and Cosmo East, Cosmo East down-dip, Elle, Midway Shear and Sunrise Shear. A total of 36,778m were drilled. At Tropicana, the Long Island 100m x 100m drilling programme to test the strike extent and down-dip extensions of the known mineralised system was completed. In the period, additional closer spaced drilling was undertaken at Boston Shaker to deliver an Indicated Mineral Resource, and minor infill drill programmes were completed at Tropicana, Havana and Havana South. A total of 18,948m of RC and 20,821m of DD holes were completed.

See the **Exploration Update document** on the company website:

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for more details on both Brownfields and

Greenfields exploration programmes conducted during the year ended 31 December 2016.

## **DIVIDENDS**

The Board has approved the resumption of the payment of an annual dividend by the Company. The dividend policy now provides for an annual dividend to be based on 10% of the free cash flow generated by the business for that financial year, before growth capital expenditure. The Board will exercise its discretion on an annual basis, taking into consideration the prevailing market conditions, balance sheet flexibility and future capital commitments of the group.

## **GUIDANCE 2017**

Guidance

Notes

Production (000oz)

3,600 – 3,750

- Obuasi in limited operations phase with no production anticipated in 2017. No provision for any unforeseen operational disruptions, power-related stoppages, or changes to asset portfolio and/or operating mines.

- Note that there is, as always, a strong negative impact expected in the first half of the year given the slow start-up in SA following the

holiday break, and interruptions around the  
Easter break.

Costs

All-in sustaining costs (\$/oz)

1,050 – 1,100

Assumptions: ZAR14.25/\$, \$/A\$0.75,

BRL3.40/\$, AP16.50/\$; Brent \$58/bl

Total cash costs (\$/oz)

750 – 800

Overheads

Corporate costs (\$m)

80 – 90

Inflation and retention of critical skills and skills  
development

Expensed exploration and study costs (\$m)

170 – 190

Including equity accounted joint ventures

Capex

Total (\$m)

950 – 1,050

Sustaining capex (\$m)

830 – 900

Stay-in-business, ore-reserve development and  
asset integrity. Increase in sustaining capex at  
Geita, Mineração and Sunrise Dam

Non-sustaining capex (\$m)

120 - 150

Includes project capital for projects at Siguiri,  
Kibali, Sadiola and Mponeng

Depreciation and Amortisation (\$m) 850

Depreciation and amortisation – included in equity accounted earnings  
(\$m)

125

Earnings of associates and joint ventures

Interest and finance costs (\$m) – income statement

140

Interest and finance costs (\$m) – cash flow

135

Affected by timing of coupon payments

Other operating expenses (\$m)

85

Primarily includes the costs of care and  
maintenance relating to Obuasi

Both production and cost estimates assume neither labour interruptions or power disruptions, nor changes to asset  
portfolio and/or

operating mines and have not been reviewed by our external auditors. Other unknown or unpredictable factors could  
also have material

adverse effects on our future results and no assurance can be given that any expectations expressed by AngloGold  
Ashanti will prove

to have been correct. Please refer to the Risk Factors section in AngloGold Ashanti's annual report on Form 20-F for  
the year ended

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31 December 2015, filed with the United States Securities and Exchange Commission.

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## MINERAL RESOURCE AND ORE RESERVE

The Mineral Resource and Ore Reserve for AngloGold Ashanti are reported in accordance with the minimum standards described by the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2016 edition), and also conform to the standards set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

The Mineral Resource is inclusive of the Ore Reserve component unless otherwise stated. In complying with revisions to the SAMREC Code the changes to AngloGold Ashanti's Mineral Resource and Ore Reserve have been reviewed and it was concluded that none of the changes are material to the overall valuation of the Company. AngloGold Ashanti has therefore once again resolved not to provide the detailed reporting as defined in Table 1 of the Code. The Company will however continue to provide the high level of detail it has in previous years in order to comply with the transparency requirements of the Code.

AngloGold Ashanti strives to actively create value by growing its major asset – the Mineral Resource and Ore Reserve. This drive is based on active, well-defined brownfields and greenfields exploration programmes, innovation in both geological modelling and mine planning and continual optimisation of the asset portfolio.

### **GOLD PRICE**

The following local prices of gold were used as a basis for estimation in the December 2016 declaration:

#### **Gold Price**

#### **Local prices of gold**

#### **South Africa**

#### **Australia**

#### **Brazil**

#### **Argentina**

#### **US\$/oz**

#### **ZAR/kg**

#### **AUD/oz**

#### **BRL/oz**

#### **ARS/oz**

#### **2016 Ore Reserve**

1,100

530,000

1,500

4,041

14,969

#### **2016 Mineral Resource**

1,400

663,819

1,817

4,414

21,531

The SAMREC and JORC Codes require the use of reasonable economic assumptions. These include long-range commodity price forecasts which are prepared in-house.

### **MINERAL RESOURCE**

The total Mineral Resource increased from 207.8 million ounces (Moz) in December 2015 to 214.7Moz in December 2016. A gross annual increase of 11.3Moz occurred before depletion, while the net increase after allowing for depletion is 6.9Moz. Changes in economic assumptions from December 2015 to December 2016 resulted in a 1.7Moz increase to the Mineral Resource, whilst exploration and modelling resulted in an increase of 10.0Moz. Depletion from the Mineral Resource for the year totalled 4.4Moz. The Mineral

Resource has been estimated at a gold price of US\$1,400/oz (2015: US\$1,400/oz).

**MINERAL RESOURCE**

**Moz**

**Mineral Resource as at 31 December 2015**

**207.8**

**Depletions**

-4.4

Sub Total

**203.4**

**Additions**

Obuasi

New geological models, the revalidated database and a revised estimation methodology resulted in the significant increase.

5.5

Mponeng

Surface and underground exploration of the VCR horizon added significant Mineral Resource.

2.2

Tropicana

Exploration additions in Havana South, Tropicana and Boston Shaker and mining cost decrease due to in-pit dumping and lateral waste haulage.

1.5

Sunrise Dam

Increased due to successful exploration drilling, gold price increase and methodology changes.

1.3

AGA Minerac

ã

o

Mainly the result of open pit gains at Rosalino, some underground additions and the positive results from surface drilling at Carvoaria.

1.2

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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Siguiri

Attributed to cost reduction, infill drilling at Seguelen, Bidini, Tubani and Kami and the inclusion of mineralised waste.

0.9

Geita

Gains due to updates of the underground Mineral Resource models and a decrease in costs.

0.9

Other

Additions less than 0.5Moz.

0.9

Sub Total

**217.8**

**Reductions**

Moab Khotsong

Changes due to a Mineral Resource clean-up, a value drop and a revised structural interpretation.

-1.0

Kibali

Change due to a revised geological model and the constraining of the underground Mineral Resource into optimised stope shapes.

-0.8

TauTona

Mainly due to value changes and transfers out of Mineral Resource.

-0.6

Kopanang

Resulting from movements out of Mineral Resource and a value drop resulting from a revised estimation approach.

-0.6

Other

Reductions less than 0.5Moz.

-0.1

**Mineral Resource as at 31 December 2016**

**214.7**

*Rounding of numbers may result in computational discrepancies.*

**ORE RESERVE**

The AngloGold Ashanti Ore Reserve reduced from 51.7Moz in December 2015 to 50.1Moz in December 2016. This gross annual decrease of 1.6Moz includes depletion of 3.9Moz. The balance of 2.3Moz additions in Ore Reserve, results from changes in economic assumptions between 2015 and 2016 of 0.2Moz, whilst exploration and modelling changes resulted in further additions of 2.3Moz. Other factors resulted in a 0.3Moz decrease. The Ore Reserve has been estimated using a gold price of US\$1,100/oz (2015: US\$1,100/oz).

**ORE RESERVE**

**Moz**

**Ore Reserve as at 31 December 2015**

**51.7**

**Depletions**

-3.9

Sub Total

**47.8**

**Additions**

Tropicana

Introduction of the Long Island project and the HA04 pit.

1.1

AGA Minerac

ã

o

Ore Reserve variation due to change in costs and revenue factor as well as minor mining method and revised estimation techniques changes.

0.6

Siguiri

Mainly due to model changes.

0.5

Sunrise Dam

Increase due to revised drill spacing requirements. Vogue ore body had large increase due to the drill spacing change and additional diamond drilling.

0.4

Other

Additions less than 0.3Moz.

0.9

Sub Total

**51.3**

**Reductions**

Kibali

Decrease is the result of a new geological model.

-0.3

Other

Reductions less than 0.3Moz.

-0.9

**Ore Reserve as at 31 December 2016**

**50.1**

*Rounding of numbers may result in computational discrepancies.*

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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## **BY-PRODUCTS**

Several by-products will be recovered as a result of processing of the gold Ore Reserve. These include 56.0kt of uranium oxide from the South African operations, 0.42Mt of sulphur from Brazil and 18.2Moz of silver from Argentina.

## **CORPORATE GOVERNANCE**

AngloGold Ashanti has established a Mineral Resource and Ore Reserve Steering Committee (RRSC), which is responsible for setting and overseeing the company's Mineral Resource and Ore Reserve governance framework and for ensuring that it meets the company's goals and objectives while complying with all relevant regularity codes. Its membership and terms of references are mandated under a policy document signed off by the Chief Executive Officer.

Over more than a decade, the company has developed and implemented a rigorous system of internal and external reviews aimed at providing assurance in respect of Ore Reserve and Mineral Resource estimates. The following operations were subject to an external review in line with the policy that each operation project will be reviewed by an independent third party on average once every three years:

- Mineral Resource and Ore Reserve at South African Surface Operations
  - Mineral Resource and Ore Reserve at AGA Mineração – Córrego do Sítio
- Mineral Resource and Ore Reserve at Sadiola

The external reviews were conducted by AMEC, Optiro and Snowden respectively. Certificate of competence documentation has been received for the first two audits from the companies conducting the external reviews to state that the Mineral Resource and/or Ore Reserve comply with the SAMREC and JORC Codes. A signed NI 43-101 report was provided in the case of Sadiola.

In addition, numerous internal Mineral Resource and Ore Reserve process reviews were completed by suitably qualified Competent Persons from within AngloGold Ashanti and no significant deficiencies were identified. The Mineral Resource and Ore Reserve are underpinned by appropriate Mineral Resource Management processes and protocols that ensure adequate corporate governance. These procedures have been developed to be compliant with the guiding principles of the Sarbanes-Oxley Act of 2002 (SOX).

AngloGold Ashanti makes use of a web based group reporting database called the Resource and Reserve Reporting System (R3) for the compilation and authorisation of Mineral Resource and Ore Reserve reporting. It is a fully integrated system for the reporting and reconciliation of Mineral Resource and Ore Reserve that supports various regulatory reporting requirements including the SEC and the JSE under SAMREC. AngloGold Ashanti uses R3 to ensure a documented chain of responsibility exists from the competent persons at the operations to the company's RRSC.

AngloGold Ashanti has also developed an enterprise-wide risk management tool that provides consistent and reliable data that allows for visibility of risks and actions across the group. This tool is used to facilitate, control and monitor material risks to the Mineral Resource and Ore Reserve, thus ensuring that the appropriate risk management and mitigation plans are in place.

## **COMPETENT PERSONS**

The information in this report relating to exploration results, Mineral Resources and Ore Reserves is based on information compiled by or under the supervision of the Competent Persons as defined in the SAMREC or JORC Codes. All Competent Persons are employed by AngloGold Ashanti, except for Kibali and Morila, and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking. The legal tenure of each operation and project has been verified to the satisfaction of the accountable Competent Person and all Ore Reserves have been confirmed to be covered by the required mining permits or there exists a realistic expectation that these permits will be

issued. This will be detailed in the 2016 Mineral Resource and Ore Reserve document.

Accordingly, the Chairman of the Mineral Resource and Ore Reserve Steering Committee, VA Chamberlain, MSc (Mining Engineering), BSc (Hons) (Geology), MGSSA, FAusIMM, assumes responsibility for the Mineral Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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Resource and Ore Reserve processes for AngloGold Ashanti and is satisfied that the Competent Persons have fulfilled their responsibilities.

VA Chamberlain has 29 years' experience in exploration and mining and is employed full-time by AngloGold Ashanti and can be contacted at the following address: 76 Rahima Moosa Street, Newtown, 2001, South Africa.

A detailed breakdown of Mineral Resource and Ore Reserve and backup detail will be provided on the AngloGold Ashanti website ([www.anglogoldashanti.com](http://www.anglogoldashanti.com)) and [www.aga-reports.com](http://www.aga-reports.com).

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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**MINERAL RESOURCE BY REGION (ATTRIBUTABLE) INCLUSIVE OF ORE RESERVE**

Gold

Tonnes

Grade

Contained gold

as at 31 December 2016

Category

million

g/t

Tonnes

Moz

South Africa

Measured

151

1.99

301

10

Indicated

902

1.99

1,794

58

Inferred

29

15.04

436

14

**Total**

**1,082**

**2.34**

**2,531**

**81**

Continental Africa

Measured

36

1.09

40

1

Indicated

504

2.77

1,399

45

Inferred

162

3.36

544

17

**Total**

**702**

**2.82**

**1,983**

**64**

Australasia

Measured

31

1.08

33

1

Indicated

113

2.02

230

7

Inferred

49

1.92

95

3

**Total**

**193**

**1.85**

**357**

**11**

Americas

Measured

49

3.41

168

5

Indicated

1,044

0.96

1,001

32

Inferred

908

0.70

638

21

**Total**

**2,002**

**0.90**

**1,807**

**58**

AngloGold Ashanti total

Measured

267

2.03

542

17

Indicated

2,564

1.73

4,424

142

Inferred

1,148

1.49

1,713

55

**Total**

**3,980**

**1.68**

**6,678**

**215**

*Rounding of figures may result in computational discrepancies.*

**MINERAL RESOURCE BY REGION (ATTRIBUTABLE) EXCLUSIVE OF ORE RESERVE**

Gold

Tonnes

Grade

Contained gold

as at 31 December 2016

Category

million

g/t

Tonnes

Moz

South Africa

Measured

14

14.24

204

7

Indicated

227

3.64

826

27

Inferred

12

14.58

175

6

**Total**

**253**

**4.76**

**1,205**

**39**

Continental Africa

Measured

1

3.29



5  
0  
Indicated  
283  
3.07  
869  
28  
Inferred  
161  
3.37  
544  
17  
**Total**  
**446**  
**3.18**  
**1,417**  
**46**  
Australasia  
Measured  
8  
0.67  
5  
0  
Indicated  
72  
1.85  
133  
4  
Inferred  
49  
1.92  
95  
3  
**Total**  
**129**  
**1.80**  
**233**  
7  
Americas  
Measured  
36  
3.38  
121  
4  
Indicated  
1,032  
0.90  
925  
30  
Inferred  
907

0.70  
631  
20  
**Total**  
**1,974**  
**0.85**  
**1,677**  
**54**  
AngloGold Ashanti total  
Measured  
59  
5.64  
335  
11  
Indicated  
1,613  
1.71  
2,752  
88  
Inferred  
1,130  
1.28  
1,444  
46  
**Total**  
**2,802**  
**1.62**  
**4,532**  
**146**

*Rounding of figures may result in computational discrepancies.*

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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**ORE RESERVE BY REGION (ATTRIBUTABLE)**

Gold  
 Tonnes  
 Grade  
 Contained gold  
 as at 31 December 2016  
 Category  
 million  
 g/t  
 Tonnes  
 Moz  
 South Africa  
 Proved  
 139  
 0.57  
 79  
 3  
 Probable  
 689  
 1.02  
 703  
 23  
**Total**  
**828**  
**0.94**  
**782**  
**25**  
 Continental Africa  
 Proved  
 30  
 0.73  
 22  
 1  
 Probable  
 217  
 2.45  
 531  
 17  
**Total**  
**247**  
**2.24**  
**553**  
**18**  
 Australasia  
 Proved  
 23  
 1.23  
 28  
 1  
 Probable  
 42

2.32

97

3

**Total**

**64**

**1.94**

**124**

**4**

Americas

Proved

12

2.67

32

1

Probable

15

4.54

66

2

**Total**

**27**

**3.69**

**98**

**3**

AngloGold Ashanti total

Proved

204

0.79

161

5

Probable

962

1.45

1,396

45

**Total**

**1,165**

**1.34**

**1,557**

**50**

*Rounding of figures may result in computational discrepancies.*

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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A member firm of Ernst & Young Global Limited.

A full list of Directors is available on the website.

Chief Executive: Ajen Sita

EY

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Sandton

Private Bag X14

Sandton

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Docex 123 Randburg

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Independent auditor's review report on the Condensed Consolidated Financial Statements for the year ended 31 December 2016 to the Shareholders of AngloGold Ashanti Limited

We have reviewed the condensed consolidated financial statements of AngloGold Ashanti Limited (the company) contained in the

accompanying preliminary report on pages 18 to 31, which comprise the accompanying condensed consolidated statement of financial

position as at 31 December 2016, the condensed consolidated income statement, statement of comprehensive income, statement of changes

in equity and statement of cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with

the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 1 to the financial statements, and the

requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these preliminary financial statements. We conducted our review in accordance with

International Standard on Review Engagements (ISRE) 2410,

which applies to a review of historical information performed by the independent

auditor of the entity. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the

preliminary financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This

standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting

of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the

evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these preliminary financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of the company for the year ended 31 December 2016 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.  
Roger Hillen - Director  
Registered Auditor  
Chartered Accountant (SA)  
102 Rivonia Road, Sandton  
Johannesburg, South Africa  
20 February 2017

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)  
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Group  
**income statement**

Six months

Six months

Year

Year

ended

ended

ended

ended

Dec

Dec

Dec

Dec

2016

2015

2016

2015

US Dollar million

Notes

Unaudited

Unaudited

Reviewed

Audited

**Revenue**

2

**2,213**

2,048

4,254

4,174

Gold income

2

**2,125**

1,970

4,085

4,015

Cost of sales

3

**(1,763)**

(1,641)

(3,263)

(3,294)

Gain (loss) on non-hedge derivatives and other  
commodity contracts

**50**

(5)

19

(7)

**Gross profit**

**412**

324

841  
714  
Corporate administration, marketing and other  
expenses  
**(32)**  
(33)  
(61)  
(78)  
Exploration and evaluation costs  
**(71)**  
(72)  
(133)  
(132)  
Other operating expenses  
4  
**(64)**  
(53)  
(110)  
(96)  
Special items  
5  
**(36)**  
(76)  
(42)  
(71)  
**Operating profit**  
**209**  
90  
495  
337  
Interest received  
2  
**11**  
14  
22  
28  
Exchange (loss) gain  
**(5)**  
4  
(88)  
(17)  
Finance costs and unwinding of obligations  
6  
**(83)**  
(114)  
(180)  
(245)  
Fair value adjustment on \$1.25bn bonds  
**34**  
132  
9



66	
Share of associates and joint ventures' (loss) profit	
7	
<b>(9)</b>	
29	
11	
88	
<b>Profit before taxation</b>	
<b>157</b>	
155	
269	
257	
Taxation	
8	
<b>(138)</b>	
(96)	
(189)	
(211)	
<b>Profit after taxation from continuing operations</b>	
<b>19</b>	
59	
80	
46	
<b>Discontinued operations</b>	
Profit (loss) from discontinued operations	
-	
4	
-	
(116)	
<b>Profit (loss) for the period</b>	
<b>19</b>	
63	
80	
(70)	
Allocated as follows:	
Equity shareholders	
- Continuing operations	
<b>11</b>	
54	
63	
31	
- Discontinued operations	
-	
4	
-	
(116)	
Non-controlling interests	
- Continuing operations	
<b>8</b>	
5	
17	

15

**19**

63

80

(70)

**Basic earnings (loss) per ordinary share (cents)**

**(1)**

Earnings per ordinary share from continuing operations

**2**

13

15

8

Earnings (loss) per ordinary share from discontinued operations

-

1

-

(28)

Basic earnings (loss) per ordinary share (cents)

**2**

14

15

(20)

**Diluted earnings (loss) per ordinary share (cents)**

**(2)**

Earnings per ordinary share from continuing operations

**2**

13

15

8

Earnings (loss) per ordinary share from discontinued operations

-

1

-

(28)

Diluted earnings (loss) per ordinary share (cents)

**2**

14

15

(20)

(1)

Calculated on the basic weighted average number of ordinary shares.

*Rounding of figures may result in computational discrepancies.*

**(2)**

Calculated on the diluted weighted average number of ordinary shares.

The financial statements for the year ended 31 December 2016 have been prepared by the corporate accounting staff of AngloGold Ashanti Limited

headed by Ms Meroonisha Kerber (CA (SA)), the Group's Chief Accounting Officer. This process was supervised by Ms Kandimathie Christine Ramon

(CA (SA)), the Group's Chief Financial Officer and Mr Srinivasan Venkatakrishnan (BCom; ACA (ICAI)), the Group's Chief Executive Officer. The

financial statements for the twelve months ended 31 December 2016 were reviewed, but not audited, by the Group's statutory auditors, Ernst & Young

Inc.  
Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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Group  
**statement of comprehensive income**

**Six months**

**Six months**

**Year**

**Year**

**ended**

**ended**

**ended**

**ended**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

**US Dollar million**

Unaudited

Unaudited

Reviewed

Audited

**Profit (loss) for the period**

**19**

63

80

(70)

**Items that will be reclassified subsequently  
to profit or loss:**

Exchange differences on translation of foreign  
operations

**58**

(281)

180

(371)

Share of associates and joint ventures' other  
comprehensive income

-

1

-

1

Net (loss) gain on available-for-sale financial assets

**(14)**

(7)

13

(14)

Release on impairment of available-for-sale  
financial assets

-

4

-	
9	
Release on disposal of available-for-sale financial assets	
<b>(1)</b>	
(1)	
(2)	
(3)	
Deferred taxation thereon	
<b>4</b>	
-	
(2)	
1	
<b>(11)</b>	
(4)	
9	
(7)	
<b>Items that will not be reclassified subsequently to profit or loss:</b>	
Actuarial gain (loss) recognised	
<b>3</b>	
12	
(2)	
17	
Deferred taxation thereon	
<b>(1)</b>	
(2)	
-	
(3)	
<b>2</b>	
10	
(2)	
14	
<b>Other comprehensive income (loss) for the period, net of tax</b>	
<b>49</b>	
(274)	
187	
(363)	
<b>Total comprehensive income (loss) for the period, net of tax</b>	
<b>68</b>	
(211)	
267	
(433)	
Allocated as follows:	
Equity shareholders	
- Continuing operations	
<b>60</b>	
(220)	
250	

(332)

- Discontinued operations

-

4

-

(116)

Non-controlling interests

- Continuing operations

**8**

5

17

15

**68**

(211)

267

(433)

*Rounding of figures may result in computational discrepancies.*

Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

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Group  
**statement of financial position**  
**As at**  
**As at**  
**December**  
**December**  
**2016**  
**2015**  
**US Dollar million**  
**Notes**  
Reviewed  
Audited  
**ASSETS**  
**Non-current assets**  
Tangible assets  
**4,111**  
4,058  
Intangible assets  
**145**  
161  
Investments in associates and joint ventures  
**1,448**  
1,465  
Other investments  
**125**  
91  
Inventories  
**84**  
90  
Trade and other receivables  
**34**  
13  
Deferred taxation  
**4**  
1  
Cash restricted for use  
**36**  
37  
Other non-current assets  
-  
18  
**5,987**  
5,934  
**Current assets**  
Other investments  
**5**  
1  
Inventories  
**672**  
646  
Trade, other receivables and other assets

<b>255</b>
196
Cash restricted for use
<b>19</b>
23
Cash and cash equivalents
<b>215</b>
484
<b>1,166</b>
1,350
<b>TOTAL ASSETS</b>
<b>7,153</b>
7,284
<b>EQUITY AND LIABILITIES</b>
Share capital and premium
11
<b>7,108</b>
7,066
Accumulated losses and other reserves
<b>(4,393)</b>
(4,636)
Shareholders' equity
<b>2,715</b>
2,430
Non-controlling interests
<b>39</b>
37
<b>Total equity</b>
<b>2,754</b>
2,467
<b>Non-current liabilities</b>
Borrowings
<b>2,144</b>
2,637
Environmental rehabilitation and other provisions
<b>877</b>
847
Provision for pension and post-retirement benefits
<b>118</b>
107
Trade, other payables and deferred income
<b>4</b>
5
Deferred taxation
<b>496</b>
514
<b>3,639</b>
4,110
<b>Current liabilities</b>
Borrowings
<b>34</b>



100	
Trade, other payables, provisions and deferred income	
<b>615</b>	
516	
Taxation	
<b>111</b>	
91	
<b>760</b>	
707	
<b>Total liabilities</b>	
<b>4,399</b>	
4,817	
<b>TOTAL EQUITY AND LIABILITIES</b>	
<b>7,153</b>	
7,284	
<i>Rounding of figures may result in computational discrepancies.</i>	
Preliminary Condensed Financial Information for the year ended 31 December 2016 - <a href="http://www.AngloGoldAshanti.com">www.AngloGoldAshanti.com</a>	
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Group  
**statement of cash flows**  
**Six months**  
**Six months**  
**Year**  
**Year**  
**ended**  
**ended**  
**ended**  
**ended**  
**Dec**  
**Dec**  
**Dec**  
**Dec**  
**2016**  
**2015**  
**2016**  
**2015**  
**US Dollar million**  
 Unaudited  
 Unaudited  
 Reviewed  
 Audited  
**Cash flows from operating activities**  
 Receipts from customers  
**2,228**  
 2,041  
 4,231  
 4,154  
 Payments to suppliers and employees  
**(1,524)**  
 (1,406)  
 (2,929)  
 (2,904)  
 Cash generated from operations  
**704**  
 635  
 1,302  
 1,250  
 Dividends received from joint ventures  
**32**  
 28  
 37  
 57  
 Taxation refund  
**9**  
 21  
 12  
 21  
 Taxation paid  
**(35)**

(73)  
 (165)  
 (184)  
 Net cash inflow from operating activities from continuing operations  
**710**  
 611  
 1,186  
 1,144  
 Net cash outflow from operating activities from discontinued operations  
 -  
 15  
 -  
 (5)  
 Net cash inflow from operating activities  
**710**  
 626  
 1,186  
 1,139  
**Cash flows from investing activities**  
 Capital expenditure  
**(430)**  
 (350)  
 (706)  
 (664)  
 Expenditure on intangible assets  
**(2)**  
 (2)  
 (5)  
 (3)  
 Proceeds from disposal of tangible assets  
**2**  
 2  
 4  
 6  
 Other investments acquired  
**(32)**  
 (31)  
 (73)  
 (86)  
 Proceeds from disposal of other investments  
**28**  
 33  
 61  
 81  
 Investments in associates and joint ventures  
**(7)**  
 (4)  
 (11)  
 (11)  
 Proceeds from disposal of associates and joint ventures  
**10**

1	
10	
1	
Loans advanced to associates and joint ventures	
<b>(2)</b>	
(2)	
(4)	
(5)	
Loans repaid by associates and joint ventures	
-	
1	
-	
2	
Proceeds from disposal of subsidiaries and investments	
-	
812	
-	
812	
Cash in subsidiary disposed and transfers to held for sale	
-	
-	
-	
(2)	
Decrease (increase) in cash restricted for use	
<b>3</b>	
(10)	
8	
(17)	
Interest received	
<b>5</b>	
12	
14	
25	
Net cash (outflow) inflow from investing activities from continuing operations	
<b>(425)</b>	
462	
(702)	
139	
Net cash outflow from investing activities from discontinued operations	
-	
(10)	
-	
(59)	
Net cash (outflow) inflow from investing activities	
<b>(425)</b>	
452	
(702)	
80	
<b>Cash flows from financing activities</b>	
Proceeds from borrowings	
<b>585</b>	

231
787
421
Repayment of borrowings
<b>(1,004)</b>
(1,076)
(1,333)
(1,288)
Finance costs paid
<b>(87)</b>
(132)
(172)
(251)
Bond settlement premium, RCF and bond transaction costs
<b>(30)</b>
(61)
(30)
(61)
Dividends paid
<b>(9)</b>
(2)
(15)
(5)
Net cash outflow from financing activities from continuing operations
<b>(545)</b>
(1,040)
(763)
(1,184)
Net cash outflow from financing activities from discontinued operations
-
-
-
(2)
Net cash outflow from financing activities
<b>(545)</b>
(1,040)
(763)
(1,186)
<b>Net (decrease) increase in cash and cash equivalents</b>
<b>(260)</b>
38
(279)
33
Translation
<b>5</b>
(13)
10
(17)
Cash and cash equivalents at beginning of period
<b>470</b>
459

484
468
<b>Cash and cash equivalents at end of period</b>
<b>215</b>
484
215
484
<b>Cash generated from operations</b>
Profit before taxation
<b>157</b>
155
269
257
Adjusted for:
Movement on non-hedge derivatives and other commodity contracts
<b>(50)</b>
5
(19)
7
Amortisation of tangible assets
<b>440</b>
387
789
737
Finance costs and unwinding of obligations
<b>83</b>
114
180
245
Environmental, rehabilitation and other expenditure
<b>(15)</b>
(41)
(13)
(56)
Special items
<b>38</b>
74
44
60
Amortisation of intangible assets
<b>5</b>
19
20
40
Fair value adjustment on \$1.25bn bonds
<b>(34)</b>
(132)
(9)
(66)
Interest received
<b>(11)</b>

(14)	
(22)	
(28)	
Share of associates and joint ventures' (loss) profit	
<b>9</b>	
(29)	
(11)	
(88)	
Other non-cash movements	
<b>56</b>	
36	
150	
53	
Movements in working capital	
<b>26</b>	
61	
(76)	
89	
<b>704</b>	
635	
1,302	
1,250	
<b>Movements in working capital</b>	
(Increase) decrease in inventories	
<b>(15)</b>	
65	
(48)	
99	
(Increase) decrease in trade and other receivables	
<b>(82)</b>	
36	
(131)	
108	
Decrease (increase) in trade, other payables and deferred income	
<b>123</b>	
(40)	
103	
(118)	
<b>26</b>	
61	
(76)	
89	

*Rounding of figures may result in computational discrepancies.*

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**Group statement of changes in equity**

**Share**

**Cash**

**Available**

**Foreign**

**capital**

**Other**

**Accumu-**

**flow**

**for**

**Actuarial**

**currency**

**Non-**

**and**

**capital**

**lated**

**hedge**

**sale**

**(losses)**

**translation**

**controlling**

**Total**

**US Dollar million**

**premium**

**reserves**

**losses**

**reserve**

**reserve**

**gains**

**reserve**

**Total**

**interests**

**equity**

**Balance at 31 December 2014**

7,041

132

(3,109)

(1)

17

(40)

(1,195)

2,845

26

2,871

Loss for the period

(85)

(85)

15

(70)

Other comprehensive income (loss)

1



(7)  
 14  
 (371)  
 (363)  
 (363)  
 Total comprehensive income (loss)  
 - 1 (85) - (7) 14 (371) (448) 15 (433)  
 Shares issued  
 25  
 25  
 25  
 Share-based payment for share awards  
 net of exercised  
 8  
 8  
 8  
 Dividends of subsidiaries  
 -  
 (4)  
 (4)  
 Translation  
 (24) 20  
 (3)  
 7  
 -  
 -  
**Balance at 31 December 2015**  
 7,066  
 117  
 (3,174)  
 (1)  
 7  
 (19)  
 (1,566)  
 2,430  
 37  
 2,467  
**Balance at 31 December 2015**  
**7,066**  
**117**  
**(3,174)**  
**(1)**  
**7**  
**(19)**  
**(1,566)**  
**2,430**  
**37**  
**2,467**  
 Profit for the period  
**63**  
**63**

17
80
Other comprehensive income (loss)
(1)
9
(2)
180
187
187
Total comprehensive income (loss)
- - 63 - 9 (2) 180 250 17 267
Shares issued
42
42
42
Share-based payment for share awards net of exercised
(7)
(7)
(7)
Dividends of subsidiaries
-
(15)
(15)
Transfer to reserves
(2)
2
-
-
Translation
7
(6)
1
(2)
-
-
-
<b>Balance at 31 December 2016</b>
7,108
117
(3,119)
(1)
17
(21)
(1,386)
2,715
39
2,754

*Rounding of figures may result in computational discrepancies.*

**Equity holders of the parent**

(1)

Foreign currency translation reserve includes an exchange difference of \$60 million reclassified on the repayment of a loan which was designated as part of the investment in subsidiary and \$53 million arising on preference shares cancelled.

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**Segmental**

reporting

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Reviewed

Audited

**Gold income**

South Africa

**593**

546

1,173

1,132

Continental Africa

**872**

805

1,663

1,724

Australasia

**336**

321

646

666

Americas

**558**

508

1,036

967

**2,359**

2,180

4,518

4,489

Equity-accounted investments included above

**(234)**

(210)

(433)

(474)

Continuing operations

**2,125**

1,970

4,085

4,015

Discontinued operations

-

24	
-	
137	
<b>2,125</b>	
1,994	
4,085	
4,152	
<b>Dec</b>	
<b>Dec</b>	
<b>Dec</b>	
<b>Dec</b>	
<b>2016</b>	
<b>2015</b>	
<b>2016</b>	
<b>2015</b>	
Unaudited	
Unaudited	
Reviewed	
Audited	
<b>By-product revenue</b>	
South Africa	
<b>10</b>	
18	
23	
38	
Continental Africa	
<b>2</b>	
1	
3	
3	
Australasia	
<b>1</b>	
1	
2	
2	
Americas	
<b>56</b>	
42	
110	
84	
<b>69</b>	
62	
139	
127	
Equity-accounted investments included above	
-	
-	
(1)	
-	
Continuing operations	
<b>69</b>	

62  
138  
127  
Discontinued operations  
-  
-  
-  
1  
**69**  
62  
138  
128  
**Dec**  
**Dec**  
**Dec**  
**Dec**  
**2016**  
**2015**  
**2016**  
**2015**  
Unaudited  
Unaudited  
Reviewed  
Audited  
**Gross profit**  
South Africa  
**80**  
16  
149  
42  
Continental Africa  
**155**  
138  
334  
377  
Australasia  
**50**  
59  
106  
142  
Americas  
**147**  
130  
283  
247  
Corporate and other  
**(6)**  
-  
(4)  
2  
**426**

343  
868  
810

Equity-accounted investments included above

**(14)**

(19)

(27)

(96)

Continuing operations

**412**

324

841

714

Discontinued operations

-

2

-

19

**412**

326

841

733

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Reviewed

Audited

**Capital expenditure**

South Africa

**106**

110

182

206

Continental Africa

**179**

171

291

315

Australasia

**71**

36

109

78

Americas

**135**

100

225

196

Corporate and other

**2**

3

4

4

Continuing operations

**493**

420

811

799

Discontinued operations

-

10

-

58

**493**

430

811

857

Equity-accounted investments included above

**(61)**

(68)

(100)

(131)

**432**

362

711

726

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

**Gold production**

South Africa

**481**

505

967

1,004

Continental Africa

**702**

716

1,321

1,435



Australasia

**269**

278

520

560

Americas

**431**

454

820

831

Continuing operations

**1,883**

1,953

3,628

3,830

Discontinued operations

-

19

-

117

**1,883**

1,972

3,628

3,947

**As at**

**As at**

**As at**

**Dec**

**Dec**

**Dec**

**2016**

**2016**

**2015**

Reviewed

Reviewed

Audited

**Total assets**

South Africa

**1,818**

**1,818**

1,629

Continental Africa

**3,292**

**3,090**

3,121

Australasia

**804**

**804**

837

Americas

**1,277**

**1,273**

1,341

Corporate and other

**169**

**168**

356

**7,153**

**7,153**

7,284

*Rounding of figures may result in computational discrepancies.*

**oz (000)**

**Year ended**

**Year ended**

AngloGold Ashanti's operating segments are being reported based on the financial information provided to the Chief Executive Officer

and the Executive Committee, collectively identified as the Chief Operating Decision Maker (CODM). Individual members of the

Executive Committee are responsible for geographic regions of the business.

**Six months ended**

**Six months ended**

**US Dollar million**

**Six months ended**

**Year ended**

**US Dollar million**

**Six months ended**

**Year ended**

**US Dollar million**

**US Dollar million**

**Six months ended**

**Year ended**

**US Dollar million**

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**Notes  
for the six months and year ended 31 December 2016**

**1.  
Basis of preparation**

The financial statements in this report have been prepared in accordance with the historic cost convention except for certain financial instruments which are stated at fair value. The group's accounting policies used in the preparation of these financial statements are in terms of the JSE Listings Requirements and are consistent with those used in the annual financial statements for the year ended 31 December 2016. They are also consistent with those used for the year ended 31 December 2015 as no new standards were adopted during 2016.

The financial statements of AngloGold Ashanti have been prepared in compliance with the framework concepts and the measurement and recognition requirements of IFRS, IAS 34, IFRS as issued by the International Accounting Standards Board, the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, JSE Listings Requirements and in the manner required by the South African Companies Act, 2008 (as amended) for the preparation of financial information of the group for the year ended 31 December 2016. These financial statements should be read in conjunction with the company's audited consolidated financial statements and the notes thereto as at and for the year ended 31 December 2015.

Based on materiality, certain comparatives have been aggregated.

**2. Revenue**  
**Six months ended**  
**Year ended**  
**Dec**  
**Dec**  
**Dec**  
**Dec**  
**2016**  
**2015**  
**2016**  
**2015**  
 Unaudited  
 Unaudited  
 Reviewed  
 Audited  
**US Dollar million**  
 Gold income  
**2,125**

1,970  
 4,085  
 4,015  
 By-products (note 3)  
**69**  
 62  
 138  
 127  
 Royalties received (note 5)  
**8**  
 2  
 9  
 4  
 Interest received  
**11**  
 14  
 22  
 28  
**2,213**  
 2,048  
 4,254  
 4,174

**3.**  
**Cost of sales**  
**Six months ended**  
**Year ended**

**Dec**  
**Dec**  
**Dec**  
**Dec**  
**2016**  
**2015**  
**2016**  
**2015**

Unaudited  
 Unaudited  
 Reviewed  
 Audited

**US Dollar million**  
 Cash operating costs

**1,324**  
 1,249  
 2,444  
 2,493  
 By-products revenue (note 2)  
**(69)**  
 (62)  
 (138)  
 (127)  
**1,255**

1,187

2,306

2,366

Royalties

**56**

47

105

100

Other cash costs

**12**

13

24

27

Total cash costs

**1,323**

1,247

2,435

2,493

Retrenchment costs

**9**

4

14

11

Rehabilitation and other non-cash costs

**15**

(19)

43

(10)

Amortisation of tangible assets

**440**

387

789

737

Amortisation of intangible assets

**5**

19

20

40

Inventory change

**(29)**

3

(38)

23

**1,763**

1,641

3,263

3,294

*Rounding of figures may result in computational discrepancies*

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**4.**

**Other operating expenses**

**Six months ended**

**Year ended**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Reviewed

Audited

**US Dollar million**

Pension and medical defined benefit provisions

**22**

13

25

18

Governmental fiscal claims and care and maintenance of old tailings operations

**8**

5

14

7

Care and maintenance costs

**33**

32

70

67

Other expenses

**1**

3

1

4

**64**

53

110

96

**5. Special**

**items**

**Six months ended**

**Year ended**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Reviewed

Audited

**US Dollar million**

Net impairment and derecognition of assets

**2**

16

3

20

Net profit on disposal of assets

**(4)**

(1)

(4)

(1)

Royalties received (note 2)

**(8)**

(2)

(9)

(4)

Indirect tax recoveries

**(5)**

(7)

(2)

(20)

Legal fees and other costs (recoveries) related to contract termination and settlement

**8**

1

11

(1)

Write-down of inventory

**12**

5

12

11

Retrenchment and related costs

**1**

2

1

4

Repurchase premium and costs on settlement of the \$1.25bn bonds (note 14)

**30**

61

30

61

Other

-

1

-

1

**36**

76

42

71

**6.**

**Finance costs and unwinding of obligations**

**Six months ended**

**Year ended**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Reviewed

Audited

**US Dollar million**

Finance costs

**72**

103

158

223

Unwinding of obligations and accretion of convertible bonds

**11**

11

22

22

**83**

114

180

245

**7.**

**Share of associates and joint ventures' (loss) profit**

**Six months ended**

**Year ended**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**



Unaudited

Unaudited

Reviewed

Audited

**US Dollar million**

Revenue

**235**

217

441

489

Operating costs, special items and other expenses

**(244)**

(213)

(446)

(415)

Net interest (paid) received

**(1)**

4

3

7

(Loss) profit before taxation

**(10)**

8

(2)

81

Taxation

**5**

(3)

7

(17)

(Loss) profit after taxation

**(5)**

5

5

64

Net (impairment) reversal of investments in associates and joint ventures

**(4)**

24

6

24

**(9)**

29

11

88

*Rounding of figures may result in computational discrepancies*

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**8. Taxation**

**Six months ended**

**Year ended**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Reviewed

Audited

**US Dollar million**

**South African taxation**

Non-mining tax

**1**

(12)

1

1

Prior year over provision

**(3)**

(8)

(3)

(14)

**Deferred taxation**

Temporary differences

**1**

(17)

7

(41)

Prior year under provision

**23**

-

25

-

Unrealised non-hedge derivatives and other commodity contracts

**15**

(2)

5

(2)

Impairment and disposal of tangible assets

-

(1)

-

(1)

Change in estimated deferred tax rate

-

(15)

-

(15)

**37**

(55)

35

(72)

**Foreign taxation**

Normal taxation

**137**

110

246

214

Prior year over provision

**(5)**

(9)

(10)

(9)

**Deferred taxation**

Temporary differences

**(14)**

45

(65)

73

Prior year (over) under provision

**(17)**

5

(17)

5

**101**

151

154

283

**138**

96

189

211

**9. Headline**

**earnings**

**(loss)**

**Six months ended**

**Year ended**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Reviewed

Audited

**US Dollar million**

The profit (loss) attributable to equity shareholders has been adjusted by the following to arrive at headline earnings (loss):

Profit (loss) attributable to equity shareholders

**11**

58

63

(85)

Net impairment (reversal) and derecognition of assets

**1**

(3)

(16)

2

Net loss (profit) on disposal of assets

**5**

(3)

4

9

Special items of associates and joint ventures

-

3

-

3

Exchange loss on foreign currency translation reserve release

-

-

60

-

Taxation

**1**

-

-

(2)

**Headline earnings (loss)**

**18**

55

111

(73)

Headline earnings (loss) per ordinary share (cents)

(1)

**4**

13

27

(18)

Diluted headline earnings (loss) per ordinary share (cents)

(2)

**4**

13

27

(18)

(1)

Calculated on the basic weighted average number of ordinary shares.

(2)

Calculated on the diluted weighted average number of ordinary shares.

**10. Number of shares**

**Six months ended**

**Year ended**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Reviewed

Audited

Authorised number of shares:

Ordinary shares of 25 SA cents each

**600,000,000**

600,000,000

600,000,000

600,000,000

A redeemable preference shares of 50 SA cents each

**2,000,000**

2,000,000

2,000,000

2,000,000

B redeemable preference shares of 1 SA cent

each

**5,000,000**

5,000,000

5,000,000

5,000,000

C redeemable preference shares at no par value

(1)

**30,000,000**

-

30,000,000

-

Issued and fully paid number of shares:

Ordinary shares in issue

**408,223,760**

405,265,315

408,223,760

405,265,315

A redeemable preference shares

**2,000,000**

2,000,000

2,000,000

2,000,000

B redeemable preference shares

**778,896**

778,896

778,896

778,896

In calculating the basic and diluted number of ordinary shares outstanding for the period, the following were taken into consideration:

Ordinary shares

**408,169,347**

405,061,482

407,519,542

404,747,625

Fully vested options

**3,334,117**

4,273,313

5,065,500

4,859,233

Weighted average number of shares

**411,503,464**

409,334,795

412,585,042

409,606,858

Dilutive potential of share options

**2,056,495**

1,749,651

2,121,358

-

Diluted number of ordinary shares

**413,559,959**

411,084,446

414,706,400

409,606,858

(1)

At the annual general meeting on 4 May 2016, the shareholders approved an increase to the authorised share capital of the company by the creation of 30,000,000 new C redeemable preference shares of no par value. As at 31 December 2016, no C redeemable preferences shares have been issued.

*Rounding of figures may result in computational discrepancies*

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**11. Share capital and premium**

**As at**

**Dec**

**Dec**

**2016**

**2015**

Reviewed

Audited

**US Dollar Million**

Balance at beginning of period

**7,119**

7,094

Ordinary shares issued

**42**

25

Sub-total

**7,161**

7,119

Redeemable preference shares held within the group

**(53)**

(53)

Balance at end of period

**7,108**

7,066

**12. Exchange**

**rates**

**Dec**

**Dec**

**2016**

**2015**

Unaudited

Unaudited

ZAR/USD average for the year

**14.68**

12.77

ZAR/USD average for the quarter

**13.90**

14.22

ZAR/USD average for the half year to date

**13.98**

13.61

ZAR/USD closing

**13.73**

15.46

AUD/USD average for the year

**1.35**

1.33

AUD/USD average for the quarter

**1.34**

1.39

AUD/USD average for the half year to date

**1.33**

1.38

AUD/USD closing

**1.39**

1.37

BRL/USD average for the year

**3.48**

3.33

BRL/USD average for the quarter

**3.29**

3.84

BRL/USD average for the half year to date

**3.27**

3.69

BRL/USD closing

**3.26**

3.90

ARS/USD average for the year

**14.78**

9.26

ARS/USD average for the quarter

**15.46**

10.13

ARS/USD average for the half year to date

**15.20**

9.69

ARS/USD closing

**15.89**

12.96

### **13. Capital commitments**

**Dec**

**Dec**

**2016**

**2015**

Reviewed

Audited

#### **US Dollar Million**

Orders placed and outstanding on capital contracts at the prevailing rate of exchange

(1)

**58**

61

(1)

Includes the group's attributable share of capital commitments relating to associates and joint ventures.

#### **Liquidity and capital resources**

To service the above capital commitments and other operational requirements, the group is dependent on existing cash resources, cash generated from operations and borrowing facilities.

Cash generated from operations is subject to operational, market and other risks. Distributions from operations may be



subject to foreign investment, 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.

The credit facilities and other finance arrangements contain financial covenants and other similar undertakings. To the extent that external borrowings are required, the group's covenant performance indicates that existing financing facilities will be available to meet the above commitments. To the extent that any of the financing facilities mature in the near future, the group believes that sufficient measures are in place to ensure that these facilities can be refinanced.

**14.**

**Financial risk management activities**

**Borrowings**

The rated bonds are carried at amortised cost and their fair values are their closing market values at the reporting date which results in the difference noted in the table below. The interest rate on the remaining borrowings is reset on a short-term floating rate basis and accordingly the carrying amount is considered to approximate the fair value.

**As at**

**Dec 2016**

Reviewed

**Dec 2015**

Audited

**US Dollar Million**

Carrying amount

**2,178**

2,737

Fair value

**2,203**

2,425

*Rounding of figures may result in computational discrepancies*

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**Derivatives**

The fair value of derivatives is estimated based on ruling market prices, volatilities, interest rates and credit risk and includes all

derivatives carried in the statement of financial position.

Embedded derivatives are included as derivatives on the statement of financial position.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1:

quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2:

inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3:

inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables set out the group's financial assets and liabilities measured at fair value by level within the fair value

hierarchy:

**Type of instrument**

**Level 1 Level 2 Level 3 Total**

**Level 1 Level 2 Level 3 Total**

**US Dollar million**

**Dec 2016**

**Dec 2015**

**Reviewed**

**Audited**

**Assets measured at fair value**

*Available-for-sale financial assets*

Equity securities

**51**

-

-

**51**

30

-

-

30

On 28 June 2016, AngloGold Ashanti announced that its wholly owned subsidiary, AngloGold Ashanti Holdings plc, was

compelling the surrender following the notice to buy back the remaining principal amount of its outstanding 8.5% high-yield bonds

that mature in May 2020, as part of its strategy to reduce debt and lower finance charges. On 1 August 2016, the remaining

portions of the notes were settled for a total consideration of \$503m consisting of a \$471m principal payment, a surrender

premium of \$30m and interest of \$2m.

**Environmental obligations**

Pursuant to environmental regulations in the countries in which we operate, we are obligated to close our operations and

rehabilitate the lands which we mine in accordance with these regulations. As a consequence AngloGold Ashanti is required in

some circumstances to provide either reclamations bonds issued by third party entities, establish independent trust funds or

provide guarantees issued by the operation, to the respective environmental protection agency or such other government department with responsibility for environmental oversight in the respective country to cover the potential environmental rehabilitation obligation in specified amounts.

In most cases, the environmental obligations will expire on completion of the rehabilitation although in some cases we are required to potentially post bonds for events unknown that may arise after the rehabilitation has been completed. In South Africa we have established a trust fund which has assets of ZAR 1.36bn and guarantees of ZAR 1.82bn issued by various banks, for a current carrying value of the liability of ZAR 1.29bn. In Australia, since 2014, we have paid into a Mine Rehabilitation Fund an amount of AUD \$3m for a current carrying value of the liability of AUD \$98.9m. At Iduapriem we have provided a bond comprising of a cash component of \$9.8m with a further bond guarantee amounting to \$33.9m issued by Ecobank Ghana Limited and Barclays Ghana Limited for a current carrying value of the liability of \$43.9m. At Obuasi we have provided a bond comprising of a cash component of \$20.2m with a further bank guarantee amounting to \$31.7m issued by Nedbank Limited for a current carrying value of the liability of \$216.2m. In some circumstances we may be required to post further bonds in due course which will have a consequential income statement charge for the fees charged by the providers of the reclamation bonds.

## 15. Contingencies

AngloGold Ashanti's material contingent liabilities and assets at 31 December 2016 and 31 December 2015 are detailed below:

### Contingencies and guarantees

Dec

2016

Dec

2015

Reviewed

Audited

US Dollar million

### Contingent liabilities

ODMWA litigation

(1)

-

-

Litigation – Ghana

(2) (3)

97

97

Other tax disputes – AngloGold Ashanti Brasil Mineração Ltda

(4)

24

22

VAT disputes – Mineração Serra Grande S.A.

(5)

**13**

11

Tax dispute - AngloGold Ashanti Colombia S.A.

(6)

**141**

128

Tax dispute - Cerro Vanguardia S.A.

(7)

**29**

32

Groundwater pollution

(8)

-

-

Deep groundwater pollution – Africa

(9)

-

-

**Contingent asset**

Indemnity – Kinross Gold Corporation

(10)

**(8)**

(7)

**296**

283

**Litigation claims**

(1)

Occupational Diseases in Mines and Works Act (ODMWA) litigation - On 3 March 2011, in Mankayi vs. AngloGold Ashanti,

the Constitutional Court of South Africa held that section 35(1) of the Compensation for Occupational Injuries and Diseases

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Act, 1993 does not cover an “employee” who qualifies for compensation in respect of “compensable diseases” under the Occupational Diseases in Mines and Works Act, 1973 (ODMWA). This judgement allows such qualifying employee to pursue a civil claim for damages against the employer. Following the Constitutional Court decision, AngloGold Ashanti and members of the working group (discussed below) have been subject to numerous claims relating to silicosis and other Occupational Lung Diseases (OLD), including several potential class actions and individual claims. In November 2014, Anglo American South Africa, AngloGold Ashanti, Gold Fields Limited, Harmony Gold Mining Company Limited and Sibanye Gold Limited formed an industry working group on OLD to address issues relating to compensation and medical care for occupational lung disease in the gold mining industry in South Africa. The working group now also includes African Rainbow Minerals (ARM). The working group remains of the view that achieving a comprehensive settlement which is both fair to past, present and future employees, and sustainable for the sector, is preferable to protracted litigation. The companies are among respondent companies in a number of lawsuits related to OLD. The companies do not believe that they are liable in respect of the claims brought, and they are defending these. They do, however, believe that they should work together to seek a solution to this South African mining industry legacy issue. The working group will continue with its efforts – which have been ongoing for more than two years – to find common ground with all stakeholders, including government, labour and the claimants’ legal representatives. AngloGold Ashanti, along with other mining companies including Anglo American South Africa, ARM, Gold Fields Limited, Harmony Gold Mining Company Limited, DRDGold Limited, Randgold and Exploration Company Limited, and Sibanye Gold Limited, were served with a consolidated class action application on 21 August 2013. On 13 May, 2016, the South Gauteng High Court of South Africa ruled in favour of the applicants and found that there were sufficient common issues to certify two industry-wide classes: a Silicosis Class and a Tuberculosis Class, each of which cover current and former underground mineworkers who worked in South African mines from 12 March 1965 and who have contracted the respective diseases (or the dependents of mineworkers who died of those diseases). The High Court ordered a two-stage process in the class action. The first stage is to resolve common issues and allow the individuals to opt out. The second stage will allow the individuals to opt in to the class to make their claims against the respondent mining companies. The High Court also decided that claims for general damages (i.e., pain and suffering and loss of amenities of life) will be transferable to the estate or executor of any deceased mineworker who dies after the date of filing of the certification application. On 3 June 2016, AngloGold Ashanti, together with certain of the other mining companies, filed an application with the High Court for leave to appeal to the Supreme Court of Appeal. Arguments in the application for leave to appeal were heard on 23 June 2016. On 24 June 2016, leave to appeal was (i) granted in respect of the issue of the transferability of deceased mineworkers’ claims for general damages but (ii) denied in respect of all other orders of the High Court. On 15 July 2016 AngloGold Ashanti,

along

with several other respondent companies, filed a petition with the Supreme Court of Appeal (SCA) for leave to appeal such

other orders of the High Court, and on 13 September 2016, the SCA granted the mining companies leave to appeal the entire

High Court ruling to the SCA.

It is possible that additional class actions and/or individual claims relating to silicosis and/or other OLD will be filed against

AngloGold Ashanti in the future. AngloGold Ashanti will defend all current and subsequently filed claims on their merits.

Should AngloGold Ashanti be unsuccessful in defending any such claims, or in otherwise favourably resolving perceived

deficiencies in the national occupational disease compensation framework that were identified in the earlier decision by the

Constitutional Court, such matters would have an adverse effect on its financial position, which could be material.

Given the

inherent legal and factual uncertainties with respect to the pending claims and other claims not yet filed against the company,

no reliable estimate can be made for the obligation.

(2)

Litigation -

On 11 October 2011, AngloGold Ashanti (Ghana) Limited (AGAG) terminated Mining and Building Contractors Limited's (MBC) underground development agreement, construction on bulkheads agreement and diamond drilling agreement at Obuasi mine. The parties reached agreement on the terms of the separation and concluded a separation agreement on 8 November 2012. On 20 February 2014, AGAG was served with a writ issued by MBC claiming a total of

\$97m. In December 2015, the proceedings were stayed in the High Court pending arbitration. In February 2016, MBC submitted the matter to arbitration and the parties await the constitution of the tribunal.

(3)

Litigation - AGAG received a summons on 2 April 2013 from Abdul Waliyu and 152 others in which the plaintiffs allege that

they were or are residents of the Obuasi municipality or its suburbs and that their health has been adversely affected by

emission and/or other environmental impacts arising in connection with the current and/or historical operations of the Pompora Treatment Plant (PTP), which was decommissioned in 2000. The plaintiffs' alleged injuries include respiratory

infections, skin diseases and certain cancers. The plaintiffs subsequently did not timely file their application for directions,

but AGAG intends to allow some time to pass prior to applying to have the matter struck out for want of prosecution.

On 24

February 2014, executive members of the PTP (AGAG) Smoke Effect Association (PASEA), sued AGAG by themselves and

on behalf of their members (undisclosed number) on grounds similar to those discussed above, as well as economic hardships as a result of constant failure of their crops. This matter has been adjourned indefinitely. In view of the limitation of

current information for the accurate estimation of a liability, no reliable estimate can be made for AGAG's obligation in either

matter.

#### **Tax claims**

(4)

Other tax disputes -

In November 2007, the Departamento Nacional de Produção Mineral (DNPM), a Brazilian federal mining authority, issued a tax assessment against AngloGold Ashanti Brazil Mineração Ltda (AABM) relating to the calculation and

payment by AABM of the financial contribution on mining exploitation in the period from 1991 to 2006. In 2016, a partial

settlement with the Brazilian tax authority reduced this assessment to \$9 million (2015: \$11 million). AngloGold Ashanti

Limited's subsidiaries 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 \$15 million (2015: \$11 million). Management is of the opinion that these taxes are not payable.

(5) VAT disputes - Mineração Serra Grande S.A. (MSG) received a tax assessment in October 2003 from the State of Minas

Gerais related to VAT on gold bullion transfers. The tax administrators rejected the company's appeal against the assessment. The company is now appealing the dismissal of the case to the State Court of Minas Gerais. The assessment is

approximately \$13m (2015: \$11m).

(6) Tax dispute - In January 2013, AngloGold Ashanti Colombia S.A. (AGAC) received notice from the Colombian Tax Office

(DIAN) that it disagreed with the company's tax treatment of certain items in the 2010 and 2011 income tax returns.

On 23

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October 2013, AGAC received the official assessments from the DIAN which established that an estimated additional tax of \$21m (2015: \$20m) will be payable if the tax returns are amended. Penalties and interest for the additional taxes are expected to be \$120m (2015: \$108m). The company believes that the DIAN has applied the tax legislation incorrectly. AGAC subsequently challenged the DIAN's ruling by filing lawsuits in March 2015 and April 2015 before the Administrative Tribunal of Cundinamarca (trial court for tax litigation). On 8 July 2016, the tribunal held initial procedural hearings on the 2010 and 2011 tax disputes, and the litigation is proceeding.

(7) Tax dispute - On 12 July 2013, Cerro Vanguardia S.A. (CVSA) received a notification from the Argentina Tax Authority (AFIP) requesting corrections to the 2007, 2008 and 2009 income tax returns of about \$7m (2015: \$8m) relating to the non-deduction of tax losses previously claimed on hedge contracts. The AFIP is of the view that the financial derivatives could not be considered as hedge contracts, as hedge contract losses could only be offset against gains derived from the same kind of hedging contracts. Penalties and interest on the disputed amounts are estimated at a further \$22m (2015: \$24m). CVSA and AFIP have corresponded on this issue over the past several years and while management is of the opinion that the taxes are not payable, the government continues to assert its position regarding the use of the financial derivatives. CVSA filed an appeal with the Tax Court on 19 June 2015, and the matter is proceeding.

**Other**

(8) Groundwater pollution - AngloGold Ashanti 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 group 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 improvements in some instances. Furthermore, literature reviews, field trials and base line modelling techniques suggest, but have 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 reliable estimate can be made for the obligation.

(9) Deep groundwater pollution - The group has identified potential water ingress and future pollution risk posed by deep groundwater in certain underground mines in Africa. Various studies have been undertaken by AngloGold Ashanti since 1999 to understand this potential risk. In South Africa, 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 Mineral and Petroleum Resources Development Act (MPRDA) requires that the affected mining companies develop a Regional Mine Closure Strategy to be approved by the Department of Mineral Resources. In view of the limitation of current information for the accurate estimation of a liability, no reliable estimate can be made for the obligation.



**Contingent asset**

(10) Indemnity - As part of the acquisition by AngloGold Ashanti of the remaining 50% interest in MSG during June 2012, Kinross

Gold Corporation (Kinross) has provided an indemnity to a maximum amount of BRL255m against the specific exposures

discussed in item 5 above. At 31 December 2016, the company has estimated that the maximum contingent asset is \$8m

(2015: \$7m).

**16. Borrowings**

AngloGold Ashanti's borrowings are interest bearing.

**17. Announcements**

**AngloGold Ashanti Holdings plc announced satisfaction of the conditions for the redemption of all its outstanding**

**8.500% notes due 2020** – On 27 July 2016 AngloGold Ashanti Holdings plc (the “Company”) announced that it had borrowed

\$330,000,000 under the Company's \$1,000,000,000 revolving credit facility which, together with available cash, would be used to

pay the redemption price of any additional amounts payable on and any accrued and unpaid interest on all of its outstanding

8.500% Notes due 2020.

**AngloGold Ashanti announces a change to the Board of Directors** – In compliance with paragraph 3.59 of the Listings

Requirements of the JSE Limited, on 2 December 2016 AngloGold Ashanti announced the appointment of Sindiswa Zilwa as an

Independent Non-Executive Director to its Board of Directors with effect from 1 April 2017.

**18. Dividends**

The directors of AngloGold Ashanti Limited (Registration Number 1944/017354/06) declared **Dividend No. 118** for the year ended

31 December 2016 as detailed below. In terms of the withholding tax on dividends which became effective on 1 April 2012, the

following additional information is disclosed:

Dividends have been declared out of total reserves

Rate of dividend declared per ordinary share in South African cents (Gross)

130.00

Dividends tax rate applicable to shareholders liable to pay the dividend tax

15%

Rate in South African cents (Net) where dividend tax at 15% is payable on payment date

110.50

The issued ordinary share capital of AngloGold Ashanti at the date of declaration is

408,240,815

AngloGold Ashanti's tax reference number

9640006608

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In compliance with the requirements of Strate, given the Company's primary listing on the JSE, the salient dates for payment of the dividend are as follows:

**To holders of ordinary shares and to holders of CHESSE Depository Interests (CDIs)**

Each CDI represents one-fifth of an ordinary share.

**2017**

Currency conversion date for Australian dollars and Ghanaian cedis

Monday, 13 March

Last date to trade ordinary shares cum dividend

Monday, 20 March

Last date to register transfers of certificated securities cum dividend

Monday, 20 March

Ordinary shares trade ex-dividend

Wednesday, 22 March

Record date

Friday, 24 March

Payment date

Friday, 7 April

Dividends in respect of dematerialised shareholdings will be credited to shareholders' accounts with the relevant CSDP or broker.

To comply with further requirements of Strate, share certificates may not be dematerialised or rematerialised between Wednesday, 22 March 2017 and Friday, 24 March 2017, both days inclusive. No transfers between the South African, Australian

and Ghana share registers will be permitted between Monday, 13 March 2017 and Friday, 24 March 2017, both days inclusive.

**To holders of American Depository Shares**

Each American Depository Share (ADS) represents one ordinary share.

**2017**

Ex dividend on New York Stock Exchange

Wednesday, 22 March

Record date

Friday, 24 March

Approximate date for currency conversion

Friday, 7 April

Approximate payment date of dividend

Monday, 17 April

Assuming an exchange rate of R13.1000/\$, the gross dividend payable per ADS, which is subject to a 15% South African

withholding tax, is equivalent to 10 US cents. However the actual rate of payment will depend on the exchange rate on the date

for currency conversion.

**To holders of Ghanaian Depository Shares (GhDSs)**

100 GhDSs represent one ordinary share.

**2017**

Last date to trade and to register GhDSs cum dividend

Friday, 17 March

GhDSs trade ex-dividend

Wednesday, 22 March

Record date

Friday, 24 March

Approximate payment date of dividend

Monday, 10 April

Assuming an exchange rate of R1/¢0.33843, the gross dividend payable per share, which is subject to a 15% South African withholding tax, is equivalent to 0.43995 cedis. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion.

By order of the Board

**SM PITYANA**  
**KC RAMON**  
Chairman  
Chief Financial Officer

**S VENKATAKRISHNAN**  
Chief Executive Officer

20 February 2017

20 February 2017

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**Non-GAAP disclosure**

**A**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Unaudited

Unaudited

Headline earnings (loss) (note 9)

**18**

55

111

(73)

(Loss) gain on unrealised non-hedge derivatives and other commodity contracts

**(49)**

5

(18)

7

Deferred tax on unrealised non-hedge derivatives and other commodity contracts (note 8)

**15**

(2)

5

(2)

Impairment of deferred tax assets included in discontinued operations

-

-

-

121

Fair value adjustment on \$1.25bn bonds

**(34)**

(132)

(9)

(66)

Repurchase premium on settlement of \$1.25bn bonds (note 5)

**30**

61

30

61

Provision for losses and impairments / reversals in associates

**4**

1

24

1

Adjusted headline (loss) earnings

**(16)**

(12)

143

49

Allocated as follows:

Continuing operations

**(16)**

(13)

143

34

Discontinued operations

-

1

-

15

Adjusted headline (loss) earnings per ordinary share (cents)

(1)

- Continuing and discontinued operations

**(4)**

(3)

35

12

(1)

Calculated on the basic weighted average number of ordinary shares.

**B**

**Price received - continuing operations**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Unaudited

Unaudited

Gold income (note 2)

**2,125**

1,970

4,085

4,015

Adjusted for non-controlling interests

**(42)**

(29)

(83)

(61)

**2,083**

1,941

4,002
3,954
Realised gain on other commodity contracts
<b>10</b>
8
19
17
Associates and joint ventures' share of gold income including realised non-hedge derivatives
<b>234</b>
210
433
474
Attributable gold income including realised non-hedge derivatives
<b>2,327</b>
2,159
4,454
4,445
Attributable gold sold - oz (000)
<b>1,827</b>
1,940
3,567
3,838
Price received per unit - \$/oz
<b>1,274</b>
1,113
1,249
1,158

*Rounding of figures may result in computational discrepancies.*

**Year ended**

From time to time AngloGold Ashanti Limited may publicly disclose certain "Non-GAAP" financial measures in the course of its financial presentations, earnings releases, earnings conference calls and otherwise. Set out below are measures extracted from financial information regularly presented to the Chief Operating Decision Maker (Executive Committee).

The group uses certain Non-GAAP performance measures and ratios in managing the business and may provide users of this financial information with additional meaningful comparisons between current results and results in prior operating periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, the reported operating results or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures that other companies use.

**US Dollar million**

**US Dollar million**

**Year ended**

**Adjusted headline (loss) earnings**

**Six months ended**

**Six months ended**

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**C**

**All-in sustaining costs and All-in costs**

**1**

**- continuing operations**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Unaudited

Unaudited

Cost of sales (note 3)

**1,763**

1,641

3,263

3,294

Amortisation of tangible and intangible assets (note 3)

**(445)**

(406)

(809)

(777)

Adjusted for decommissioning amortisation

**5**

7

9

13

Corporate administration and marketing related to current operations

**31**

32

59

78

Associates and joint ventures' share of costs

**161**

133

295

270

Inventory writedown to net realisable value and other stockpile adjustments

**12**

6

13

12

Sustaining exploration and study costs

**34**

34

70



62
Total sustaining capex
<b>421</b>
336
695
629
<b>All-in sustaining costs</b>
<b>1,982</b>
1,783
3,595
3,581
Adjusted for non-controlling interests and non-gold producing companies
<b>(31)</b>
(27)
(58)
(64)
<b>All-in sustaining costs adjusted for non-controlling interests and non-gold producing companies</b>
<b>1,951</b>
1,756
3,537
3,517
Adjusted for stockpile write-offs
<b>(17)</b>
(15)
(18)
(23)
<b>All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>
<b>1,934</b>
1,741
3,519
3,494
<b>All-in sustaining costs</b>
<b>1,982</b>
1,783
3,595
3,581
Non-sustaining project capital expenditure
<b>71</b>
84
116
169
Technology improvements
<b>8</b>
8
14
16
Non-sustaining exploration and study costs
<b>33</b>
35

56
62
Care and maintenance (note 4)
<b>33</b>
32
70
67
Corporate and social responsibility costs not related to current operations
<b>31</b>
18
40
26
<b>All-in costs</b>
<b>2,158</b>
1,960
3,891
3,921
Adjusted for non-controlling interests and non -gold producing companies
<b>(30)</b>
(23)
(53)
(55)
<b>All-in costs adjusted for non-controlling interests and non-gold producing companies</b>
<b>2,128</b>
1,937
3,838
3,866
Adjusted for stockpile write-offs
<b>(17)</b>
(15)
(18)
(23)
<b>All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>
<b>2,111</b>
1,922
3,820
3,843
Gold sold - oz (000)
<b>1,827</b>
1,940
3,567
3,838
All-in sustaining cost (excluding stockpile write-offs) per unit - \$/oz
<b>1,058</b>
897
986
910
All-in cost per unit (excluding stockpile write-offs) - \$/oz
<b>1,155</b>

991

1,071

1,001

1

Refer to the Supplementary report for Summary of Operations by Mine

**D**

**Total cash costs**

**2**

**- continuing operations**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Unaudited

Unaudited

Total cash costs (note 3)

**1,323**

1,247

2,435

2,493

Adjusted for non-controlling interests, non-gold producing companies and other

**(23)**

(18)

(41)

(42)

Associates and joint ventures' share of total cash costs

**156**

130

289

267

**Total cash costs adjusted for non-controlling interests**

**and non-gold producing companies**

**1,456**

1,359

2,683

2,718

Gold produced - oz (000)

**1,867**

1,946

3,606

3,818

Total cash cost per unit - \$/oz

**780**

699

744

712

2

Refer to the Supplementary report for Summary of Operations by Mine

*Rounding of figures may result in computational discrepancies.*

**Six months ended**

**Year ended**

**Year ended**

**Six months ended**

**US Dollar million / Imperial**

**US Dollar million / Imperial**

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33

**E**

**Adjusted EBITDA**

**3**

**- continuing operations**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Unaudited

Unaudited

Profit before taxation

**157**

155

269

257

Add back :

Finance costs and unwinding of obligations

**83**

114

180

245

Interest received

**(11)**

(14)

(22)

(28)

Amortisation of tangible and intangible assets

**445**

406

809

777

**Adjustments :**

Exchange loss (gain)

**5**

(4)

88

17

Fair value adjustment on issued bonds

**(34)**

(132)

(9)

(66)

Impairment and derecognition of assets

**2**

9

3	
14	
Write-down of stockpiles and heap leach to net realisable value and other stockpile adjustments	
<b>12</b>	
4	
12	
10	
Retrenchments and restructuring costs mainly at Obuasi	
<b>43</b>	
37	
84	
81	
Net profit on disposal of assets	
<b>(4)</b>	
(1)	
(4)	
(1)	
(Gain) loss on unrealised non-hedge derivatives and other commodity contracts	
<b>(49)</b>	
5	
(18)	
7	
Repurchase premium on settlement of \$1.25bn bonds	
<b>30</b>	
61	
30	
61	
Associates and joint ventures' net exceptional expense	
<b>8</b>	
(9)	
(11)	
(9)	
Associates and joint ventures' - adjustments for amortisation, interest, taxation and other	
<b>80</b>	
48	
137	
107	
<b>Adjusted EBITDA</b>	
<b>767</b>	
679	
1,548	
1,472	
(1)	
EBITDA (as adjusted) and prepared in terms of the formula set out in the Revolving Credit Agreements.	
<b>F</b>	
<b>Interest cover</b>	
<b>Dec</b>	
<b>Dec</b>	
<b>Dec</b>	

**Dec**  
**2016**  
**2015**  
**2016**  
**2015**  
 Unaudited  
 Unaudited  
 Unaudited  
 Unaudited  
 Adjusted EBITDA (note E)

**767**  
 679  
 1,548  
 1,472  
 Finance costs (note 6)

**72**  
 103  
 158  
 223  
 Interest cover - times

**11**  
 7  
 10  
 7

**G**  
**Free cash flow**

**Dec**  
**Dec**  
**Dec**  
**Dec**  
**2016**  
**2015**  
**2016**  
**2015**  
 Unaudited  
 Unaudited  
 Unaudited  
 Unaudited  
 Net cash inflow from operating activities

**710**  
 626  
 1,186  
 1,139  
 Net investing activities

**(425)**  
 452  
 (702)  
 80  
 Finance costs (note 6)  
**(72)**  
 (103)

(158)

(223)

Movements in restricted cash

**(3)**

9

(8)

17

Acquisitions, disposals and other

**(40)**

(874)

(40)

(872)

Free cash flow

**170**

110

278

141

**H**

**Net asset value - cents per share**

**As at**

**As at**

**As at**

**As at**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Unaudited

Unaudited

Total equity

**2,754**

2,467

**2,754**

2,467

Number of ordinary shares in issue - million (note 10)

**408**

405

**408**

405

Net asset value - cents per share

**675**

609

**675**

609

Total equity



**2,754**

2,467

**2,754**

2,467

Intangible assets

**(145)**

(161)

**(145)**

(161)

**2,609**

2,306

**2,609**

2,306

Number of ordinary shares in issue - million (note 10)

**408**

405

**408**

405

Net tangible asset value - cents per share

**639**

569

**639**

569

**I**

**Net debt**

**As at**

**As at**

**As at**

**As at**

**Dec**

**Dec**

**Dec**

**Dec**

**2016**

**2015**

**2016**

**2015**

Unaudited

Unaudited

Unaudited

Unaudited

Borrowings - long-term portion

**2,144**

**2,637**

**2,144**

2,637

Borrowings - short-term portion

**34**

**100**

**34**

100

Total borrowings	
<b>2,178</b>	
<b>2,737</b>	
<b>2,178</b>	
2,737	
Corporate office lease	
<b>(15)</b>	
<b>(15)</b>	
<b>(15)</b>	
(15)	
Unamortised portion of the convertible and rated bonds	
<b>23</b>	
<b>21</b>	
<b>23</b>	
21	
Cumulative fair value adjustment on \$1.25bn bonds	
-	
<b>(9)</b>	
-	
(9)	
Cash restricted for use	
<b>(55)</b>	
<b>(60)</b>	
<b>(55)</b>	
(60)	
Cash and cash equivalents	
<b>(215)</b>	
<b>(484)</b>	
<b>(215)</b>	
(484)	
Net debt	
<b>1,916</b>	
<b>2,190</b>	
<b>1,916</b>	
2,190	

*Rounding of figures may result in computational discrepancies.*

**Six months ended**  
**Six months ended**  
**Six months ended**  
**Year ended**  
**Year ended**  
**US Dollar million**  
**US Dollar million**  
**US Dollar million**  
**US Dollar million**  
**Year ended**

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**Administration and corporate information**

**A  
NGLO  
G  
OLD  
A  
SHANTI  
L  
IMITED**

Registration No. 1944/017354/06  
Incorporated in the Republic of South Africa

**Share codes:**

ISIN: ZAE000043485  
JSE: ANG  
NYSE: AU  
ASX: AGG  
GhSE: (Shares) AGA  
GhSE: (GhDS) AAD

**JSE Sponsor:**

Deutsche Securities (SA) Proprietary Limited

**Auditors:** Ernst & Young Inc.

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**Directors**

***Executive***

S Venkatakrishnan\*

§

(Chief Executive Officer)

KC Ramon

^

(Chief Financial Officer)

***Non-Executive***

SM Pityana

^

(Chairman)

Prof LW Nkuhlu

^

(Lead Independent Director)

A Garner

#

R Gasant

^

DL Hodgson

^

NP January-Bardill

^

MJ Kirkwood\*

M Richter

#

RJ Ruston~

\* *British*

§

*Indian*

#

*American*

~ *Australian*

^

*South African*

***Officers***

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Governance and Company Secretary:

ME Sanz Perez

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AngloGold Ashanti posts information that is important to investors on the main page of its website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) and under the “Investors” tab on the main page. This information is updated regularly. Investors should visit this website to obtain important information about AngloGold Ashanti.

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+1 201 680 6825 (outside USA)  
E-mail:  
shrrelations@cpushareownerservices.com  
Website: www.mybnymdr.com

**Global BuyDIRECT**

**SM**

BoNY maintains a direct share purchase and dividend  
reinvestment plan for A

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G

OLD

A

SHANTI

.

Telephone: +1-888-BNY-ADRS

**Forward-looking  
statements**

Certain statements contained in this document, other than statements of historical fact, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, total cash costs, all-in sustaining costs, all-in costs, cost savings and other operating results, productivity improvements, growth prospects and outlook of AngloGold Ashanti's operations, individually or in the aggregate, including the achievement of project milestones, commencement and completion of commercial operations of certain of AngloGold Ashanti's exploration and production projects and the completion of acquisitions, dispositions or joint venture transactions, AngloGold Ashanti's liquidity and capital resources and capital expenditures and the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental health and safety issues, are forward-looking statements regarding AngloGold Ashanti's operations, economic performance and financial condition. These forward-looking statements or forecasts involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic, social and political and market conditions, the success of

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### **Non-GAAP financial measures**

This communication may contain certain "Non-GAAP" financial measures. AngloGold Ashanti utilises certain Non-GAAP performance measures and ratios in managing its business. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies may use. AngloGold Ashanti posts information that is important to investors on the main page of its website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) and under the "Investors" tab on the main page. This information is updated regularly. Investors should visit this website to obtain important information about AngloGold Ashanti. Preliminary Condensed Financial Information for the year ended 31 December 2016 - [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com)

**SIGNATURES**

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

AngloGold Ashanti Limited

Date: February 21, 2017

By:

/s/ M E SANZ PEREZ \_\_\_\_\_

Name: M E Sanz Perez

Title:

EVP: Group Legal, Commercial & Governance