ANGLOGOLD ASHANTI LTD
Form 20-F
May 31, 2011

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As filed with the Securities and Exchange Commission on May 31, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20-F

o REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934 OR

þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR

o SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2010
Commission file number: 1-14846
AngloGold Ashanti Limited
(Exact Name of Registrant as Specified in its Charter)
Republic of South Africa
(Jurisdiction of Incorporation or Organization)
76 Jeppe Street, Newtown, Johannesburg, 2001
(P.O. Box 62117, Marshalltown, 2107)
South Africa
(Address of Principal Executive Offices)

Lynda Eatwell, Company Secretary, Telephone: +27 11 6376128, Facsimile: +27 11 6376677
E-mail: leatwell@anglogoldashanti.com, 76 Jeppe Street, Newtown, Johannesburg, 2001, South Africa
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

Title of each class	Name of each exchange on which registered
American Depositary Shares	New York Stock Exchange
Ordinary Shares	New York Stock Exchange*
6.00 Percent Mandatory Convertible Subordinated Bonds due 2013	New York Stock Exchange

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

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

None

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

None

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

Ordinary Shares of 25 ZAR cents each	381,204,080
E Ordinary Shares of 25 ZAR cents each	2,806,126
A Redeemable Preference Shares of 50 ZAR cents each	2,000,000

B Redeemable Preference Shares of 1 ZAR cent each 778,896

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

Yes þ No o

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

Yes o No þ

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

Yes þ No o

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

Yes þ No o

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

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

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

U.S. GAAP þ

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

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No þ

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PRESENTATION OF INFORMATION

AngloGold Ashanti Limited

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

US GAAP financial statements

The audited consolidated financial statements contained in this annual report on Form 20-F for the years ended December 31, 2010, 2009 and 2008 and as at December 31, 2010 and 2009 have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP).

IFRS financial statements

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

Currency

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

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

See Item 3A.: Selected financial data Exchange rate information for historical information regarding the US dollar/South African rand exchange rate. On May 24, 2011 the interbank US dollar/South African rand exchange rate as reported by OANDA Corporation was R6.99/$1.00.

Non-GAAP financial measures

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

Shares and shareholders

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

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CERTAIN FORWARD-LOOKING STATEMENTS

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

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

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

CORPORATE WEBSITE

All references to the company s website contained in this document do not infer that the information contained therein is being incorporated by reference.

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GLOSSARY OF SELECTED TERMS

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

Mining terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Leaching: Dissolution of gold from crushed or milled material, including reclaimed slime, prior to adsorption on to activated carbon.
Life of mine (LOM): Number of years for which an operation is planning to mine and treat ore, and is taken from the current mine plan.
Metallurgical plant: A processing plant constructed to treat ore and extract gold.
Milling: A process of reducing broken ore to a size at which concentrating can be undertaken. (See also Comminution).
Mine call factor: The ratio, expressed as a percentage, of the total quantity of recovered and unrecovered mineral product after processing with the amount estimated in the ore based on sampling. The ratio of contained gold delivered to the metallurgical plant divided by the estimated contained gold of ore mined based on sampling.
Mineral deposit: A mineral deposit is a concentration (or occurrence) of material of possible economic interest in or on the earth s crust.
Ore Reserve: That part of a mineral deposit which could be economically and legally extracted or produced at the time of the Ore Reserve determination.
Ounce (oz) (troy): Used in imperial statistics. A kilogram is equal to 32.1507 ounces. A troy ounce is equal to 31.1035 grams.
Pay limit: The grade of a unit of ore at which the revenue from the recovered mineral content of the ore is equal to the sum of total cash costs, closure costs, Ore Reserve development and stay-in-business capital. This grade is expressed as an in-situ value in grams per tonne or ounces per short ton (before dilution and mineral losses).
Precipitate: The solid product of chemical reaction by fluids such as the zinc precipitation referred to below.
Probable Ore Reserve: Ore Reserve for which quantity and grade are computed from information similar to that used for Proven Reserves, but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for Proven Reserves, is high enough to assume continuity between points of observation.
Productivity: An expression of labor productivity based on the ratio of grams of gold produced per month to the total number of employees in mining operations.
Proven Ore Reserve: Ore Reserve for which the (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade is computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of the Ore Reserve are well established.
Project capital: Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially extend the productive life of an asset.
Reclamation: In the South African context, reclamation describes the process of reclaiming slimes (tailings) dumps using high-pressure water cannons to form a slurry which is pumped back to the metallurgical plants for processing.
Recovered grade: The recovered mineral content per unit of ore treated.
Reef: A gold-bearing sedimentary horizon, normally a conglomerate band that may contain economic levels of gold.
Refining: The final purification process of a metal or mineral.

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Rehabilitation: The process of reclaiming land disturbed by mining to allow an appropriate post-mining use. Rehabilitation standards are defined by country-specific laws, including but not limited to the South African Department of Mineral Resources, the US Bureau of Land Management, the US Forest Service, and the relevant Australian mining authorities, and address among other issues, ground and surface water, topsoil, final slope gradient, waste handling and re-vegetation issues.
Seismic event: A sudden inelastic deformation within a given volume of rock that radiates detectable seismic energy.
Shaft: A vertical or subvertical excavation used for accessing an underground mine; for transporting personnel, equipment and supplies; for hoisting ore and waste; for ventilation and utilities; and/or as an auxiliary exit.
Skarn: A rock of complex mineralogical composition, formed by contact metamorphism and metasomatism of carbonate rocks.
Smelting: A pyro-metallurgical operation in which gold is further separated from impurities.
Stope: Underground excavation where the orebody is extracted.
Stoping: The process of excavating ore underground.
Stripping ratio: The ratio of waste tonnes to ore tonnes mined calculated as total tonnes mined less ore tonnes mined divided by ore tonnes mined.
Syngenetic: Formed contemporaneously with the deposition of the sediment.
Tailings: Finely ground rock of low residual value from which valuable minerals have been extracted.
Tailings dam (slimes dam): Dam facilities designed to store discarded tailings.
Tonne: Used in metric statistics. Equal to 1,000 kilograms.
Ton: Used in imperial statistics. Equal to 2,000 pounds. Referred to as a short ton.
Tonnage: Quantity of material measured in tonnes or tons.
Waste: Material that contains insufficient mineralization for consideration for future treatment and, as such, is discarded
Yield: The amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne.
Zinc precipitation: Zinc precipitation is the chemical reaction using zinc dust that converts gold in solution to a solid form for smelting into unrefined gold bars.

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Financial terms

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

Capital expenditure: Total capital expenditure on tangible assets.

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

Effective tax rate: Current and deferred taxation as a percentage of profit before taxation.

Monetary asset: An asset which will be settled in a fixed or easily determinable amount of money.

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

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

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

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

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

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

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

Currencies

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

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Abbreviations

ADS	American Depositary Share
ADR	American Depositary Receipt
AIFR	All injury frequency rate
ASX	Australian Securities Exchange
Au	Contained gold
bn	Billion
capex	Capital expenditure
CDI	Chess Depositary Interests
CLR	Carbon Leader Reef
FCFA	Franc Communauté Financiére Africaine
FIFR	Fatal injury frequency rate
G or g	Grams
g/t	Grams per tonne
g/TEC	Grams per total employee costed
GhDS	Ghanaian Depositary Share
GhSE	Ghana Stock Exchange
GWh	Gigawatt hours
JORC	Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves
JIBAR	Johannesburg Interbank Agreed Rate
JSE	JSE Limited
King Code	South African King Code on Corporate Governance, 2009 (King III)
Kg or kg	Kilograms
Km or km	Kilometers
Lb/t	Pounds per tonne
LSE	London Stock Exchange
LIBOR	London Interbank Offer Rate
LOM	Life of mine
m^2/TEC	Square meters per total employee costed
M or m	Meter or million, depending on the context
Moz	Million ounces
Mt	Million tonnes or tons
Mtpa	Million tonnes/tons per annum
NOSA	National Occupational Safety Association
NYSE	New York Stock Exchange
Oz or oz	Ounces (troy)
oz/t	Ounces per ton
RIFR	Reportable injury frequency rate per million hours worked
SAMREC	South African Code for the Reporting of Mineral Resources and Mineral Reserves 2007 Edition
SEC	United States Securities and Exchange Commission
SRP	South African Securities Regulation Panel
SOX	Sarbanes-Oxley Act of 2002
T or t	Tons (short) or tonnes (metric)
Tpm or tpm	Tonnes/tons per month
Tpa or tpa	Tonnes/tons per annum
Tpd or tpd	Tonnes/tons per day

US/USA/United States	United States of America
VCR	Ventersdorp Contact Reef
VCT	Voluntary counseling and testing

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

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PART I

ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3: KEY INFORMATION

3A. SELECTED FINANCIAL DATA

The selected financial information set forth below for the years ended December 31, 2008, 2009 and 2010 and as at December 31, 2009 and 2010 has been derived from, and should be read in conjunction with, the US GAAP financial statements included under Item 18 of this annual report. The selected financial information for the years ended December 31, 2006 and 2007 and as at December 31, 2006, 2007 and 2008 has been derived from the US GAAP financial statements not included in this annual report.

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	Year ended December 31,				
	2006	2007[1]	2008[2]	2009	2010
	$	$	$	$	$
	(in millions, except share and per share amounts)				
Consolidated statement of income					
Sales and other income	2,715	3,095	3,730	3,954	5,402
Product sales [3]	2,683	3,048	3,655	3,784	5,334
Interest, dividends and other	32	47	75	170	68
Costs and expenses	2,811	3,806	4,103	4,852	5,021
Operating costs [4]	1,785	2,167	2,452	2,543	3,112
Royalties	59	70	78	84	142
Depreciation, depletion and amortization	699	655	615	615	720
Impairment of assets	6	1	670	8	91
Interest expense	77	75	72	123	151
Accretion expense	13	20	22	17	22
(Profit)/loss on sale of assets, realization of loans, indirect taxes and other	(36)	10	(64)	10	(3)
Non-hedge derivative loss and movement on bonds	208	808	258	1,452	786
(Loss)/income from continuing operations before income tax and equity income in associates	(96)	(711)	(373)	(898)	381
Taxation(expense)/benefit	(122)	(118)	(22)	33	(255)
Equity income/(loss) in associates	99	41	(149)	88	40
Net (loss)/income from continuing operations	(119)	(788)	(544)	(777)	166
Discontinued operations	6	2	23		
Net (loss)/income	(113)	(786)	(521)	(777)	166
Less: Net income attributable to noncontrolling interests	(29)	(28)	(42)	(48)	(54)
Net (loss)/income attributable to AngloGold Ashanti	(142)	(814)	(563)	(825)	112
Net (loss)/income attributable to AngloGold Ashanti					
(Loss)/income from continuing operations	(148)	(816)	(586)	(825)	112
Discontinued operations	6	2	23		
	(142)	(814)	(563)	(825)	112

Basic (loss)/earnings per common share (in $) [5]					
From continuing operations	(0.54)	(2.93)	(1.86)	(2.30)	0.30
Discontinued operations	0.02	0.01	0.07		
	(0.52)	(2.92)	(1.79)	(2.30)	0.30
Net income/(loss) attributable to AngloGold Ashanti common stockholders	(0.52)	(2.92)	(1.79)	(2.30)	0.30
Diluted (loss)/income per common share (in $) [5]					
From continuing operations	(0.54)	(2.93)	(1.86)	(2.30)	0.30
Discontinued operations	0.02	0.01	0.07		
	(0.52)	(2.92)	(1.79)	(2.30)	0.30
Net income/(loss) attributable to common stockholders	(0.52)	(2.92)	(1.79)	(2.30)	0.30
Dividend per common share (cents)	39	44	13	13	18

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	2006 $	2007[1] $	2008[2] $	2009 $	2010 $
	(in millions, except share amounts)				
Consolidated balance sheet data (as at period end)					
Cash and cash equivalents and restricted cash	482	514	585	1,112	585
Other current assets	1,394	1,599	2,328	1,646	1,412
Property, plant and equipment and acquired properties, net	6,266	6,807	5,579	6,285	6,762
Goodwill and other intangibles, net	566	591	152	180	197
Materials on the leach pad (long-term)	149	190	261	324	331
Other long-term assets, derivatives, deferred taxation assets and other long-term inventory	656	680	546	1,115	1,101
Total assets	9,513	10,381	9,451	10,662	10,388
Current liabilities	2,467	3,795	3,458	4,475	1,004
Provision for environmental rehabilitation	310	394	302	385	530
Deferred taxation liabilities	1,275	1,345	1,008	1,171	1,200
Other long-term liabilities, and derivatives	2,092	2,232	1,277	1,186	3,065
Equity [6]	3,369	2,615	3,406	3,445	4,589
Total liabilities and equity	9,513	10,381	9,451	10,662	10,388
Capital stock (exclusive of long-term debt and redeemable preferred stock)	10	10	12	12	13
Number of common shares as adjusted to reflect changes in capital stock	276,236,153	277,457,471	353,483,410	362,240,669	381,204,080
Net assets	3,369	2,615	3,406	3,445	4,589

(1) Includes the acquisition of 15 percent minority interest acquired in the Iduapriem and Teberebie mine with effect from September 1, 2007. See Item 4A.: History and development of the company .

(2) 2008 results included the acquisition of the remaining 33 percent shareholding in the Cripple Creek and Victor Gold Mining Company with effect from July 1, 2008. In prior years, the investment was consolidated as a subsidiary. The 2008 treatment is therefore consistent with that of prior years. See Item 4A.: History and development of the company .

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

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

(5) The calculations of basic and diluted (loss)/earnings per common share are described in note 9 to the consolidated financial statements Income/(loss) per common share . Amounts reflected exclude E Ordinary shares.

(6) Includes noncontrolling interests.

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Annual dividends

The table below sets forth the amounts of interim, final and total dividends paid in respect of the past five years in cents per ordinary share. In respect of 2010, AngloGold Ashanti s board of directors declared an interim dividend of 65 South African cents per ordinary share on August 10, 2010, with a record date of September 3, 2010, and a payment date of September 10, 2010, and a final dividend of 80 South African cents per ordinary share on February 15, 2011, with a record date of March 11, 2011 and a payment date of March 18, 2011.

Year ended December 31	Interim	Final	Total	Interim	Final	Total
	(South African cents per ordinary share)			(US cents per ordinary share[(1)])		
2006	210	240	450	29.4	32.38	61.78
2007	90	53	143	12.44	6.60	19.04
2008	50	50	100	6.4490	4.9990	11.4480
2009	60	70	130	7.6553	9.4957	17.1510
2010	65	80	145	9.0034	11.2599	20.2633

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

Dividends are proposed and approved by the board of directors of AngloGold Ashanti, based on the interim and year-end financial statements. Dividends are recognized when declared by the board of directors of AngloGold Ashanti. AngloGold Ashanti expects to continue to pay dividends, although there can be no assurance that dividends will be paid in the future or as to the particular amounts that will be paid from year to year. The payment of future dividends will be dependent upon the board s ongoing assessment of AngloGold Ashanti s cash flow, earnings, planned capital expenditures, financial condition and other factors. AngloGold Ashanti will continue to manage capital expenditure in line with profitability and cash flow, and its approach to the dividend on the basis of prudent financial management. Under South African law, AngloGold Ashanti may declare and pay dividends from any capital and reserves included in total shareholders equity calculated in accordance with IFRS, subject to its solvency and liquidity. Dividends are payable to shareholders registered at a record date that is after the date of declaration.

Dividends may be declared in any currency at the discretion of the AngloGold Ashanti board or AngloGold Ashanti shareholders at a general meeting. Currently, dividends are declared in South African rands and paid in Australian dollars, South African rands, British pounds and Ghanaian cedis. Dividends paid to registered holders of AngloGold Ashanti ADSs are paid in US dollars converted from South African rands by The Bank of New York Mellon, as depositary, in accordance with the deposit agreement. Exchange rate fluctuations may therefore affect the value of the dividends received by registered shareholders and distributions paid by the relevant depositary to investors holding AngloGold Ashanti securities.

Moreover, fluctuations in the exchange rates of the US dollar may affect the US dollar price of the ADSs on the NYSE. For details on taxation and exchange controls applicable to holders of ordinary shares or ADSs, see Item 10D.: Exchange controls and Item 10E.: Taxation Taxation of dividends .

On February 21, 2007, the South African government announced a proposal to replace Secondary Tax on Companies with a 10 percent withholding tax on dividends and other distributions payable to shareholders. The date for the implementation of the withholding tax on dividends has now been announced as April 1, 2012. Although this may reduce the tax payable by the South African operations of the group thereby increasing distributable earnings, the withholding tax will generally reduce the amount of dividends and other distributions received by AngloGold Ashanti shareholders.

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Exchange rate information

The following table sets forth, for the periods and dates indicated, certain information concerning US dollar/South African rand exchange rates expressed in rands per $1.00. On [May 24, 2011, the interbank rate between South African rands and US dollars as reported by OANDA Corporation was R6.99/$1.00.

Year ended December 31	High	Low	Year end	Average[1]
2006 [2]	7.94	5.99	7.04	6.81
2007 [2]	7.49	6.45	6.81	7.03
2008 [2]	11.27	6.74	9.30	8.26
2009 [3]	10.70	7.21	7.41	8.44
2010 [3]	8.08	6.57	6.64	7.34
2011 [4]	7.35	6.49		6.93

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

(2) Based on the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York.

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

(4) Through to May 24, 2011.

Exchange rate information for the months of [1]	High	Low
November 2010	7.17	6.71
December 2010	7.15	6.57
January 2011	7.19	6.49
February 2011	7.34	6.95
March 2011	7.19	6.79
April 2011	6.90	6.50
May 2011 [2]	7.05	6.51

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

(2) Through to May 24, 2011.

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3B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

3C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3D. RISK FACTORS

This section describes many of the risks that could affect AngloGold Ashanti. However, there may be additional risks unknown to AngloGold Ashanti and other risks, currently believed to be immaterial, that could turn out to be material. These risks, either individually or simultaneously, could significantly affect the group s business, financial results and the price of its securities.

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

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

AngloGold Ashanti s revenues are primarily derived from the sale of gold and, to a lesser extent, uranium, silver and sulfuric acid. The market prices for these commodities fluctuate widely. These fluctuations are caused by numerous factors beyond the company s control. For example, the market price of gold may fluctuate for a variety of reasons, including:

speculative positions taken by investors or traders in gold;

changes in the demand for gold as an investment;

changes in the demand for gold used in jewellery and for other industrial uses, including as a result of prevailing economic conditions;

changes in the supply of gold from production, disinvestment, scrap and hedging;

financial market expectations regarding the rate of inflation;

strength of the US dollar (the currency in which the gold price trades internationally) relative to other currencies;

changes in interest rates;

actual or expected sales or purchases of gold by central banks and the International Monetary Fund;

gold hedging and de-hedging by gold producers;

global or regional political or economic events; and

the cost of gold production in major gold producing countries.

The market price of gold has experienced significant volatility. During 2010, the gold price traded from a high of $1,431 per ounce to a low of $1,044 per ounce. On May 24, 2011, the afternoon fixing price of gold on the London Bullion Market was $1,527 per ounce.

The price of gold is often subject to sharp, short-term changes resulting from speculative activities. While the overall supply of and demand for gold can affect its market price, because of the considerable size of above-ground stocks of the metal in comparison to other commodities, these factors typically do not affect the gold price in the same manner or degree that the supply of and demand for other commodities tends to affect their market price. In addition, the shift in gold demand from physical demand to investment and speculative demand may exacerbate the volatility of gold prices.

A sustained period of significant gold price volatility may adversely affect the company s ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

If revenue from gold sales falls below the cost of production for an extended period, AngloGold Ashanti may experience losses and be forced to change its dividend payment policies and/or curtail or suspend some or all of its capital projects and/or existing operations.

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

Gold is principally a dollar-priced commodity, and most of the company s revenues are realized in, or linked to, dollars while production costs are largely incurred in the local currency where the relevant operation is located. As a result of the company s global operations and local foreign exchange regulations, some of its funds are held in local currencies such as the South African rand and the Australian dollar. The weakening of the dollar, without a corresponding increase in the dollar price of gold against these local currencies, results in higher production costs in dollar terms. Conversely, the strengthening of the dollar, without a corresponding decrease in the dollar price of gold against these local currencies, yields lower production costs in dollar terms. Exchange rate movements may have a material impact on AngloGold Ashanti s operating results. For example, a 1 percent strengthening of the South African rand, Brazilian real, the Argentinean peso and the Australian dollar against the US dollar will, other factors remaining equal, result in an increase in total cash costs under IFRS of nearly $5 per ounce or approximately 1 percent of the company s total cash costs. The impact on cash costs determined under US GAAP may be different.

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

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

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

The price of oil has recently been volatile, fluctuating between $65.99 and $95.12 per barrel of Brent crude in 2010. AngloGold Ashanti estimates that for each $1 per barrel rise in the oil price, other factors remaining equal, the average cash costs under IFRS of all its operations increases by about $0.50 per ounce with the cash costs of certain of the company s mines, particularly Geita, Cripple Creek & Victor, Siguiri and Sadiola, which, being more dependent on fuel, are more sensitive to changes in the price of oil.

Furthermore, there has also been volatility recently in the price of steel, used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine. For example, the price of flat Hot Rolled Coil (North American Domestic FOB) steel traded between $557 per tonne and $698 per tonne in 2010.

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

Energy cost increases, and power fluctuations and stoppages, could adversely impact AngloGold Ashanti s results of operations and its financial condition.

AngloGold Ashanti s mining operations are dependent upon electrical power generated by local utilities or by power plants situated at some of its operations.

In South Africa, the company s operations are substantially dependent on electricity supplied by Eskom, the state-owned utility. Eskom and the National Energy Regulator of South Africa, or NERSA, recognize the need to increase electricity supply capacity and a series of tariff increases and proposals have been tabled to assist in the funding of this expansion. On February 24, 2010, NERSA approved an annual increase of about 25 percent for each of the next three years. As energy represents a large proportion of the company s operating costs in South Africa, these increases have an adverse impact on the cash costs of its South African operations. In 2008, Eskom warned it could no longer guarantee electricity availability to the South African mining industry. Consequently, AngloGold Ashanti and other mining companies operating in South Africa, were forced to temporarily suspend mining operations at their mines. The company has since implemented various initiatives at its South African mines to reduce electricity consumption whilst operating at full capacity. AngloGold Ashanti cannot assure that power supply to its South African operations will not be curtailed or interrupted again.

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In Ghana, the company s operations depend on hydroelectric power supplied by the state-controlled Volta River Authority (VRA), which is supplemented by thermal power from the Takoradi plant and a smaller unit at Tema. During periods of below average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam, the VRA s primary generation source, may be curtailed; which occurred in 1998, 2006 and the first half of 2007. During periods of limited electricity availability, the grid is subject to disturbances and voltage fluctuations which can damage equipment. In the past, the VRA has obtained power from neighboring Côte d Ivoire, which has intermittently experienced political instability and civil unrest. On June 1, 2010, the VRA increased Obuasi s electricity tariffs (excluding transmission charges and levies) from 9.3 to 12.4 US cents per kilowatt hour through to the end of 2010. According to the formula agreed with the government, the rate is then anticipated to decline to 11.2 US cents per kilowatt hour. These rates are expected to remain at these levels in the short term, but could be impacted by a significant spike in crude oil prices, given Ghana s dependence on light crude oil for thermal power plants. At Iduapriem, negotiations regarding the increased power tariff are due to commence for the 12 month period ending May 2012. Increased power prices could negatively impact operating costs and cash flow of AngloGold Ashanti s Ghanaian operations.

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

Global economic conditions could adversely affect the profitability of AngloGold Ashanti s operations.

AngloGold Ashanti s operations and performance depend significantly on worldwide economic conditions.

A global economic downturn may have follow-on effects on AngloGold Ashanti s business. For example:

- the insolvency of key suppliers could result in a supply chain break-down;
- other income and expense could vary materially from expectations depending on gains or losses realized on the sale or exchange of financial instruments and impairment charges may be incurred with respect to our investments;
- AngloGold Ashanti s defined benefit pension fund may not achieve expected returns on its investments, which could require the company to make substantial cash payments to fund any resulting deficits; and
- a reduction in the availability of credit may make it more difficult for the company to obtain financing for its operations and capital expenditures or make that financing more costly.

In addition, uncertainty regarding global economic conditions may also increase the volatility or negatively impact the market value of the company s securities.

Inflation may have a material adverse effect on AngloGold Ashanti s operational results.

Most of AngloGold Ashanti s operations are located in countries that have experienced high rates of inflation during certain periods.

Since the company is unable to influence the market price of gold, it is possible that significantly higher future inflation in the countries in which it operates may result in an increase in future operational costs in local currencies (without a concurrent devaluation of the local currency of operations against the dollar or an increase in the dollar price of gold). This could have a material adverse effect upon the company s results of operations and its financial condition.

While none of AngloGold Ashanti s operations are currently materially adversely affected by inflation, significantly higher and sustained inflation in the future, with a consequent increase in operational costs, could result in the rationalization of higher cost mines.

AngloGold Ashanti faces many risks related to the development of its mining projects that may adversely affect the company s results of operations and profitability.

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

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

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

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. Operating costs and capital expenditure are to a significant extent driven by the cost of commodity inputs consumed in mining, including fuel, chemical reagents, explosives, tires and steel, and also by credits from by-products, such as silver and uranium.

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

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

The remote location of many mining properties, permitting delays, and/or social or political opposition to mining may increase the cost, timing and complexity of mine development and construction. New mining operations could experience unexpected problems and delays during development, construction, commissioning and/or commencement of production. The global demand for mining and processing equipment may result in long lead times for the supply of such equipment. Finally, operating cost and capital expenditure estimates could fluctuate considerably as a result of changes in the prices of commodities consumed and mining equipment used in the construction and operation of mining projects.

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

AngloGold Ashanti faces uncertainty and risks in exploration, feasibility studies and other project evaluation activities.

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

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

- future prices of metals and other commodities;
- future foreign currency exchange rates; and
- required return on investment as based on the cost and availability of capital.

Feasibility studies also include activities to estimate anticipated:

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

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

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

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

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

AngloGold Ashanti faces many risks related to its operations that may adversely impact cash flows and overall profitability.

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

- environmental hazards, including discharge of metals, pollutants, radioactivity or hazardous chemicals; industrial accidents or accidents during transportation;
- underground fires;
- labor disputes;
- loss of information integrity or data;
- activities of illegal or artisanal miners;
- mechanical breakdowns;
- electrical power interruptions;
- encountering unexpected geological formations;

unanticipated ground conditions;

water ingress;

process water shortages;

unanticipated increases in gold lock-up and inventory levels at heap-leach operations;

fall-of-ground accidents in underground operations;

failure of mining pit slopes, heap-leach facilities, water dams, waste stockpiles and tailings dam walls;

legal and regulatory restrictions and changes to such restrictions;

safety-related stoppages;

seismic activity; and

other natural phenomena, such as floods, droughts or inclement weather conditions, potentially exacerbated by climate change.

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

Seismic activity may also cause the loss of mining equipment, damage or destruction of mineral properties or production facilities, monetary losses, environmental damage and potential legal liabilities in South Africa and elsewhere where seismic activity may be a factor. As a result, these events may have a material adverse effect on AngloGold Ashanti s results of operations and financial condition.

AngloGold Ashanti is subject to extensive health and safety laws and regulations.

Gold mining operations are subject to a variety of industry-specific health and safety laws and regulations depending on which jurisdiction they are located. These laws and regulations are designed to protect and improve the safety and health of employees.

From time to time, new or improved health and safety laws and regulations are introduced in jurisdictions in which AngloGold Ashanti operates. Should compliance with new standards require a material increase in expenditure or material interruptions to operations or production, including as a result of any temporary failure to comply with applicable regulations, the results of operations and the financial condition of the company could be adversely affected. In South Africa, for example, the government has introduced compulsory shutdowns of operations to enable investigations into the cause of accidents at those operations. Certain of the company s operations have been temporarily suspended for this reason in the past.

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

Mining companies are increasingly required to consider and ensure the sustainable development of, and provide benefits to, the communities and countries in which they operate.

As a result of public concern about the perceived ill effects of economic globalization, businesses in general and large multinational corporations such as AngloGold Ashanti, in particular, face increasing public scrutiny of their activities. These businesses are under pressure to demonstrate that while they seek a satisfactory return on investment for shareholders, other stakeholders including employees, communities surrounding operations and the countries in which they operate, also benefit from their commercial activities. Such pressures tend to be particularly focused on companies whose activities are perceived to have a high impact on their social and physical environment. The potential consequences of these pressures include reputational damage, legal suits and social spending obligations.

Existing and proposed mining operations are often located at or near existing towns and villages, natural water courses and other infrastructure. Mining operations must therefore be designed to minimize their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying mining plans and operations or by relocating the affected people to an agreed location. These measures may include agreed levels of compensation for any adverse impact the mining operation may continue to have upon the community. The cost of these measures could increase capital and operating costs and therefore could have an adverse impact upon AngloGold Ashanti s results of operations and financial condition.

Mining companies are subject to extensive environmental laws and regulations.

Mining companies are subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. These regulations establish limits and conditions on producers ability to conduct their operations. The cost of compliance with environmental laws and regulations is expected to continue to be significant to AngloGold Ashanti.

Environmental laws and regulations are continually changing and are generally becoming more restrictive. In particular, the use of sodium cyanide in metallurgical processing is under increasing environmental scrutiny and prohibited in certain jurisdictions. Changes to AngloGold Ashanti s environmental compliance obligations or operating practices could adversely affect the company s rate of production and revenue. Variations in laws and regulations, assumptions made

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to estimate liabilities, standards or operating procedures, more stringent emission or pollution thresholds or controls, or the occurrence of unanticipated conditions, may require operations to be suspended and could increase AngloGold Ashanti s expenses and provisions. These expenses and provisions could adversely affect the company s results of operations and its financial condition.

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

Costs associated with rehabilitating land disturbed by mining processes and addressing the environmental, health and community issues are estimated and financial provision made based upon current available information. Estimates may, however, be insufficient and further costs may be identified at any stage. Any underestimated or unidentified rehabilitation costs would reduce earnings and could materially and adversely affect the company s asset values, earnings and cash flows.

Compliance with emerging climate change regulation could result in significant costs to AngloGold Ashanti and climate change may present physical risks to the company s operations.

Greenhouse gases, or GHGs, are emitted directly by AngloGold Ashanti s operations and indirectly as a result of the consumption of electricity purchased from external utilities.

Emissions from electricity consumption are indirectly attributable to its operations. Currently, a number of international and national measures to address or limit GHG emissions, including the Kyoto Protocol and the Copenhagen Accord, are in various phases of discussion or implementation in the countries in which the company operates. These measures could result in requirements for AngloGold Ashanti to reduce its direct and indirect GHG emissions.

The Australian government, elected in late 2010, has established an intensive process to gauge support and shape debate on possible interventions, including introduction of a carbon price, to address climate-change impacts in Australia. Its stated intention is to achieve consensus and announce the nature of key interventions by the end of parliament, which is debating the introduction of the Carbon Pollution Reduction Scheme, which would cap national emissions and require certain companies whose emissions exceed the agreed threshold to obtain allowances to emit GHGs. AngloGold Ashanti may be required under this scheme to purchase allowances for emissions possibly starting in 2011. The company is already required to report its GHG emissions to the Australian government under the National Greenhouse and Energy Reporting Act.

The South African government published a climate change response green paper in November 2010 and a carbon tax discussion paper in December 2010. The policy process, culminating in the publication of a climate change response white paper, is expected later in 2011, with GHG legislation likely to be enacted thereafter. An emissions trading discussion paper is expected during 2011. It is possible that legislation to cap national emissions, introduce a trading scheme for GHG emission allowances and/or extend the current carbon tax will be enacted, though the timing of this is uncertain.

It is unclear how climate change bills will progress if introduced in the US Congress. The likely impact on AngloGold Ashanti also remains unclear, as legislation has yet to be finalized. In May 2010, given the significant change in its composition following the November 2010 elections, the US Environmental Protection Agency continued to proceed on rules related to greenhouse gas emissions under the existing US Clean Air Act and Congress continued to evaluate whether or not to limit or restrict these activities. In some instances these rules will require installation of best available technology to control GHGs from large emitters.

In October 2010, the then-President of Brazil announced that sector-specific plans would be developed to meet a voluntary reduction target of 1.2 billion tonnes of CO_2 by 2020. Amongst other plans, it is intended to reduce de-forestation in the Cerrado biome, where AngloGold Ashanti operates, by 40 percent and expand renewable energy production and energy efficiency programs. The decree also provided for a Brazilian GHG trading scheme, which is yet to be designed. In Brazil, the National Plan for Climate Change was enacted in December 2008 aiming to reduce

de-forestation, which is the main cause of Brazil s GHG emissions. While Brazil is not yet formally regulating GHG emissions at the national level, some state environmental agencies have requested companies to voluntarily submit GHG emissions management plans.

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Some of these measures have resulted in increased compliance costs for power suppliers and are passed through to the company in the form of price increases. In South Africa, for instance, AngloGold Ashanti pays a levy of ZAR0.02 per kilowatt hour for electricity generated from fossil fuels. These levies may increase over time and additional levies may be introduced in future in South Africa or other countries, which could result in a significant increase in costs to the company.

In addition, AngloGold Ashanti s operations could be exposed to a number of physical risks from climate change, such as increased rainfall, reduced water availability, higher temperatures and extreme weather events. Events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, and could increase health and safety risks on site. Such events or conditions could have other adverse effects, such as increased disease prevalence in the company s workforce and in communities in close proximity to its operations.

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

AngloGold Ashanti s operations and development projects could be adversely affected by both shortages and long lead times to deliver strategic spares, critical consumables, mining equipment and metallurgical plant. In the past, the company and other gold mining companies experienced shortages in critical consumables, particularly as production capacity in the global mining industry expanded in response to increased demand for commodities. AngloGold Ashanti has in the past experienced increased delivery times for these items. These shortages have also resulted in unanticipated increases in the price of certain of these items. Shortages of strategic spares, critical consumables, mining equipment or metallurgical plant, could result in production delays and production shortfalls and increases in prices resulting in an increase in both operating costs and the capital expenditure to maintain and develop mining operations.

Individually, AngloGold Ashanti and other gold mining companies have limited influence over manufacturers and suppliers of these items. In certain cases there are a limited number of suppliers for certain strategic spares, critical consumables, mining equipment or metallurgical plant who command superior bargaining power relative to the company. The company could at times face limited supply or increased lead time in the delivery of such items.

The company s procurement policy is to only source mining and processing equipment and consumables from suppliers that meet its corporate values and ethical standards. In certain locations, where a limited number of suppliers meet these standards, further strain is placed on the supply chain, thereby increasing cost of supply and time of delivery.

Furthermore, the effects of the 2011 earthquake and tsunami in Japan could have a knock-on effect on the supply of equipment, extending lead times and potentially increasing costs of certain supplies. If AngloGold Ashanti experiences shortages, or increased lead times in delivery of strategic spares, critical consumables, mining equipment or processing plant, the company s results of operations and its financial condition could be adversely impacted.

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

The mining industry has limited industry-specific accounting literature. As a result, there is diverse interpretation and application of accounting literature to mining specific issues. AngloGold Ashanti, for example, capitalizes drilling and costs related to defining and delineating a residual mineral deposit that has not been classified as a proven and probable reserve at a development project or production stage mine. Some companies, however, expense such costs. As and when this diverse interpretation and application is addressed, the company s reported results could be adversely impacted should the adopted interpretation differ from the position it currently follows.

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

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

AngloGold Ashanti removed the last of its gold hedging instruments in October 2010 in order to provide greater participation in a rising gold price environment. As a result, AngloGold Ashanti no longer has any protection against declines in the market price of gold compared with previous years. A sustained decline in the price of gold could adversely impact the company s results of operations and its financial condition.

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

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

In all of the countries where AngloGold Ashanti operates, the formulation or implementation of government policies may be unpredictable on certain issues, including changes in laws relating to mineral rights and ownership of mining assets and the rights to prospect and mine and in extreme cases, nationalization. For example, the Guinean Government has announced in media reports that it will seek to increase its equity interest in mines and there is a call for a debate on nationalization and increased state ownership in South Africa. Any existing and new mining and exploration operations and projects are subject to various national and local laws, policies and regulations governing the ownership and the right to prospect or mine or develop proposed projects. If AngloGold Ashanti is not able to obtain or maintain necessary permits, authorizations or agreements to prospect or mine or to implement planned projects, or continue its operations under conditions, or within time frames, that make such plans and operations economically viable, or if the laws impacting the company s ownership of its mineral rights, or the right to prospect or mine were to change materially, or should Governments increase their ownership in the mines or nationalize them, AngloGold Ashanti s results of operations and its financial condition could be adversely affected.

In South Africa, mining rights are linked to meeting various obligations that include the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry, referred to as the Mining Charter. Compliance with the Mining Charter, measured using a designated scorecard, requires that every mining company achieve 26 percent ownership by historically disadvantaged South Africans (HDSAs) of its South African mining assets by May 2014, and achieves participation by HDSAs in various other aspects of management.

AngloGold Ashanti believes it has made significant progress towards meeting the requirements of the Mining Charter, the scorecard and its own undertakings in terms of human resource development, employment equity, mine community and rural development, housing and living conditions and procurement and beneficiation. The company will incur expenses in giving further effect to the Mining Charter and the scorecard.

The Mining Charter provided for its review five years after promulgation. The outcome of the first phase of the review was made public in June 2010, while results from the final review were made public in September 2010. According to these reviews, AngloGold Ashanti is compliant with the Mining Charter s requirements relating to ownership of its assets by HDSAs. The company is also currently compliant with the Mining Charter s requirements relating to, among others, human resource development, mine community development, and sustainable development and growth. Whilst AngloGold Ashanti is compliant with the Mining Charter s ownership targets to be achieved by May 2014, it must make further progress to achieve future targets set under the Mining Charter, including further participation by HDSAs in various aspects of management, the upgrade of housing and accommodation at the company s mines, further human resource development, mine community development, sustainable development and growth as well as procurement and enterprise development, certain of which are also included under the Code and Standard, as defined and discussed below and which targets must also be achieved by May 2014. AngloGold Ashanti expects to be compliant with these provisions by May 2014.

As required by the South African Mineral and Petroleum Resources Development Act (MPRDA), the Minister of Mineral Resources published a Code of Good Practice for the Minerals Industry (Code) and the Housing and Living Conditions Standard (Standard) in April 2009. The Code was developed to create principles to facilitate effective implementation of minerals and mining legislation and enhance implementation of the Mining Charter applicable to the mining industry. The Standard aims to include the provision of housing as an integral part of infrastructure during the development of a mine. Both the Code and the Standard provide that non-compliance equates to non-compliance with the MPRDA. It is unclear whether non-compliance with the Code or the Standard would lead to the cancellation or suspension of a mining right or whether they would be considered legislation under the MPRDA. Subsequent to the publication of the Code and the Standard, representatives of the Department of Mineral Resources, organized labor and the South African mining industry have engaged in discussions in an effort to address the concerns of the mining

industry and to possibly amend the Code and the Standard. Furthermore, discussions related to the Code and Standard have also become related to the review of the Mining Charter. It is anticipated that the contents of the Code and Standard will ultimately be amended in line with the amendments to the Mining Charter that have resulted from its review. Details of the final Code and Standard are currently uncertain.

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AngloGold Ashanti s mining rights in South Africa can be suspended or cancelled by the Minister of Mineral Resources if, upon notice of a breach from the Minister, the company breaches its obligations in complying with the MPRDA. The MPRDA also imposes additional responsibilities on mining companies relating to environmental management and to environmental damage, degradation or pollution resulting from their prospecting or mining activities. AngloGold Ashanti has a policy of evaluating, minimizing and addressing the environmental consequences of its activities and, consistent with this policy and the MPRDA, conducts an annual review of the environmental costs and liabilities associated with its South African operations in light of applicable requirements.

AngloGold Ashanti may experience unforeseen difficulties, delays or costs in successfully implementing its business strategy and its strategy may not result in the anticipated benefits.

The successful implementation of the company s business strategy depends upon a number of factors, including those outside its control. For example: the successful management of costs will depend on prevailing market prices for input costs; the ability to grow the business will depend on the successful implementation of the company s existing and proposed project development initiatives and continued exploration success, as well as on the availability of attractive merger and acquisition opportunities, all of which are subject to the relevant mining and company specific risks as outlined in these risk factors. AngloGold Ashanti cannot give assurance that unforeseen difficulties, delays or costs will not adversely affect the successful implementation of its business strategy, or that the strategy will result in the anticipated benefits.

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

As at December 31, 2010, AngloGold Ashanti had gross borrowings (excluding the mandatory convertible bonds) of approximately $1.9 billion.

AngloGold Ashanti s indebtedness could have a material adverse effect on its flexibility to conduct business. For example, the company may be required to utilize a large portion of its cash flow to pay the principal and interest on its debt, which will reduce funds available to finance existing operations, the development of new organic growth opportunities and further acquisitions. In addition, under the terms of the company s borrowing facilities from its banks, AngloGold Ashanti is obliged to meet certain financial and other covenants. The company s ability to continue to meet these covenants will depend on its future financial performance which will be affected by its operating performance as well as by financial and other factors, certain of which are beyond the control of the company. Should the cash flow from operations be insufficient, AngloGold Ashanti could breach its financial and other covenants and may be required to refinance all or part of the existing debt, use existing cash balances, issue additional equity and/or sell assets. AngloGold Ashanti cannot be sure that it will be able to do so on commercially reasonable terms, if at all.

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

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

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

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

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AngloGold Ashanti expects to have significant financing requirements.

AngloGold Ashanti s existing Board-approved development projects and exploration initiatives will require significant funding. These include Tropicana in Australia, the Cerro Vanguardia heap leach project in Argentina, the Mponeng Ventersdorp Contact Reef Projects in South Africa, Córrego do Sítio and Lamego in Brazil and the mine life extension project (MLE1) at Cripple Creek & Victor in the US.

Potential future development projects will also require significant funding if and when approved by AngloGold Ashanti Board. These include the La Colosa and Gramalote projects in Colombia, the Kibali and Mongbwalu projects in the DRC, the Mponeng CLR and Zaaiplaats projects in South Africa, the Cerro Vanguardia underground mining project in Argentina, the Nova Lima Sul project in Brazil, the Sadiola Deeps project in Mali, Cripple Creek & Victor further mine life extension project (MLE2) in the US, as well as various other exploration projects and feasibility studies.

AngloGold Ashanti estimates that over the next three years, growth initiatives will require project capital expenditure (excluding stay in business and Ore Reserve development capital expenditure) of approximately $2.5 billion (subject to escalation). The company s capital expenditure plans and requirements are subject to a number of risks, contingencies and other factors, some of which are beyond its control, and therefore the actual future capital expenditure and investments may differ significantly from their current planned amounts.

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

AngloGold Ashanti does not operate some of its significant joint venture projects and other interests. If the operators of these projects do not perform effectively and efficiently, the company s investment in these projects could be adversely affected and/or its reputation could be harmed.

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

In South Africa, AngloGold Ashanti s Ergo operations are currently operated by Ergo Mining, a subsidiary of DRDGOLD Limited (DRDGOLD). The Ergo operations were sold in 2007 to DRDGOLD and DRDGOLD has been managing and operating the assets pending the transfer of the mining rights from AngloGold Ashanti to DRDGOLD.

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

impact on AngloGold Ashanti s results of operations and its financial condition.

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AngloGold Ashanti s mineral reserves, deposits and mining operations are located in countries that face political, economic and/or security risks.

Some of AngloGold Ashanti s mineral deposits and mining and exploration operations are located in countries that have experienced political instability and economic uncertainty. In all of the countries where the company operates, the formulation or implementation of government policies may be unpredictable on certain issues. These include regulations which impact its operations and changes in laws relating to issues such as mineral rights and asset ownership, taxation, royalties, import and export duties, currency transfers, restrictions on foreign currency holdings and repatriation of earnings.

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

If, in one or more of these countries, AngloGold Ashanti were not able to obtain or maintain necessary permits, authorizations or agreements to implement planned projects or continue its operations under conditions or within time frames that make such plans and operations economic, or if legal, ownership, fiscal (including all royalties and duties), exchange control, employment, environmental and social laws and regimes, or the governing political authorities change materially, resulting in changes to such laws and regimes, this could have a material adverse affect on AngloGold Ashanti s operating results and financial condition.

Certain of the countries in which AngloGold Ashanti has mineral deposits or mining or exploration operations, including the DRC, Guinea and Colombia, have in the past experienced, and in certain cases continue to experience, a difficult security environment as well as political instability. In particular, various illegal groups active in regions in which the company are present may pose a credible threat of terrorism, extortion and kidnapping, which could have an adverse effect on its operations in such regions. In the event that continued operations in these countries compromise the company s security or business principles, AngloGold Ashanti may withdraw from these countries on a temporary or permanent basis. Furthermore, the company has at times experienced strained relationships with some of the communities in which it operates. This could have a material adverse impact on AngloGold Ashanti s results of operations.

In December 2008, the National Council for Democracy and Development, led by Moussa Dadis Camara, seized power in Guinea after the death of the country s long-standing president Lasana Conte. On December 3, 2009, President Camara was shot and injured in an apparent assassination attempt and subsequently signed a transition agreement allowing for presidential elections and the transfer of Guinea back to civilian rule. A new transitional government was appointed while elections were held. The first round of elections was held but, as a clear winner did not emerge, a second round of elections took place after a prolonged delay on November 7, 2010 and ultimately Alpha Conde was sworn in as Guinea s president on December 21, 2010. Some unrest and protest accompanied and followed the elections. However, the elections were deemed successful and Conde was installed as Guinea s first democratically elected president. In early 2011, Conde confirmed his commitment to a review of all mining contracts under the auspices of international law, indicating that Guinea would seek to own a stake of at least a third of all mining projects located in Guinea. Currently the Government of Guinea holds a stake of 15 percent in the Siguiri Gold Mine. The review process has not yet commenced and AngloGold Ashanti is currently unable to predict the timing and outcome of such review. On April 26, 2011 it was announced by Reuters that a copy of the new draft mining code includes a compulsory 15 percent stake for the government in operations, with an option to acquire an additional 20 percent. Also according to Reuters, included in the draft mining code are provisions for a new Local Empowerment Fund , which will be funded from tax levies, and changes to the price reference point used for tax purposes from the free-on-board to a rolling three-month average from the London Metals Exchange. AngloGold Ashanti continues to monitor the situation.

In Guinea, Mali and Tanzania, AngloGold Ashanti is due refunds of input tax and fuel duties which remain outstanding for periods longer than those provided for in the respective statutes. In addition, the company has other outstanding assessments and unresolved tax disputes in a number of countries, including Brazil, Argentina and Ghana. If the outstanding VAT input taxes are not received, the tax disputes are not resolved and assessments favorable to

AngloGold Ashanti are not made, there could be an adverse effect upon the company s results of operations and its financial condition. AngloGold Ashanti may also be impacted by the outcome of elections in jurisdictions in which it has operations and ancillary political processes leading up to elections. The company expects elections to occur in the DRC in 2011 and in South Africa in 2014.

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In February 2010, AngloGold Ashanti and other mining companies in Ghana received notice that the country s government was considering a review and amendments to its fiscal mining regime. The government of Ghana has subsequently amended its fiscal mining regime, and should it seek to impose this new increased royalty rate on the company, AngloGold Ashanti may challenge it in light of the stability agreement entered into by the company with the government of Ghana in December 2003 and which was subsequently ratified by the parliament of Ghana in early 2004. No assurance can be given that, should AngloGold Ashanti challenge this new increased royalty rate, that it would ultimately succeed in the challenge or that any dispute with the government of Ghana would not otherwise have a material adverse impact on the company s financial condition or results of operations.

In May 2010, the government of Australia proposed a Resource Super Profit Tax (RSPT), which would have required extractive industries, including the gold mining industry, to pay a tax of 40 percent on profits from Australian operations above certain levels determined by the government. Had the RSPT been implemented as proposed it would have had an adverse impact upon AngloGold Ashanti s financial results from its existing operations in Australia as well as from the Tropicana project, once operational. However, in July 2010, the government of Australia proposed to replace the RSPT with the Mineral Resource Rent Tax (MRRT), which requires a tax of 30 percent on profits above certain levels from coal and iron ore mining starting July 1, 2010. Should the government of Australia reintroduce the RSPT or extend the MRRT to the gold mining industry, or if similar super profit taxes are introduced in Australia or any other country in which the company operates, this could have a material adverse effect on AngloGold Ashanti s results of operations and its financial condition.

Labor disruptions and/or increased labor costs could have an adverse effect on AngloGold Ashanti s results of operations and financial condition.

AngloGold Ashanti employees in South Africa, Ghana, Guinea and some South American countries, are highly unionized. Trade unions, therefore, have a significant impact on the company s labor relations climate, as well as on social and political reforms, most notably in South Africa. There is a risk that strikes or other types of conflict with unions or employees may occur at any of the company s operations, particularly where the labor force is unionized. Labor disruptions may be used to advocate labor, political or social goals in the future. For example, labor disruptions may occur in sympathy with strikes or labor unrest in other sectors of the economy. Material labor disruptions could have an adverse effect on AngloGold Ashanti s results of operations and financial condition.

As at December 31, 2010, approximately 65 percent of the company s workforce excluding contractors, or approximately 57 percent of its total workforce, was located in South Africa. In South Africa, it has become established practice to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. An agreement was signed with the unions in July 2009, following negotiations between the Chamber of Mines and the National Union of Mineworkers, the United Associations of South Africa, (UASA) (on behalf of some clerical and junior management staff) and Solidarity (on behalf of a small number of miners). The next round of negotiations is expected to take place in 2011.

AngloGold Ashanti cannot give assurance that it will be able to renegotiate this agreement on satisfactory terms when it expires in July 2011.

As at December 31, 2010, approximately 10 percent of the company s workforce excluding contractors, or approximately 12 percent of the total workforce, was located in Ghana. In Ghana, a three-year, wage agreement for the years 2009 to 2011, effective from January 1, 2009, was reached towards the end of 2009. The next round of negotiations is expected to take place in 2011. AngloGold Ashanti cannot give assurance that it will be able to renegotiate this agreement on satisfactory terms when it expires at the end of December 2011.

Labor costs represent a substantial proportion of the company s total operating costs and in many operations, including its South African, Ghanaian and Tanzanian operations, is the company s single largest component of operating costs. Any increases in labor costs have to be offset by greater productivity efforts by all operations and employees, failing which such increase in labor cost could have a material adverse effect on AngloGold Ashanti s results of operations and its financial condition.

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

AngloGold Ashanti uses contractors at certain of its operations to mine and deliver ore to processing plants. Consequently, at these mines, contracting costs represent a significant proportion of the total operating costs of these operations and the company does not own all of the mining equipment. AngloGold Ashanti s operations could be disrupted, resulting in additional costs and liabilities, if the mining contractors at these mines have financial difficulties or if a dispute arises in renegotiating a mining contract, or if there is a delay in replacing an existing contractor. Increases in contract mining rates, in the absence of associated productivity increases, will also have an adverse impact on the company s results of operations and financial condition.

AngloGold Ashanti competes with mining and other companies for key human resources.

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

The retention of staff is particularly challenging in South Africa, where, in addition to the impacts of global industry shortages of skilled labor, AngloGold Ashanti is required to achieve employment equity targets of participation by HDSAs in management and other positions.

AngloGold Ashanti competes with all companies in South Africa to attract and retain a small but growing pool of HDSAs with the necessary skills and experience.

There can be no assurance that the company will attract and retain skilled and experienced employees. Should it fail to do so or lose any of its key personnel, the business and growth prospects may be harmed and this could have an adverse impact on AngloGold Ashanti s results of operations and its financial condition.

The treatment of occupational health diseases and the potential liabilities related thereto may have an adverse effect upon the results of operations of AngloGold Ashanti and its financial condition.

The primary areas of focus in respect of occupational health of employees within the company s operations are noise induced hearing loss (NIHL), occupational lung diseases (OLD), which includes pulmonary and tuberculosis (TB), in individuals exposed to silica dust. AngloGold Ashanti provides occupational health services to its employees at its occupational health centers and continues to improve preventative occupational hygiene initiatives. If the costs associated with providing such occupational health services increase, this could have an adverse effect on the results of operations of AngloGold Ashanti and its financial condition.

The South African government, by way of a cabinet resolution in 1999, proposed a possible combination and alignment of benefits of the Occupational Diseases in Mines and Works Act (ODMWA) that provides for compensation to miners who have OLD and/or TB, and the Compensation for Occupational Injuries and Diseases Act (COIDA), that provides for compensation of non-miners who have OLD. It appears less likely that the proposed combination of the two acts will occur but some alignment of benefits may be considered. COIDA provides for compensation payments to workers suffering permanent disabilities from OLD, which are classified as pension liabilities if the permanent disability is above a certain threshold, or a lump sum compensation payment if the permanent disability is below a certain threshold. ODMWA only provides for a lump sum compensation payment to workers suffering from OLD as well as the payment of medical expenses over the claimant s lifetime.

If the proposed combination of COIDA and ODMWA were to occur, this could further increase the level of compensation claims AngloGold Ashanti could be subject to and consequently could have an adverse effect on its financial condition.

On November 23, 2010 the Chamber of Mines of South Africa applied to the North Gauteng High Court for a declaratory order as to whether or not the Compensation Commissioner may include in the levy to be paid by any specific mine under ODMWA any amount that is intended to be used for funding benefits payable to:

- ex-mine workers who had never worked at that mine; or
- ex-mine workers who used to work at the mine, but no longer work at the mine.

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Judgment in the case was given on April 29, 2011. The Honorable Judge Zondo dismissed the Chamber s application with costs. The judge concluded that the Compensation Commissioner has authority under ODMWA to address an historical or actuarial deficit in the Compensation Fund by increasing the levy payable by current mines and works to cover the shortfall in respect of all ex-mine workers. The Chamber is considering whether to appeal the judgment. Should the Chamber s appeal be unsuccessful this could further increase the levy payable by AngloGold Ashanti to the ODMWA fund and consequently could have an adverse effect on its financial condition.

Mr. Thembekile Mankayi instituted legal action against AngloGold Ashanti in October 2006 in the South Gauteng High Court. Mr Mankayi claimed approximately R2.6 million for damages allegedly suffered by him as a result of silicosis allegedly contracted while working on a mine of Vaal Reefs Mining and Exploration Company Limited, which company was renamed AngloGold Limited in 1998 and AngloGold Ashanti Limited in 2004. The case was heard and judgment in the exception action was rendered on June 26, 2008 in the company s favor on the basis that mine employers are indemnified under ODMWA and COIDA against claims by employees against employers for damages relating to compensable diseases. Mr. Mankayi s appeal to the Supreme Court of Appeal of South Africa was dismissed. On August 17, 2010, the Constitutional Court of South Africa heard Mr. Mankayi s application for leave to appeal to the Constitutional Court. Judgment in the Constitutional Court was handed down on March 3, 2011. The Constitutional Court granted the application for leave to appeal and dealt with the matter as a full appeal. Mr. Mankayi was deceased prior to this judgment in the Constitutional Court, and, following the judgment, Mr. Mankayi s executor may proceed with his case in the High Court and seek a claim for damages under common law against AngloGold Ashanti. This will comprise, amongst others, providing evidence that Mr. Mankayi contracted silicosis as a result of negligent conduct on the part of AngloGold Ashanti.

AngloGold Ashanti is studying the details of the Constitutional Court judgment and will defend the case and any subsequent claims on their merits. As a result of the Constitutional Court decision, AngloGold Ashanti could be subject to numerous similar claims, including potentially by way of a class action or similar group claim. These too would be defended by the company and adjudicated by the Courts on their merits. In view of the limitation of current information for the accurate estimation of a liability, no reliable estimate can be made for this possible obligation at this time. Should AngloGold Ashanti be unsuccessful in defending the claim of Mr. Mankayi s executor and any other individuals or groups that lodge similar claims, this would have an adverse impact on AngloGold Ashanti s financial condition which could potentially be material.

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

In light of the Constitutional Court judgment, AngloGold Ashanti is calling for the industry to engage with government (and other stakeholders) to seek an appropriate industry-wide solution. AngloGold Ashanti can provide no assurances that an industry-wide solution can be reached or that the terms thereof will not have a material adverse affect on AngloGold Ashanti s financial condition.

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

AIDS and associated diseases remain the major health care challenges faced by AngloGold Ashanti s South African operations. Accurate prevalence data for AIDS is not available owing to doctor-patient confidentiality. The South African workforce prevalence studies, however, indicate that HIV prevalence rates among AngloGold Ashanti s South African workforce may be as high as 30 percent. AngloGold Ashanti continues to develop and implement programs to help those infected with HIV and prevent new infections from spreading. Since 2001, the company has offered a voluntary counseling and HIV testing program for employees in South Africa. In 2002, it began to offer anti-retroviral therapy, or ART, to HIV positive employees who met the current medical criteria for the initiation of ART. From April 2003, AngloGold Ashanti commenced a roll-out of the treatment to all eligible employees desiring it. As of December 2010, approximately 2,500 employees were receiving treatment using anti-retroviral drugs.

AngloGold Ashanti does not expect the cost that it will incur related to the prevention of HIV infection and the treatment of AIDS to materially and adversely affect its results of operations. Nevertheless, it is not possible to

determine with certainty the costs that it may incur in the future in addressing this issue, and consequently the company s results of operations and its financial condition could be adversely impacted.

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Malaria and other tropical diseases pose significant health risks at all of the company s operations in Central, West and East Africa where such diseases may assume epidemic proportions because of ineffective national control programs. Malaria is a major cause of death in young children and pregnant women but also gives rise to fatalities and absenteeism in adult men. Consequently, if uncontrolled, the disease could have an adverse impact upon productivity and profitability levels of AngloGold Ashanti s operations located in these regions.

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

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

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

AngloGold Ashanti has identified a flooding and future pollution risk posed by deep groundwater in the Klerksdorp and Far West Rand goldfields in South Africa. AngloGold Ashanti s Vaal River operations are part of the Klerksdorp goldfield and its West Wits operations are part of the Far West Rand goldfield. Various studies have been undertaken by AngloGold Ashanti since 1999. Due to the interconnected nature of underground mining operations in South Africa, any proposed solution needs to be a combined one supported by all the companies owning mines located in these goldfields. As a result, the South African Department of Mineral Resources and affected mining companies are now involved in the development of a Regional Mine Closure Strategy . In view of the limitation of current information for the accurate estimation of a liability, no reliable estimate can be made at this time for this possible obligation, which could be material and have an adverse impact on AngloGold Ashanti s financial condition.

AngloGold Ashanti has identified groundwater contamination plumes at certain of its operations. Numerous scientific, technical and legal studies have been undertaken to assist in determining the magnitude of the contamination and to find sustainable remediation solutions, and, based thereon, the company has instituted processes to reduce seepage and/or to reduce soil and groundwater contamination. It has been demonstrated that certain techniques and/or technologies, including monitored natural attenuation by the existing environment and phyto-technologies, could reduce seepage and/or address soil and groundwater contamination. Subject to the completion of further trials and the technologies becoming a proven remediation technique, no reliable estimate can currently be made for the potential costs of remediation and/or prevention of groundwater contamination at AngloGold Ashanti s operations. Should these costs be significant, this could have a material adverse impact upon AngloGold Ashanti s results of operations and its financial condition.

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

AngloGold Ashanti maintains insurance to protect only against catastrophic events which could have a significant adverse effect on its operations and profitability. This insurance is maintained in amounts that the company believes to be reasonable depending upon the circumstances surrounding each identified risk. However, AngloGold Ashanti s insurance does not cover all potential risks associated with its business. In addition, AngloGold Ashanti may elect not to insure certain risks due to the high premiums or for various other reasons, including an assessment that the risks are remote.

The company may not be able to obtain insurance coverage at acceptable premiums. The availability and cost of insurance coverage can vary considerably from year to year as a result of events beyond the company s control or from claims, and this can result in higher premiums and periodically being unable to maintain the levels or types of insurance carried.

The occurrence of events for which AngloGold Ashanti is not insured will adversely impact its cash flows, its results of operations and its financial condition.

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

The market price of the company s securities could fall if large quantities of ordinary shares or ADSs are sold in the public market, or there is the perception in the marketplace that such sales could occur. Subject to applicable securities laws, holders of AngloGold Ashanti s ordinary shares or ADSs may sell them at any time. The market price of the company s ordinary shares or ADSs could also fall as a result of any future offerings AngloGold Ashanti makes of its ordinary shares, ADSs, or securities exchangeable or exercisable for the company s ordinary shares or ADSs, or the perception in the market place that these sales might occur. AngloGold Ashanti may make such offerings, including offerings of additional ADS rights, share rights or similar securities, at any time or from time to time in the future.

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

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

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

The announced proposal by the South African Government to replace the Secondary Tax on Companies with a withholding tax on dividends and other distributions may impact the amount of dividends or other distributions received by AngloGold Ashanti s shareholders.

On February 21, 2007, the South African Government announced a proposal to replace Secondary Tax on Companies with a 10 percent withholding tax on dividends and other distributions payable to shareholders. Although this may reduce the tax payable by the company s South African operations, thereby increasing distributable earnings, the withholding tax could generally reduce the amount of dividends or other distributions received by its shareholders. The proposal was expected to be implemented in 2010, but its implementation has been delayed to April 1, 2012.

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ITEM 4: INFORMATION ON THE COMPANY

GROUP INFORMATION

AngloGold Limited was founded in June 1998 with the consolidation of the gold mining interests of Anglo American. The company, AngloGold Ashanti as it is now, was formed on April 26, 2004 following the business combination between AngloGold and Ashanti Goldfields Company Limited. AngloGold Ashanti is currently the third-largest gold producer in the world based on ounces sold.

Current profile

AngloGold Ashanti Limited, headquartered in Johannesburg, South Africa, is a global gold company with a portfolio of long-life, relatively low-cost assets and differing orebody types in key gold producing regions. The company s 20 operations are located in 10 countries (Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the US), and are supported by extensive exploration activities. The combined Proven and Probable Ore Reserves of the group amounted to 71.2 million ounces as at December 31, 2010.

The primary listing of the company s ordinary shares is on the JSE in South Africa. Its ordinary shares are also listed on stock exchanges in London, Paris and Ghana, as well as being quoted in Brussels in the form of International Depositary Receipts (IDRs), in New York in the form of American Depositary Shares (ADSs), in Australia, in the form of Clearing House Electronic Subregister System Depositary Interests (CDIs) and in Ghana, in the form of Ghanaian Depositary Shares (GhDSs).

AngloGold Ashanti Limited (Registration number 1944/017354/06) was incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and operates under the South African Companies Act 61 of 1973, as amended.

Its registered office is at 76 Jeppe Street, Newtown, Johannesburg, South Africa, 2001.

4A. HISTORY AND DEVELOPMENT OF THE COMPANY

HISTORY AND SIGNIFICANT DEVELOPMENTS OF THE COMPANY

Below are highlights of key corporate activities from 1998:

1998

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

Acquisition of non-controlling shareholders interest in Driefontein Consolidated Limited (17 percent); Anmercosa Mining (West Africa) Limited (100 percent); Western Ultra Deep Levels Limited (89 percent); Eastern Gold Holdings Limited (52 percent); Erongo Mining and Exploration Company Limited (70 percent).

1999

Purchased Minorco s gold interests in North and South America; and

Acquisition of Acacia Resources in Australia.

2000

Acquired:

a 40 percent interest in the Morila mine in Mali from Randgold Resources Limited;

a 50 percent interest in the Geita mine in Tanzania from Ashanti Goldfields Company Limited (Ashanti); and

a 25 percent interest in OroAfrica, South Africa s largest manufacturer of gold jewellery.

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2001

AngloGold sold the Elandsrand and Deelkraal mines to Harmony Gold Mining Company Limited (Harmony); disposed of its interests in No. 2 Shaft Vaal River Operations to African Rainbow Minerals (ARM) and made an unsuccessful take-over bid for Normandy Mining Limited.

2002

Sold its Free State assets to ARM and Harmony; and

Acquired an additional 46.25 percent of the equity, as well as the total loan assignment, of Cerro Vanguardia SA from Pérez Companc International SA, thereby increasing its interest in Cerro Vanguardia to 92.5 percent.

2003

Disposed of its wholly owned Amapari project to Mineração Pedra Branca do Amapari;

Sold its 49 percent stake in the Gawler Craton joint venture, including the Tunkillia project located in South Australia to Helix Resources Limited;

Sold its interest in the Jerritt Canyon joint venture to Queenstake Resources USA Inc;

Disposed of its entire investments in East African Gold Mines Limited and in Randgold Resources Limited; and

Purchased a portion of the Driefontein mining area in South Africa from Gold Fields Limited.

2004

Sold its Western Tanami project to Tanami Gold NL in Australia;

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

Acquired the remaining 50 percent interest in Geita as a result of the business combination;

AngloGold Holdings plc, a subsidiary of AngloGold, completed an offering of $1 billion principal amount 2.375 percent convertible bonds, due 2009, and guaranteed by AngloGold Ashanti;

Acquired a 29.8 percent stake in Trans-Siberian Gold plc;

Sold its Union Reefs assets to the Burnside joint venture, comprising subsidiaries of Northern Gold NL (50 percent) and Harmony (50 percent);

Sold its entire interest in Ashanti Goldfields Zimbabwe Limited to Mwana Africa Holdings (Proprietary) Limited;

Sold its 40 percent equity interest in Tameng Mining and Exploration (Pty) Limited of South Africa (Tameng) to Mahube Mining (Pty) Limited; and

Subscribed for a 12.3 percent stake in the expanded issued capital of Philippines explorer Red 5 Limited.

2005

Substantially restructured its hedge book in January 2005;

Signed a three-year $700 million revolving credit facility;

Disposed of exploration assets in the Laverton area in Australia;

Disposed of its La Rescatada project to ARUNANI SAC, a local Peruvian corporation;

Acquired an effective 8.7 percent stake in China explorer, Dynasty Gold Corporation; and

The Director-General of Minerals and Energy notified AngloGold Ashanti in August 2005 that its application for the new order mining rights in terms of the South African Mineral and Petroleum Resources Development Act had been granted.

2006

Raised $500 million through an equity offering;

Acquired two exploration companies, Amikan and AS APK, from TSG as part of the company s initial contribution towards its strategic alliance with Polymetal;

Formed a new company with B2Gold (formerly Bema Gold) to jointly explore a select group of mineral opportunities located in northern Colombia, South America;

AngloGold Ashanti (USA) Exploration Inc, International Tower Hill Mines Ltd (ITH) and Talon Gold Alaska, Inc. (Talon), a wholly owned subsidiary of ITH, entered into an Asset Purchase and Sale and Indemnity Agreement whereby AngloGold Ashanti sold to Talon a 100 percent interest in six Alaskan mineral exploration properties and associated databases in return for an approximate 20 percent interest in ITH. AngloGold Ashanti has the option to increase or dilute its stake in these projects, subject to certain conditions;

Disposed of its entire business undertaking related to the Bibiani mine and Bibiani North prospecting permit to Central African Gold plc;

Entered into a 50:50 strategic alliance with Russian gold and silver producer, OAO Inter-Regional Research and Production Association Polymetal (Polymetal), in terms of which Polymetal and AngloGold Ashanti would co-operate in exploration and the acquisition and development of gold mining opportunities within the Russian Federation; and

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Implemented an empowerment transaction with two components: the development of an employee share ownership plan (ESOP) and the acquisition by Izingwe Holdings (Proprietary) Limited (an empowerment company) of an equity interest in AngloGold Ashanti.

2007

Acquired the non-controlling interests, previously held by the Government of Ghana (5 percent) and the International Finance Corporation (10 percent), in the Iduapriem and Teberebie mines;

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

Announced the successful closing of a $1.15 billion syndicated revolving credit facility.

2008

Issued 69,470,442 ordinary shares in a fully subscribed rights offer;

Announced significant exploration results at the 100 percent owned La Colosa;

Acquired Golden Cycle Gold Corporation through the issue of 3,181,198 ordinary shares, resulting in Cripple Creek & Victor becoming a wholly-owned subsidiary;

Sold entire holding in Nufcor International Limited and cancelled 1 million pounds of outstanding uranium contracts;

Acquired São Bento Gold Company Limited through the issue of 2,701,660 ordinary shares with the ultimate result of doubling production from the Córrego do Sítio project;

Entered into a $1 billion term facility agreement to be used to redeem the $1 billion convertible bonds due February 2009; and

AngloGold Ashanti implemented a hedge restructure program.

2009

Sold its 33.33 percent joint venture interest in the Boddington Gold Mine to Newmont Mining Corporation;

Entered into an agreement with Simmer & Jack Mines Limited to sell the Tau Lekoa Mine and adjacent project areas;

AngloGold Ashanti repaid its $1 billion convertible bonds issued in 2004;

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

Entered into a strategic alliance with Thani Dubai Mining Limited to explore, develop and operate mines across the Middle East and parts of North Africa;

AngloGold Ashanti issues $732.5 million, 3.5 percent convertible bonds, due 2014;

Issued 7,624,162 ordinary shares and raised a total of $284 million through an equity offering;

Acquired an effective 45 percent interest in the Kibali gold project in the Democratic Republic of the Congo;

Entered into a joint venture with the De Beers Group of Companies to explore for, and ultimately mine gold and other minerals and metals, excluding diamonds, on marine deposits;

Increased the holding in the Sadiola Gold Mine from 38 percent to 41 percent; and

AngloGold Ashanti continued to manage its hedge book in accordance with its hedge reduction program.

2010

Issued $700 million 5.375 percent bonds due 2020 and $300 million 6.5 percent bonds due 2040;

Finalized the sale of 100 percent interest in the Tau Lekoa mine and adjacent properties in South Africa to Simmer & Jack Mines Limited for R600 million;

Issued 18,140,000 ordinary shares and raised a total of $789 million through an equity offering;

Issued $789 million 6 percent mandatory convertible bond, due 2013;

Obtained a four-year syndicated revolving credit facility for $1 billion due 2014;

AngloGold Ashanti eliminated its hedge book, thereby gaining full exposure to spot gold price;

Sold entire shareholding in B2Gold and realized net proceeds of $68 million; and

Obtained a short-term facility with FirstRand Bank Limited of R1.5 billion.

The following announcements regarding significant developments were made by AngloGold Ashanti during 2010 and subsequent to year-end:

Appointment of chairman: Mr Tito Mboweni, the former Governor of the South African Reserve Bank was appointed to the board and as chairman of the company with effect from June 1, 2010. He succeeded Mr Russell Edey, who retired as chairman and from the board on May 7, 2010.

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Joint venture in the Democratic Republic of the Congo: On March 26, 2010, AngloGold Ashanti announced that it had entered into a definitive joint venture agreement (JVA) with Société Miniére de Kilo-Moto (SOKIMO) relating to the development of the Ashanti Goldfields Kilo (AGK) project in the Democratic Republic of the Congo (DRC) and the transfer of the exploitation permits to AGK. Under the JVA, AngloGold Ashanti and SOKIMO agree to jointly develop the AGK project through the joint company AGK, in which AGA holds an 86.22 percent interest and SOKIMO holds the remaining 13.78 percent. The JVA provides for the exploitation permits to be transferred from SOKIMO to AGK covering an area of approximately 6,000km^2 in the Ituri district in the northeastern DRC. This includes the Mongbwalu project where a Mineral Resource of approximately 3 million ounces has been identified by previous exploration work and where further exploration and feasibility studies are currently taking place.

Temporary suspension of operations at the Iduapriem and Obuasi mine: Following a temporary suspension of operations at the Iduapriem mine, AngloGold Ashanti with the approval of the Ghana EPA, constructed an interim tailings storage facility (TSF) for tailings deposition for a year while the greenfields tailings storage facility is being constructed. In addition, the water treatment plant on site was upgraded. The interim TSF was commissioned in April 2010 and water treatment plant in November 2010.

AngloGold Ashanti s Obuasi mine in Ghana suspended operation of gold processing for five days to implement a revised water management strategy aimed at reducing contaminants contained in its discharge.

$1 billion revolving credit facility: On April 21, 2010, AngloGold Ashanti secured a $1 billion, four-year unsecured revolving credit facility, due 2014.

Issue of $1 billion unsecured bonds: On April 22, 2010, AngloGold Ashanti announced the pricing of an aggregate offering of US$1 billion of 10-year and 30-year unsecured bonds. The issue was significantly oversubscribed and the offering closed on April 28, 2010.

Cessation of services to mines in Orkney: On June 1, 2010, AngloGold Ashanti announced that it was halting the supply of services, including water, compressed air, electricity and sewerage, to the mines in Orkney following the failure by the liquidators of Pamodzi Gold Orkney, to settle debts owed for services supplied to the operations over the prior ten months. AngloGold Ashanti however would continue to supply potable water and electrical power to Pamodzi s mine residences for as long as these were occupied.

Sale of Tau Lekoa Mine: The terms of the sale of the Tau Lekoa Mine to Simmer & Jack Mines Limited (Simmers) were announced on February 17, 2009. This sale was concluded effective August 1, 2010, following the transfer of the mining rights of the Tau Lekoa Mine and the adjacent properties of Weltevreden, Jonkerskraal and Goedgenoeg to Buffelsfontein Gold Mines Limited, a wholly owned subsidiary of Simmers on July 20, 2010.

Amendment to the joint venture agreement with B2Gold Corp: On July 1, 2010, AngloGold Ashanti increased its holding in the Gramalote project from 49 percent to 51 percent. On August 12, 2010, AngloGold Ashanti announced that it had entered into an agreement with B2Gold Corp. to amend the Gramalote Joint Venture Agreement. Under the amended terms, AngloGold retains its 51 percent interest in the Gramalote Joint Venture and will become manager of the Gramalote Project in Colombia. The Gramalote Project to date was managed by B2Gold, which will retain its 49 percent interest in the Gramalote Joint Venture.

Concurrent equity and mandatory convertible bond issue: On September 15, 2010, AngloGold Ashanti announced the launch and pricing of a concurrent equity and mandatory convertible offering which was followed by an announcement on September 16, 2010 advising of the exercise of an over-allotment option. The concurrent offering resulted in the issue of 18,140,000 ordinary shares or 5 percent of the ordinary issued share capital of the company at an issue price of R308.37 per share and an issue of $789,086,750 Mandatory Convertible Subordinated Bonds due September 15, 2013. On October 26, 2010, shareholders, by the requisite majority, approved a special resolution placing up to a maximum of 18,140,000 ordinary shares under the control of the directors, deliverable upon the conversion of the Mandatory Convertible Subordinated Bonds.

Elimination of hedge book: On October 7, 2010, AngloGold Ashanti completed the elimination of its gold hedge book, providing the company and its shareholders with full exposure to the prevailing gold price.

Sale of B2Gold Corp shares: AngloGold Ashanti realized net proceeds of $68 million from the sale of its entire holding of shares in Vancouver-based gold producer B2Gold Corp.

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Development of the Tropicana Gold Project in Western Australia: On November 11, 2010, AngloGold Ashanti announced that the development of the Tropicana Gold Project in Western Australia had been approved by the boards of AngloGold Ashanti (70 percent interest) and Independence Group NL (30 percent interest).

Retirement of Deputy Chairman: Dr TJ Motlatsi retired from the board of AngloGold Ashanti, effective from February 17, 2011.

Mankayi case Constitutional Court ruling: On March 3, 2011, AngloGold Ashanti noted the decision of the Constitutional Court to grant Mr Mankayi leave to appeal against the decision of the Supreme Court of Appeal, which itself upheld the June 2008 Johannesburg High Court decision that employees who qualify for benefits in respect of the Occupational Diseases in Mines and Works Act (ODMWA) may not, in addition, lodge civil claims against their employers in respect of their relevant conditions. See Item 3D.: Risk Factors .

Sunrise Dam, Australia: On March 15, 2011, AngloGold Ashanti announced that its Sunrise Dam Gold Mine, situated 56 kilometers south of Laverton in Western Australia, had been impacted by unprecedented heavy rains over the prior month.

Restructuring of the Black Economic Empowerment share ownership transaction: On April 14, 2011, AngloGold Ashanti announced that it was proposing to restructure its Black Economic Empowerment (BEE) share ownership transaction first announced in 2006, to ensure the intended benefits will accrue to its recipients, namely South African employees, through the Bokamoso ESOP trust and BEE Partner, Izingwe Holdings (Proprietary) Limited (Izingwe) (an investment company controlled by black investors). The total incremental accounting cost to AngloGold Ashanti of the proposed restructuring which was subject to shareholders approval, is estimated at around R120.5 million (approximately $18 million). Shareholders in general meeting held on May 11, 2011 approved the restructuring.

4B. BUSINESS OVERVIEW

VISION, MISSION AND VALUES

AngloGold Ashanti s:

Vision is to be the leading mining company.

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

Our values

Safety is our first value.

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

We treat each other with dignity and respect.

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

We value diversity.

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

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

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

The communities and societies in which we operate will be better off for AngloGold Ashanti having been there.

We uphold and promote fundamental human rights where we do business. We contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate. We aim to leave host communities with a sustainable future.

We respect the environment.

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

ANGLOGOLD ASHANTI S BUSINESS

Products

AngloGold Ashanti s main product is gold. A portion of its revenue is also derived from sales of silver, uranium oxide and sulfuric acid.

Focused on returns

AngloGold Ashanti endeavors to maximize the returns delivered to shareholders throughout the economic cycle, by producing gold safely, responsibly and efficiently.

Exploration

The group s exploration program, which covers greenfield, brownfield, and more recently, marine exploration, is conducted either directly or in collaboration with partners. The group s foremost recent greenfield discovery is the La Colosa deposit in Colombia (see map for regions of active greenfield exploration). Brownfield exploration is conducted around existing operations. In October 2009, the group established a joint venture to explore for marine mineral deposits on the continental shelf. This complements AngloGold Ashanti s existing terrestrial exploration and mining activities.

Operations

In addition to the six deep-level mines and one surface operation in South Africa, AngloGold Ashanti has surface and underground mining operations in the Americas, Australia and elsewhere on the African continent. The Tau Lekoa mine in South Africa was sold during 2010. In addition to gold, valuable by-products silver, sulfuric acid and uranium are produced in the process of recovering the gold mined at certain operations.

Marketing

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

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Built for purpose

Since launching its new business strategy at the end of March 2008, AngloGold Ashanti has significantly restructured its portfolio and rebuilt its balance sheet to create the operating and financial foundation to achieve its production growth target of 5.4 million ounces to 5.6 million ounces by 2015. Operating cash flow has increased markedly following the elimination of the hedge book, as well as the implementation of Project ONE, the business improvement intervention, and the higher gold price.

AngloGold Ashanti has also continued to invest in its industry leading exploration team to build on its record of new gold discoveries and to grow its world-class gold endowment. Longer-term debt has also been introduced into the balance sheet, thereby greatly enhancing the capacity to fund a significant project pipeline, while maintaining strict capital discipline and driving shareholder returns.

STRATEGY

Striving to be the leading mining company

AngloGold Ashanti s business strategy is reviewed regularly to determine progress in its implementation against the backdrop of a dynamic operating and regulatory environment. These evaluations allow for tactical adjustments necessary to achieve the ultimate goal of becoming **the leading mining company** .

AngloGold Ashanti has defined its strategic focus in five parts:

Recognize that People are the business organizational development is a strategic value driver for the group;

Maximize margins manage both revenue and costs to ensure delivery and protection of returns throughout the economic cycle;

Manage the business as an asset portfolio use capital deployment optimization approaches to support delivery of return targets;

Grow the business have a definite strategy for both organic growth and growth by acquisition and be opportunistic in seeking value accretive targets; and

Embrace sustainability principles understand and focus on creating value for both business and social partners to manage risk and opportunity.

The key components of each of the strategy points are as follows:

People are the business

AngloGold Ashanti recognizes that People are the business and through its:

Mission, defines a clear view of the organization;

Vision, reflects a clear and consistent view of the organization s future;

Values, recognizes that the process used to achieve results is as important as the results themselves;

Business Process Framework, defines the policy, standards and operating framework necessary to establish a flexible and responsive work model within which people have the opportunity to be creative and realize their potential; and

Organizational model, ensures that the right person, does the right work, in the right way and at the right time.

Maximize margins

AngloGold Ashanti seeks to ensure sustainable value and maximize returns by:

Managing revenues to ensure that full value is realized from its products by:

managing product sales to realize premiums for the delivery of a superior quality product and by exploring other value adding initiatives;

delivering products of a consistent quality, on time; and

offering exposure to spot prices.

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Managing costs to protect margins and returns on capital employed by:

applying resource development strategies to maintain operating margins over the life cycle of the assets;

protecting critical margins where appropriate;

maintaining costs below the industry s mean in order to minimize risks to cash flow and returns in a volatile price environment; and

optimizing capital deployment by investing only in assets and growth opportunities which offer superior returns.

Manage the business

Meeting commitments is a critical objective and includes:

ensuring safe work practices and a healthy workforce;

generating returns on capital of more than 15 percent through the cycle;

meeting production and cost targets;

managing costs to maximize margins and return on capital employed over the life cycle of all operations and projects;

maximizing revenues; and

implementing Project ONE to standardize all operating procedures and achieve key five-year goals. The five-year goals agreed in 2008 were:

a 70 percent reduction in accident rates;

a 30 percent improvement in overall productivity (in terms of ounces of gold produced per employee);

a 60 percent reduction in reportable environmental incidents;

a 20 percent increase in gold production;

a 25 percent reduction in total cash costs per ounce (as calculated under IFRS); and

to deliver an average return on capital of above 15 percent.

Given the progress achieved to date, the board reviewed and amended the following key five-year goals in late 2010 for the period 2011-2015 as follows:

Safety an all injury frequency rate of less than 9 per million hours worked by 2015;

Productivity 20 percent improvement in ounce/TEC by 2015;

Environment 30 percent reduction in reportable incidents by 2015;

Production (attributable ounces produced) between 5.4 million ounces and 5.6 million ounces, an improvement of 20 percent on base;

Total cash cost per ounce a 20 percent improvement in real unit costs by 2015 (adjusted for mining inflation); and

Return on shareholders equity 15 percent through the cycle to 2015.

Manage the business as an asset portfolio

AngloGold Ashanti regularly reviews and ranks each asset and project as part of its annual business planning process. This ranking is both absolute and relative to its peer group, with the aim of:

ensuring that individual assets and projects meet or exceed specified risk-adjusted rates of return;

identifying the strengths and weaknesses of the portfolio, with particular focus on portfolio risk;

implementing strategies to identify optimal orebody capability;

applying methods and design to ensure optimal operating performance;

ensuring the application of detailed planning and scheduling, together with the use of best-practice operating methods associated with each asset;

optimizing returns from existing assets and growth opportunities; and

selling those assets that no longer meet the company s criteria at attractive valuations.

Achieving these performance objectives will be impacted by any portfolio changes and is subject to a number of potentially offsetting factors and risks, uncertainties and other factors, some of which are beyond the company s control, any of which may prevent or delay AngloGold Ashanti from achieving its stated goals. Certain of such risks, uncertainties and other factors are described in Item 3D.: Risk Factors . See also Note Regarding Forward-Looking Statements .

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Grow the business

AngloGold Ashanti seeks to further enhance shareholder value through:

Exploration leveraging its asset portfolio and landholdings through greenfield and brownfield exploration and development while targeting new opportunities;

Brownfield development the development portfolio comprises board approved projects including: the Tropicana gold project in Australia; the Córrego do Sítio and Lamego projects in Brazil; the Mine Life Extension project at Cripple Creek & Victor in the United States; the Ventersdorp Contact Reef project at the Mponeng mine in South Africa; and others undergoing feasibility studies in Argentina, Brazil, Colombia, the Democratic Republic of the Congo, Mali, Namibia, South Africa and the United States;

New projects by promoting organic growth and leveraging current positions;

Mergers and acquisitions by selectively pursuing value accretive merger and acquisition opportunities; and

Logical incrementalism by maximizing the value of other commodities within an existing and developing asset portfolio.

Embrace sustainability principles

AngloGold Ashanti seeks to embrace sustainability principles to create business and social partnerships based on mutual value creation. This approach includes:

Safety and health ensuring that commitment to the welfare of people remains the company s most important value;

Environment by managing the impact on the environment, meeting commitments made to host communities and ensuring AngloGold Ashanti is the preferred development partner for mining projects;

Community relations establishing relationships and developing strategies that support the creation of unique value for various community partners;

Institutional relations working through the respective government and other local institutions, while respecting the values and traditions of each jurisdiction; and

Political relationships managing relationships in a manner consistent with the company s values.

GOLD, URANIUM AND SILVER MARKET IN 2010

Gold market in 2010

Product and marketing channels

Gold accounts for 98 percent of AngloGold Ashanti s revenue, with the balance derived from sales of silver, uranium oxide and sulfuric acid. These products are sold on international markets.

Gold produced by AngloGold Ashanti s mining operations is processed to a saleable form at various precious metals refineries. Once gold is refined to this marketable form (normally large bars weighing about 12.5 kilograms and containing 99.5 percent gold, or smaller bars of equal or greater purity weighing 1 kilogram or less) the metal is sold through refineries or directly to bullion banks.

Bullion banks are registered commercial banks that deal in gold, distributing bullion bought from mining companies and refineries to markets worldwide. These banks hold consignment stocks in all major physical markets and finance these inventories from the margins they charge physical buyers.

Gold market characteristics

Gold price movements are largely driven by macroeconomic factors such as inflation expectations, currency and interest rate fluctuations or global and regional political events that are judged to affect the world economy. For millennia, gold has been a store of value in times of price inflation and economic uncertainty. This attribute, together

with the presence of significant gold stocks held above ground, has at times dampened the impact of supply and demand fundamentals on the market. Trade in physical gold, however, remains an important factor in determining a price floor. Gold bars and high-caratage jewellery remain a major investment vehicle in the emerging markets of India, China and the Middle East.

The gold market is relatively liquid compared to those for many other commodities, with deep and established markets for gold futures and forward sales on the various exchanges, as well as in over-the-counter markets.

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Physical gold demand

The physical gold market is dominated by the jewellery and investment sectors, which together account for some 90 percent of total demand. The balance of gold supply is used in dentistry and electronics.

While the quantity of gold used in jewellery consumption has decreased over the last decade, the investment market has largely absorbed available supply. Investment in physical gold includes bar hoarding, coins, medals and other retail investment instruments as well as a burgeoning market for exchange traded funds (ETFs). The latter have, since their inception in 2002, entrenched their position as a vehicle for retail and institutional investors. ETF investment activity was once again strong during 2010, with overall holdings continuing to grow, albeit at a slower rate than in 2009.

Newly mined gold accounts for just over 60 percent of total supply. Due to its high value, gold is rarely destroyed and some 161,000 tonnes of the metal, the equivalent of about 65 years of newly mined supply at current levels, is estimated to exist in the form of jewellery, central bank gold reserves and private investment.

Gold demand by sector

Jewellery demand

The jewellery market improved in 2010 from the previous year, with a welcome return to form for the vital Indian jewellery market. China, the only major gold jewellery market to grow in 2009, showed further growth in 2010. These two countries are the world s largest gold consumers with high-caratage jewellery (22 carat in India and 24 carat in China) serving an important investment purpose. In fact, jewellery demand significantly exceeds investment demand in the form of ETFs, coins and bar hoarding in both nations.

In India, over 750 tonnes of gold were imported in 2010, a new record, and up from 557 tonnes the previous year. Indian consumers view gold jewellery as a form of savings and so do not readily sell their jewellery. Gold reached record prices in rupee terms and still consumers did not cash-out en masse, with so-called `recycling of jewellery remaining around the longer-term average levels of 25 percent. Unlike 2009, the record gold price has been accepted by Indian consumers who continued a long tradition of buying the precious metal as insurance against inflation and economic shock.

Chinese jewellery demand in 2010 rose some 10 percent over 2009. Most of this increase took the form of pure gold jewellery, which holds superior investment appeal to the 18 carat variety known in China as K Gold. Nevertheless, the K Gold market also showed a gain of 5 percent, following a 10 percent decline in 2009. Consumer psychology in 2010 was marked by the growing perception that gold is an important component of any asset portfolio. This view was previously the domain of wealthy Chinese, but the middle class began to exhibit a similar tendency. Chinese consumers showed little aversion to the higher price of gold, given the investment appeal of pure gold jewellery and a bullish outlook on the gold price.

The Middle Eastern market improved from 2009 levels, but the recovery was mixed and less substantial than the Indian resurgence. In the United Arab Emirates, the jewellery sector experienced a strong rebound in the second half of the year as consumer confidence returned to the local economy. The 22 carat segment remained the category leader thanks to heavy buying from expatriates from the Asian subcontinent. Turkey experienced a moderate increase in jewellery sales and exhibited a promising trend for most of the year. In dollar terms, gold jewellery exports from the region increased by 22 percent. In the Kingdom of Saudi Arabia, each quarter saw a year-on-year increase in gold demand but consumers remained cautious given the rising price. Elevated prices, however, kept recycling at customary levels.

Investment demand

ETF holdings experienced mixed fortunes in 2010, after registering net disinvestment in the first quarter. This trend reversed in the second and third quarters before stagnating in the final three months of the year at approximately 2,100 tonnes, or around 68 million ounces.

The cumulative growth in ETFs for 2010 was around 330 tonnes, in line with annual average growth rates since 2003. In 2009, however, ETF holdings grew by 617 tonnes in a year that saw a 24 percent rise in the gold price. In 2010, ETF growth was significantly slower despite a 30 percent rise in the price of the metal. However, the value of the gold ETF market grew by 55 percent to $34 billion.

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The universe of gold ETFs has grown steadily since inception, with 16 products now spanning global financial exchanges from New York to Johannesburg and Istanbul to Dubai, among others. In the second half of 2010, China permitted domestic institutional investors to invest in international ETFs, broadening global investment channels for gold and given the Chinese appetite for gold generating significant potential for a fresh, largely untapped demand source. In India, the ETF market doubled in volume to around 16 tonnes.

Coin and bar markets in most major markets saw continued firm demand in 2010. In China, investment demand grew to 35 percent of total demand. China Gold Corporation reported remarkable sales of 45 tonnes, while ICBC bank sold 27 tonnes of the yellow metal. In the US, several reports chronicled the US Mint s inability to keep pace with gold coin demand. The Middle Eastern market saw sustained interest in large denomination bullion bars from high-net-worth individuals.

Central bank holdings, sales and purchases

Central banks periodically sell or add to their gold reserves. Most central bank sales take place under so-called Central Bank Gold Agreements (CBGA), which compel signatories to sell in a stable and responsible fashion to minimize the impact on the global market. A third of these agreements, in effect since September 27, 2009, limits signatories to annual sales of 20 percent less than the previous agreement.

Given the turmoil in global financial markets and the strong performance of gold, it is unsurprising that there was little central bank selling in 2010. In the first full year of the third CBGA, just 6 tonnes of sales were reported against the annual quota of 400 tonnes excluding sales by the International Monetary Fund (IMF).

Official sector activity in 2010 was dominated by sales of a portion of the IMF inventory announced in late 2009. In addition to the purchase by the Reserve Bank of India in 2009 of roughly half the 403 tonnes offered, Mauritius, Sri Lanka and Bangladesh made their own acquisitions from the IMF. These four countries account for roughly 55 percent of the gold the IMF had to sell, with the balance sold on the open market.

AngloGold Ashanti s marketing spend

AngloGold Ashanti has remained committed to growing the gold market.

The company is an active member of the World Gold Council, and subscriptions to this industry body account for the bulk of marketing expenditure. AngloGold Ashanti also remains involved in independent projects to grow jewellery demand in partnership with companies including Tanishq, a subsidiary of the TATA Group. AuDITIONS, the company s own global gold jewellery design competition, promotes improved gold jewellery design and has become a well-recognized corporate marketing tool. See the competition website at www.goldauditions.com.

Uranium market in 2010

AngloGold Ashanti s uranium production is sold via a combination of spot sales and residual legacy agreements expiring in 2013.

After languishing between $40 per pound to $50 per pound for more than a year, the spot price of uranium began to rise sharply toward the end of October and ended 2010 at $61.50 per pound, the highest price since the onset of the global financial crisis in September 2008. The move appears to have been caused by a combination of a production shortfall, restocking by utilities and the launch of a physically backed ETF for uranium.

Demand is likely to remain robust as the number of nuclear reactors increases globally there are currently 441 reactors in operation and a further 58 under construction. This number is likely to increase as global emphasis shifts towards greener, more environmentally friendly energy sources, although this sentiment has been adversely impacted following the events surrounding the earthquake and tsunami in Japan.

Silver market in 2010

AngloGold Ashanti produces silver as a by-product of gold at a number of its global operations and principally at its Cerro Vanguardia mine in Argentina.

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The silver price rallied more than 80 percent over the course of the year, ending at almost $31 per ounce from the year s opening levels of $17 per ounce. The gold/silver ratio, which measures how many ounces of silver can be bought with an ounce of gold, ended the year well below its five-year average at $47 per ounce. In addition to robust investor demand, industrial and retail offtake helped improve fundamentals for the white metal.

Although COMEX investors sold silver rather aggressively during the latter part of the year, global silver ETF holdings continued to climb throughout 2010, exceeding 500 million ounces at year end. This represents an increase of some 100 million ounces. In addition to the significant ETF boost, GFMS estimated that silver coin minting rose 23 percent in 2010 and reports suggest continued robust physical demand for silver bars and coins in North America.

GOLD PRODUCTION

Gold production can be divided into six main activities supported by mine planning, engineering services, ventilation, rock engineering, procurement, finance, social and environmental services and human resources, among others. The six core production processes are:

1. **Exploration Finding the orebody**

   AngloGold Ashanti s exploration work is split into two functions. The company s greenfield exploration team identifies and evaluates targets on its own or in conjunction with joint venture partners. The brownfield exploration team is responsible for identifying the limits of known deposits or finding additional deposits close to existing operations to facilitate organic growth. All discoveries undergo a well structured and intensive evaluation process aimed at improving confidence in the Mineral Resource and Ore Reserve estimates before developing or expanding the mine.

2. **Development Creating access to the orebody**

   Two types of mining are used to access orebodies:

   Underground mining: a vertical or decline (inclined) shaft is sunk deep into the ground to transport people and mining materials to underground levels from which the orebody is accessed through horizontal tunnels known as haulages and cross-cuts. Further development is then undertaken to open the orebody so mining can take place; and

   Open-pit mining: this method is employed when ore lies close to surface and can be exposed for mining by stripping overlying, barren material.

3. **Mining Removing the ore**

   In underground mining, holes are first drilled into the orebody, filled with explosives and blasted. The blasted stopes or faces are then cleaned and the ore released by blasting is then ready to be transported to surface.

   In open-pit mining, the material may be free digging, although drilling and blasting is usually necessary to break the ore and waste prior to transportation. Excavators then load the material onto haul trucks which transport the material to the plant, ore stockpiles or waste dump facility.

4. **Transportation Moving broken material from mining face to the plant**

   Underground material is brought to surface by a combination of horizontal and vertical transport systems. Once on surface, ore is transported to the processing facilities by surface rail or overland conveyors and waste material is deposited on low grade dumps.

   In open-pit operations, haul trucks deliver ore directly to the processing facilities.

5. **Processing Treating the ore to recover the gold**

Liberation is the first step in processing and involves breaking up ore, which is delivered as large rocks, into small particles so contained gold minerals are exposed and available for recovery. This is usually undertaken by a combination of multi- stage crushing and milling circuits with associated screening and classification processes to ensure that material of the correct size is removed promptly from the milling circuit. Coarse, liberated gold particles, which may not dissolve fully during the cyanide leach process, are removed by gravity concentration during milling with the resultant concentrate undergoing separate processing.

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Recovery of gold can then commence, depending on the nature of the gold contained in the ore.

There are two basic classes of ore:

Free-milling: where gold is readily available for recovery by the cyanide leaching process; and

Refractory ores: where gold is not readily available for leaching because it is locked within a sulfide mineral matrix (e.g. pyrite), extremely finely dispersed within the host rock (not yet exposed), or alloyed with other elements which retard or prevent leaching (e.g. tellurides).

Free milling and oxidized refractory ores are processed for gold recovery by leaching ore in agitated tanks in an alkaline cyanide leach solution which dissolves the gold. This is generally followed by adsorption of the dissolved gold cyanide complex onto activated carbon at a significantly higher concentration. In some operations, the gold bearing solution is filtered from the pulp and gold is then precipitated by the addition of zinc dust.

Refractory ores undergo pre-treatment to make them more amenable to cyanide leaching. This commonly takes the form of separating the gold-bearing sulfide materials from the barren gangue material by using flotation to produce a high- grade sulfide concentrate. The sulfide concentrate is then oxidized by either roasting as at AngloGold Ashanti Córrego Do Sítio Mineração; bacterial oxidation (BIOX®) as at Obuasi; or in pressure oxidation units. This oxidation destroys the sulfide matrix and exposes the gold particles thereby making them amenable to recovery by the cyanidation process.

An alternative to the milling and leaching process is the heap leach process, generally applicable to high-tonnage, low-grade ore deposits. It can, however, also be successfully applied to medium-grade deposits where smaller ore deposit tonnages cannot economically justify a capital-intensive milling and leaching plant. In this process, ore is simply crushed to a coarse size and heaped on a lined leach pad. Low-strength alkaline cyanide solution is dripped onto the heap for periods of up to three months. The gold dissolves and the gold bearing solution is collected from the base of the heap and transferred to carbon-in-solution (CIS) columns, where the gold cyanide complex is adsorbed onto activated carbon. The barren solution is refreshed and recycled to the top of the heap.

Gold which has loaded (adsorbed) onto activated carbon is recovered by a process of re-dissolving it from the activated carbon (elution), followed by precipitation in electro-winning cells and subsequent smelting of the precipitate into doré bars, which have a gold content of between 85 percent and 95 percent. These bars are shipped to gold refineries for further processing.

Valuable by-products are generated during the gold recovery process at certain AngloGold Ashanti operations. These by products are:

Silver, which is associated with the gold at some of our operations;

Sulfuric acid, which is produced from the gases generated during sulfide roasting; and

Uranium, which is recovered in a process which involves sulfuric acid leaching, followed by recovery of the leached uranium onto resin and subsequent stripping of the resin by sulfuric acid and precipitation of ammonium diurinate (yellow cake) using ammonia. Uranium oxide is then produced by calcination (heating) of the yellow cake.

Residue from processing is pumped to well-designed tailings- storage facilities, where the solids settle to form a beach, while the water is reused.

6. Refining Preparing the gold for market

The doré bars are transported to a precious metal refinery, where the gold is upgraded to a purity of 99.5 percent or greater, for sale to a range of final users. High-purity gold is referred to as good delivery , which means it meets the quality standards set by the London Bullion Market Association and gives the buyer assurance of its gold content and purity.

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MINE SITE REHABILITATION AND CLOSURE

All mining operations will eventually cease. For AngloGold Ashanti, an integral aspect of operating its mines is ongoing mine closure planning, together with the associated estimates of liability costs and the assurance of adequate financial provisions to cover these costs.

The company s Environment and Community Policy commits the company, amongst others, to ensuring that financial resources are available to meet its closure obligations . One of the company s values is that the communities and societies in which we operate will be better off for AngloGold Ashanti having been there .

In order to ensure that operating staff and the company s stakeholders understand clearly what these statements mean in practice and to set a common benchmark across the company, a closure and rehabilitation management standard was finalized during 2009. Operations have been given two years (ie. end 2011) to achieve full compliance with the standard. Guidelines to assist operations to implement the standard were developed during 2009/10. A workshop was held in December 2010 to ensure alignment amongst environmental, social and accounting professionals within the company and to share best practices across the group.

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

For many of the older mines, closure planning and the evaluation of environmental liabilities is a complex process. This is particularly the case in Brazil, Ghana and South Africa, where many of the long-life operations present environmental legacies that may have developed over a century or more. A particular challenge is concurrent rehabilitation, which is carried out while a mine is still operating. This practice serves to decrease the current liability and reduces the final rehabilitation and closure work that must be undertaken, but has the potential to sterilize reserves, which the company might wish to exploit should conditions, such as the gold price, change.

An assessment of closure liabilities is undertaken annually.

THE REGULATORY ENVIRONMENT ENABLING ANGLOGOLD ASHANTI TO MINE

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

There are in some cases, certain restrictions on AngloGold Ashanti s ability to independently move assets out of certain countries in which it has operations, and/or transfer assets within the group, without the prior consent of the local government or minority shareholders involved.

SOUTH AFRICA

In October 2002, the President of South Africa assented to the Mineral and Petroleum Resources Development Act (MPRDA), which had been passed by the Parliament of South Africa in June 2002 and came into effect on May 1, 2004. The objectives of the MPRDA are, among other things, to allow for state sovereignty over all mineral and petroleum resources in the country, to promote economic growth and the development of these resources and to expand opportunities for the historically disadvantaged. Another objective of the MPRDA is to ensure security of tenure for the respective operations concerning prospecting, exploration, mining and production. By virtue of the provisions of the MPRDA, the state ensures that holders of mining and prospecting rights contribute to the socio-economic development of the areas in which they operate.

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The Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the Mining Charter) sprung from the MPRDA. The Mining Charter committed all stakeholders in the mining industry to transfer ownership of 26 percent of their assets to black or historically disadvantaged South Africans (HDSAs) within 10 years. In addition, the government indicated it would issue a Mining Charter Scorecard (Scorecard) against which companies could gauge their empowerment credentials. The fact that the Mining Charter enjoyed the full support of the mining houses, South Africa s government and labor unions, gives it great credibility and improves its chances for success in the long run.

The objectives of the Mining Charter are to:

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

The Scorecard was designed to function as an administrative and not a legislative tool. Its objective was to find a practical framework for the Minister to assess whether a company measured up to the intent of the MPRDA and Mining Charter.

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

AngloGold Ashanti holds eight mining rights in South Africa, five of which have been successfully converted, executed and registered as new order mining rights at the Mineral and Petroleum Resources Titles Office (MPRTO). Three old order mining rights, being a non-core mining right, a surface operation that has been sold and a right which is an extension of an existing operation, are awaiting conversion by the Department of Mineral Resources (DMR), one of which has been executed, and is awaiting registration in the MPRTO.

AngloGold Ashanti holds three prospecting rights for gold and associated minerals, as well as a mining permit for the recovery of sand and clay. A new prospecting right application for copper, lead and zinc is in the process of being submitted to the DMR.

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

A mining right will be granted to a successful applicant for a period not exceeding 30 years. Mining rights may be renewed for additional periods not exceeding 30 years at a time.

The MPRDA Amendment Act has been signed by the State President, and published, but is not yet in effect. Its purpose is to amend the MPRDA in order to:

- make the Minister the responsible authority for implementing environmental matters in terms of the National Environmental Management Act, 1998 (NEMA) and specific environmental legislation as it relates to prospecting, mining, exploration, production and related activities incidental thereto on the prospecting, mining, exploration or production area;

align the MPRDA with the NEMA in order to provide for one environmental management system;

remove ambiguities in certain definitions;

add functions to the Regional Mining Development and Environmental Committee;

amend transitional arrangements so as to further afford statutory protection to certain existing old order rights; and

provide for matters connected therewith.

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

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CONTINENTAL AFRICA

DEMOCRATIC REPUBLIC OF THE CONGO

The mining industry in the Democratic Republic of the Congo (DRC) is regulated primarily by the Mining Code enacted in July 2002 and its ancillary regulations (the Mining Regulations promulgated in March 2003). The Mining Code, which repealed the Mining Code of April 1981, vests the Minister of Mines with the authority for the granting, refusal, suspension and termination of mineral rights. Mineral rights may be granted in the form of exploration permits for an initial period of four years and mining permits which are granted for an initial period of 30 years. An exploration permit may, at any time before expiry, be transformed partially into a mining license or a small-scale mining permit. Exploitation permits are granted following successful completion of exploration and satisfaction of the requirements necessary for the award of such permit including approval of an environmental impact study and an environmental management plan. The holder of a mining permit is required to commence development and mine construction within three years of the award of a mining permit. Failure to do so may lead to forfeiture or payment of penalties. A permit holder must comply with specific rules relating to, among others, protection of the environment, cultural heritage, health and safety, construction and infrastructure planning.

Mining and exploration activities are required to be undertaken so as to affect as little as possible the interests of lawful occupants of land and surface rights holders, including their customary rights. The exercise of mineral rights by title holders which effectively deprives and/or interferes with the rights of occupants and surface rights holders, requires payment of fair compensation by the mineral title holder.

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

Regarding protection and enforcement of rights acquired under an exploration or mining permit, the Mining Code provides, depending on the nature of a dispute or threat, administrative, judicial and national or international arbitral recourses. AngloGold Ashanti holds the majority stake and is the operator of Ashanti Goldfields Kilo (AGK), an exploration and mining joint venture with Société Miniére de Kilo-Moto (SOKIMO), a DRC governmental mining agency. AGK is engaged in exploration activities in the north eastern DRC.

Following a review undertaken by a commission appointed by the DRC government to review all mining contracts entered into by mining companies with DRC parastatal mining agencies. AngloGold Ashanti engaged in and finalized with SOKIMO the renegotiation of the mining joint venture and AGK related agreements. AGK s existing contractual arrangements, which were concluded under the repealed 1981 legislation, were replaced by new and restated agreements that conform or reflect the provisions of the current Mining Code of the DRC.

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

GHANA

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

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

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Control of mining companies

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

Stability agreements

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

Prior to the business combination between AngloGold and Ashanti in April 2004, AngloGold and the government of Ghana agreed the terms of a stability agreement to govern certain aspects of the fiscal and regulatory framework under which AngloGold Ashanti would operate in Ghana following the implementation of the business combination. The stability agreement necessitated the amendment of the Obuasi Mining Lease which had been ratified by Parliament. Under the stability agreement, the government of Ghana agreed:

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

Further, the Government of Ghana agreed that AngloGold Ashanti s Ghanaian operations will not be adversely affected by any new enactments or orders, or by changes to the level of payments of any customs or other duties relating to mining operations, taxes, fees and other fiscal imports or laws relating to exchange control, transfer of capital and dividend remittance for a period of 15 years after the completion of the business combination. For fiscal years 2009 and 2010, the government, through the National Fiscal Stabilization Act 2009 (Act 785), imposed a 5 percent levy on all profits before tax for mining companies as a temporary measure to raise additional revenue to meet critical expenditures, while maintaining government s fiscal objectives. In the 2011 Budget Statement and Economic Policy delivered on November 18, 2010, the Government extended the application of the Act for another fiscal year. AngloGold Ashanti has however been exempted from the application of this Act by virtue of its Stability Agreement. In March 2010, the Parliament of Ghana passed an amendment to the Minerals & Mining Act, 2006 (Act 703), namely the Minerals and Mining (Amendment) Act, 2010 (Act 794), which amended section 25 of the Minerals & Mining Act, by fixing the royalty rate at 5 percent instead of the previous provision which stated that royalty payable shall not be more than 6 percent or less than 3 percent of the total revenue of minerals obtained by the holder. By this, mining companies are now to pay royalties of 5 percent of total revenue of minerals obtained. AngloGold Ashanti has once again been exempted from the application of this amendment by virtue of its Stability Agreement.

Retention of foreign earnings

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

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Localization policy

A detailed program must be submitted for the recruitment and training of Ghanaians with a view to achieving localization , which is the replacement of expatriate personnel by Ghanaian personnel. In addition, the holder must give preference to Ghanaian products and personnel, to the maximum extent possible, consistent with safety, efficiency and economies.

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

Mining properties

Obuasi

The current mining lease for the Obuasi area was granted by the Government of Ghana on March 5, 1994. It grants mining rights to land with an area of approximately 334 square kilometers in the Amansie East and Adansi West districts of the Ashanti region for a term of 30 years from the date of the agreement. In addition, the application for a mining lease over the adjacent 140 square kilometers has also been granted, resulting in the total area under mining lease conditions increasing to 474 square kilometers, (the Lease Area). The company is required to pay rent to the Government of Ghana (subject to review every five years, when the rent may be increased by up to 20 percent) at a rate of approximately $5 per square kilometer and such royalties as are prescribed by legislation, including royalties on timber felled within the Lease Area. The Government of Ghana agreed to extend the term of the mining lease relating to the Obuasi mine until 2054. The mining lease was formally ratified by Parliament on October 23, 2008.

Iduapriem and Teberebie

Iduapriem has title to a 33 square kilometer mining lease granted on April 19, 1989 for a period of 30 years. The terms and conditions of the lease are consistent with similar leases granted in respect of the Obuasi mining lease. Teberebie has two leases, one granted in February 1998 for a term of 30 years, and another granted in June 1992 for a term of 26 years. In January 2009 Iduapriem obtained a new mining lease, the Ajopa Concession, for a period of 10 years. The concession covers an area of 48.34m^2.

GUINEA

In Guinea, all mineral substances are the property of the state. Mining activities are primarily regulated by the Mining Code, 1995. The right to undertake mining operations can only be acquired by virtue of one of the following mining titles: surveying permit, small-scale mining license, mining prospecting license, mining license or mining concession. The holders of mining titles are guaranteed the right to dispose freely of their assets, to organize their enterprises as they wish, the freedom to engage and discharge staff in accordance with the regulations in force, the free movement of their staff and their products throughout Guinea and freedom to dispose of their products in international markets.

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

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

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

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Key elements of the Convention de Base are that:

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

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

In addition to the export tax payable to the Government of Guinea, a royalty on production may be payable to the International Finance Corporation (IFC) and to Umicore SA, formerly Union Miniere (UM). Pursuant to the option agreement between UM and Golden Shamrock Mines Limited (GSM), a royalty on production may be payable to UM by Chevaning Mining Company Limited (CMC) or GSM, which payment obligation has been assigned to AngloGold Ashanti (Ghana) Limited, on a sliding scale of between 2.5 percent and 7.5 percent, based on the spot gold price per ounce of between $350 per ounce and $475 per ounce, subject to indexing from January 1, 1995, to a cumulative maximum of $60 million. In addition, under the terms of the restructuring agreement with the IFC, a sliding scale royalty on production may be payable to the IFC, calculated on the same basis but at half the rate payable to UM, to a maximum of $7.8 million. The royalty payable to the IFC was fully discharged in January 2008, and the royalty payment payable to Umicore was fully discharged in December 2010.

MALI

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

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

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

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

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

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

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

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

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

AngloGold Ashanti has complied with all applicable requirements and the relevant permits have been issued. Morila, Sadiola and Yatela have 30-year permits which expire in 2022, 2024 and 2030, respectively.

NAMIBIA

Mineral rights in Namibia vest in the State. In order to prospect or mine, the Ministry of Mines and Energy initially grants an exclusive prospecting license and, on presentation of a feasibility study, a mining license is then granted, taking into account the abilities of the company, including its mining, financial and technical capabilities, rehabilitation programs and payment of royalties. The relevant license was granted to AngloGold Namibia (Pty) Ltd in respect of its mining and prospecting activities in Namibia. The current 15-year mining license expires in October 2018. Application has been submitted to the Ministry of Mines and Energy during 2010 for the extension of the mining area to include anomaly 16 as well as for an extension of the mining license to 2030.

TANZANIA

Mineral rights in the United Republic of Tanzania are governed by the Mining Act of 1998 (the Act), and the Mining Regulations, 1999 and property and control over minerals are vested in the United Republic of Tanzania. Prospecting for the mining of minerals, except petroleum, may only be conducted under authority of a mineral right granted by the Ministry of Energy and Minerals under this Act.

The three types of mineral rights most often encountered, which are also those applicable to AngloGold Ashanti, are:

- prospecting licenses;
- retention licenses; and
- mining licenses.

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A prospecting license grants the holder the exclusive right to prospect in the area covered by the license for all minerals, other than building materials and gemstones, for a period of three years. Thereafter, the license is renewable for two further periods of two years each. On each renewal, 50 percent of the area covered by the license must be relinquished. Before application is made for a prospecting license with an initial prospecting period (a prospecting license), a prospecting license with a reconnaissance period (a prospecting reconnaissance) may be applied for a maximum area of 5,000 square kilometers. This is issued for a period of two years after which a three-year prospecting license is applied for.

A company applying for a prospecting license must, inter alia, state the financial and technical resources available to it. A retention license can also be requested from the minister, after the expiry of a prospecting license period, for reasons ranging from funds to technical considerations.

Mining is carried out through either a mining license or a special mining license, both of which confer on the holder thereof the exclusive right to conduct mining operations in or on the area covered by the license. A mining license is granted for a period of 10 years and is renewable for a further period of 10 years. A special mining license is granted for a period of 25 years or for the estimated life of the orebody, whichever is shorter, and is renewable for a further period of 25 years. If the holder of a prospecting license has identified a mineral deposit within the prospecting area, which is potentially of commercial significance but cannot be developed immediately for reasons of technical constraints, adverse market conditions or other economic factors of a temporary character, it can apply for a retention license which will entitle the holder thereof to apply for a special mining license when it sees fit to proceed with mining operations.

A retention license is valid for a period of five years and is thereafter renewable for a single period of five years. A mineral right may be freely assigned by the holder thereof to another person or entity by notifying the Commissioner for Minerals, except for a mining license, which must have the approval of the Ministry to be assigned. However, this approval requirement for the assignment of a mining license will not apply if the mining license is assigned to an affiliate company of the holder or to a financial institution or bank as security for any loan or guarantee in respect of mining operations.

A holder of a mineral right may enter into a development agreement with the Ministry to guarantee the fiscal stability of a long-term mining project and make special provision for the payment of royalties, taxes, fees and other fiscal imposts.

AngloGold Ashanti has complied with all applicable requirements and the relevant licenses, which have been issued for 25 years, expiring in 2023.

The entire property and control over minerals on, in or under the land is vested in the United Republic of Tanzania. No person is allowed to prospect for minerals or carry on mining operations except under the authority of a Mineral Right granted, or deemed to have been granted under the Mining Act, 1998. In order to prospect or mine, the Ministry of Minerals and Energy initially grants an exclusive prospecting license and on presentation of a feasibility study, a mining license is then granted taking into account the ability of the company, including its mining, financial and technical capabilities, rehabilitation programs and payment of royalties. The relevant license was granted to Geita Gold Mine Ltd in respect of its mining in Tanzania. The current 25-year mining license expires in 2023. There is a new Mining Act which has been passed by Parliament this year. The new Mining Act and its Regulations came into force in November 2010.

AUSTRALASIA

AUSTRALIA

In Australia, with a few exceptions, all onshore minerals are owned by the Crown (in right of the State). The respective Minister for each State and Territory is responsible for administering the relevant Mining legislation enacted by the States and Territories.

Native Title legislation applies to certain mining tenure within Australia. Australia recognizes and protects a form of Native Title which reflects the entitlement of Aboriginal people to their traditional lands in accordance with their traditional custom and laws. Should Native Title claims or determinations exist, certain Native Title processes and procedures will apply under the Native Title Act 1993 (Cth) before the tenure is granted.

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

AngloGold Ashanti s operating properties are located in the state of Western Australia. The most common forms of tenure are exploration and prospecting licenses, mining leases, miscellaneous licenses and general purpose leases. In most Australian states, if the holder of an exploration license establishes indications of an economic mineral deposit and complies with the conditions of the grant, the holder of the exploration license has a priority right against all others to apply for a mining lease which gives the holder exclusive mining rights with respect to minerals on the property.

It is possible for an individual or entity to own the surface of the property and for another individual or entity to own the mineral rights. Typically, the maximum initial term of a mining lease is 21 years and the holder has the right to renew the lease for an additional 21 years. Subsequent renewals are granted at the discretion of the respective State or Territory s minister responsible for mining rights. Mining leases can only be assigned with the consent of the relevant minister.

Government royalties are payable as specified in the relevant legislation in each State or Territory. A general purpose lease may also be granted for one or more of a number of permitted purposes. These purposes include erecting, placing and operating machinery and plant in connection with mining operations, depositing or treating minerals or tailings and using the land for any other specified purpose directly connected with mining operations.

AngloGold Ashanti owns the mineral rights and has 21-year term mining leases with rights of renewal to all of its mining areas in Australia, including its proportionate share of joint venture operations. Both the group and its joint venture partners are fully authorized to conduct operations in accordance with relevant laws and regulations. The mining leases and rights of renewal cover the current life-of-mine at AngloGold Ashanti s operations in Australia.

AMERICAS

ARGENTINA

According to Argentinean mining legislation, mines are the private property of the nation or a province, depending on where they are located. Individuals are empowered to explore for and to exploit and dispose of mines as owners by means of a legal license granted by a competent authority under the provisions of the Argentine Mining Code. The legal licenses granted for the exploitation of mines are valid for an undetermined period, provided that the mining title holder complies with the obligations settled in the Argentine Mining Code. In Argentina, the usual ways of transferring a right over a mining license are: to sell the license, to lease such a license, or to assign the right under such a license by a beneficial interest or Usufruct Agreement. In the case of Cerro Vanguardia AngloGold Ashanti s operation in Argentina the mining title holder is its partner, Fomicruz, and in terms of the Usufruct Agreement signed between them and Cerro Vanguardia SA on December 27, 1996, the latter has the irrevocable right to the exploitation of the deposit for a period of 40 years. This agreement expires on December 27, 2036.

BRAZIL

In Brazil, there are two basic mining rights:

- a license for the exploration stage, valid for a period of up to three years, renewable once; and
- a mining concession or mine manifest, valid for the life of the deposit.

In general, exploration licenses are granted on a first-come, first-served basis. Mining concessions are granted to the holders of exploration licenses that manage to prove the existence of a Mineral Resource and have been licensed by the competent environmental authority.

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Mine manifests (mining titles granted in 1936) and mining concessions (mining titles presently granted through an order signed by the Secretary of Mines of the Ministry of Mines and Energy) are valid for an undetermined period until the depletion of reserves, provided that the mining title holder complies with current Brazilian mining and environmental legislation, as well as with those requirements set out by the National Department of Mineral Production (DNPM) which acts as the inspecting entity for mining activities. Obligations of the titleholder include:

- the start of construction, as per an approved development plan, within six months of the issuance of the concession;
- extracting solely the substances indicated in the concession;
- communicating to the DNPM the discovery of a mineral substance not included in the concession title;
- complying with environmental requirements;
- restoring the areas degraded by mining;
- refraining from interrupting exploitation for more than six months; and
- reporting annually on operations.

The difference between a mine manifest and a mining concession lies in the legal nature of these two mining titles, since it is much more difficult and complicated for the public administration to withdraw a mine manifest than a mining concession. Although, in practice, it is possible for a manifest to be cancelled or to become extinct if the abandonment of the mining operation is formally proven. All of AngloGold Ashanti s operations in Brazil have indefinite mining licenses.

COLOMBIA

In Colombia, all mineral substances are the property of the State of Colombia. Mining activities are primarily regulated by the Mining Code, Act 685, 2001 and Act 1382, 2010. The underlying principle of Colombian mining legislation is: first in time, first in right.

The process starts with a proposal, the presentation of which gives a right of preference to obtain the area, provided it is available. The maximum extent of an area covered by such a proposal is 10,000 hectares. Once a proposal has been received, the relevant government agency undertakes an investigation to determine whether another proposal has been received regarding the area concerned or whether an existing contract for the area is already in place. The government agency grants a free zone when the proposal made has a right of preference.

The new law includes the possibility for the government to reserve some areas to offer in a bidding process.

The concession contract

The government agency grants an exclusive concession contract for exploration and exploitation. Such a concession allows the concessionaire to conduct the studies, works and installations necessary for establishing the existence of minerals and their exploitation. The total term of such a concession is 20 years. Following an amendment, the extension of the concession contract for an additional 20-year period is no longer automatic. To receive the extension, the concessionaire must request the extension two years before the termination of the initial 20-year period, and must present economic, environmental and technical information. Because the extension is not automatic, the concessionaire must renegotiate conditions of the extension.

According to the new law, the exploration period has been extended by 11 years. To receive the extension, the concessionaire must present a technical report every two years and explain its proposed activities for the next two years.

Once the concessionaire has completed its exploration program, a proposed plan of works and installations and a study of the environmental impact must be completed in order to receive an environmental license, without which the mining project may not be developed.

The terms of the concession and all obligations relating to it, start from the date of registration of the contract at the National Mining Register. Once a mining concession has been awarded, the operating entity must take out an insurance policy to cover any possible environmental damage and its mining obligations.

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

a) national parks;

b) regional parks;

c) protected forest reserves;

d) paramus (included in the new law); and

e) wetlands, according to the Ramsar Convention (included in the new laws).

For the forest reserves (these are not protected forest reserves but rather land set aside for active forestry purposes), it is necessary to extract this area to start activities after initial prospection in the exploration phase (ie. drilling). This extraction consists of a specific permit to partially and temporarily change the use of the soil to permit such exploration activities.

Surface fee

After exploration and construction of the infrastructure for the mine, royalty payments are due.

The new law changes the payments of the cannon fees. Without taking into consideration the extension of the areas, as it was before, the amount of the cannon is due from the moment the area is declared available for the company (rather than from signature of the concession contract) and changes according to the number of years:

from 1 to 5 years: approximately $9.00 per hectare per year; and

for years 6 and after, approximately $11.00 per hectare per year.

Royalty

The royalty paid to the Colombian government is equivalent to a percentage of the exploited primary product, the object of the mining title, and its sub-products. For gold, the percentage of the royalty to be paid is 4 percent.

UNITED STATES OF AMERICA

Mineral rights, as well as surface rights, in the US are owned by private parties, state governments or the federal government. Most land prospective for precious metals exploration, development and mining is owned by the federal government and is obtained through a system of self-initiated location of mining claims pursuant to the General Mining Law of 1872, as amended. Individual states typically follow a lease system for state-owned minerals. Private parties have the right to sell, lease or enter into other agreements, such as joint ventures, with respect to minerals that they own or control. All mining activities, regardless of whether they are situated on privately- or publicly-owned lands, are regulated by a myriad of federal, state and local laws, regulations, rules and ordinances, which address various matters including environmental protection, mitigation and rehabilitation.

Authorizations and permits setting forth the activities and restrictions pertaining thereto are issued by the responsible governmental agencies for all phases of mining activities.

Cripple Creek & Victor Gold Mining Company s Cresson Project consists almost entirely of owned, patented mining claims from former public lands, with a small percentage of private and state lands being leased. The total area of control is approximately 7,100 acres. Patented claims vest ownership in the holder, including the right to mine for an indefinite tenure. All life-of-mine reserves are within these property controls. The mining and rehabilitation permits issued by the State of Colorado are life-of-mine permits.

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ANGLOGOLD ASHANTI GLOBAL OPERATIONS: 2010
OPERATING PERFORMANCE

AngloGold Ashanti, a global gold mining company with 20 operations on four continents, employed 62,046 people, including contractors, and produced 4.52 million ounces of gold in 2010.

The group s operations are divided into the following regions:

South Africa includes operations in South Africa;

Continental Africa includes operations in Ghana, Guinea, Mali, Namibia and Tanzania;

Australasia includes the operation in Australia; and

Americas includes operations in Argentina, Brazil and the United States.

In addition, the company conducts a focused worldwide exploration program. In the course of mining and processing the ore mined, by-products such as silver, uranium oxide and sulfuric acid occur at the Argentinean, South African and Brazilian operations respectively.

Safety

For AngloGold Ashanti, people come first and consequently, safety remained the highest priority for the company. AngloGold Ashanti will continue to strive to improve its safety performance across its global asset base and this focus continued in 2010. The company s approach to managing risk and enabling employees to work safely in a supportive work environment is based on a new conversational culture, where many voices participate and make a meaningful contribution to designing the way in which the company works and protects itself from both known and unexpected risks. The success of this approach depends on four key factors leadership; engagements; systems and learning. For these factors to be effective, they need to occur in an enabling environment. The focus on safety transformation process is on moving the organization towards a culture of engagement and learning that stimulates awareness of the nature of risk.

It is with much regret that the company reports that 15 employees lost their lives in work related accidents in 2010 (2009: 16 fatalities). AngloGold Ashanti remains focused on decreasing the long-term trend of fatal accidents.

Operational review

Given the focus on optimizing operational performance and maintaining costs, AngloGold Ashanti continued to invest significantly in capital expenditure. Capital expenditure, including equity accounted joint ventures, for the year amounted to $1,015 million (2009: $1,027 million).

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OPERATIONS AT A GLANCE for the years ended December 31

	Attributable tonnes treated/milled (Mt)			Average grade recovered (g/t)			Attributable gold Production (000oz)			Total cash costs ($/oz)			Attributable Capital Expenditure ($m)		
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008
SOUTH AFRICA															
Vaal River															
Great Noligwa	0.7	0.9	1.4	5.99	5.73	7.33	132	158	330	894	791	458	24	24	26
Kopanang	1.6	1.6	1.6	6.13	6.74	6.82	305	336	362	613	408	348	61	58	47
Moab Khotsong	1.0	0.8	0.6	9.03	9.36	9.31	292	247	192	586	421	375	120	104	89
Tau Lekoa	0.6	1.2	1.2	3.32	3.32	3.58	63	124	143	905	718	524	10	17	18
Surface operations	10.2	9.7	7.9	0.54	0.53	0.36	179	164	92	486	378	446	3	3	1
West Wits															
Mponeng	1.7	1.9	1.9	9.48	8.66	10.02	532	520	600	452	331	248	122	109	86
Savuka	0.1	0.2	0.3	5.30	5.45	6.28	22	30	66	1,136	1,133	424	9	13	11
TauTona[1]	1.1	1.5	1.6	7.01	7.29	8.66	259	218	314	699	532	373	75	57	60
CONTINENTAL AFRICA															
Ghana															
Iduapriem	3.4	3.4	3.5	1.70	1.72	1.76	185	190	200	778	658	625	17	28	54
Obuasi[1]	2.6	4.6	5.6	5.16	5.18	4.37	317	381	357	760	630	636	109	94	112
Non-controlling interests and exploration[6]													1	2	2
Guinea															
Siguiri (85 percent)	8.8	8.8	8.6	0.97	1.11	1.20	273	316	333	656	513	468	10	22	18
Non-controlling interests and exploration[6]													2	4	4
Mali															
Morila (40 percent)[5]	1.7	1.7	1.7	1.70	2.47	3.08	95	137	170	716	526	424	1	4	1
Sadiola (41 percent)[4][5]	1.8	1.7	1.6	2.04	2.52	3.42	118	135	172	686	489	401	8	4	3
Yatela (40 percent)[3][5]	1.2	1.1	1.1	1.23	3.62	2.66	60	89	66	817	326	621	2	1	3
Namibia															
Navachab	1.5	1.3	1.5	1.8	1.58	1.43	86	65	68	721	677	559	14	20	12
Tanzania															
Geita	4.7	4.5	4.3	2.36	1.89	1.92	357	272	264	697	985	814	38	19	53

Democratic Republic of Congo															
Kibali (45 percent)[5]													30		
Other													2		
AUSTRALASIA															
Australia															
Boddington (33.33 percent)														146	419
Sunrise Dam[2]	3.6	3.9	3.8	3.22	2.87	3.46	396	401	433	692	631	559	29	31	19
Tropicana (70 percent)													10		
Exploration and other													1		
AMERICAS															
Argentina															
Cerro Vanguardia (92.5 percent)	1.0	0.9	0.9	6.11	6.51	5.44	194	192	154	366	359	617	38	17	15
Non-controlling interests and exploration[6]													3	1	1
Brazil															
AGA Mineraçáo[1]	1.6	1.5	1.4	7.21	7.02	7.62	338	329	320	444	347	322	142	84	69
Serra Grande (50 percent)	0.6	0.5	0.4	4.05	4.52	6.85	77	77	87	481	429	299	26	33	20
Non-controlling interests and exploration[6]													29	36	22
United States of America															
Cripple Creek & Victor[3]	20.6	18.7	22.1	0.43	0.46	0.49	233	218	258	500	371	310	73	87	27

(1) The yields of TauTona, Obuasi and, AGA Mineraçáo represent underground operations;

(2) The yield of Sunrise Dam represents open-pit operations;

(3) The yields of Yatela and Cripple Creek & Victor reflect recoverable gold placed/tonnes placed from heap leach operations. The remaining 33 percent interest in Cripple Creek & Victor was acquired effective July 1, 2008;

(4) Prior to December 29, 2009 AngloGold Ashanti s shareholding in Sadiola was 38 percent;

(5) Equity-accounted investments;

(6) Non-controlling interest and exploration.

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SOUTH AFRICA

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

- The Vaal River operations Great Noligwa, Kopanang, Moab Khotsong and the surface sources operations. The fourth deep-level mine in this region, Tau Lekoa, was sold during the course of the year; and
- The West Wits operations Mponeng, Savuka and TauTona.

Together, these operations produced 1.78 million ounces of gold in 2010, or 39 percent of group production, and 1.46 million pounds of uranium as a by-product. The South African operations employed 35,660 people in 2010. Total capital expenditure in South Africa in 2010 was $430 million (2009: $395 million).

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

Gold occurs in laterally extensive quartz pebble conglomerate horizons or reefs, generally less than two meters thick, and are widely considered to represent laterally extensive braided fluvial deposits. Separate fan systems were developed at different entry points and these are preserved as distinct goldfields. There is still much debate about the origin of the gold mineralization in the Witwatersrand Basin. Gold was generally considered to have been deposited syngenetically with the conglomerates, but increasingly an epigenetic origin theory is being supported. Nonetheless, the most fundamental control to the gold distribution in the Basin remains the sedimentary features, such as facies variations and channel directions. Gold generally occurs in native form often associated with pyrite and carbon, with quartz being the main gangue mineral.

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Vaal River operations

Description: Great Noligwa adjoins Kopanang and Moab Khotsong and is located close to the town of Orkney near the Vaal River. The Vaal Reef, the primary reef, and the Crystalkop Reef, a secondary reef, are mined here.

This mining operation consists of a twin-shaft system and operates over eight main levels at an average depth of 2,400 meters below surface.

Given the geological complexity of the orebody at Great Noligwa, a scattered mining method is employed. The mine shares a milling and treatment circuit with Moab Khotsong and Kopanang, which applies conventional crushing, screening, SAG grinding and carbon-in-leach (CIL) processes to treat the ore and extract gold.

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

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

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

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

Vaal River Summary of metallurgical operations

	West Gold Plant	East Gold Acid and Float Plant	Noligwa Gold Plant	Mispah Gold Plant	Kopanang Gold Plant
Gold plants					
Capacity (000 tonnes/month)	180	309	263	140	420
Uranium plants					
Capacity (000 tonnes/month)			263		
Pyrite flotation plants					
Capacity (000 tonnes/month)		250	145		
Sulfuric acid plants					
Production (tonnes/month)		7,500			

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Operating and production data for Vaal River Operations

	Great Noligwa	Kopanang	Moab Khotsong	Tau Lekoa[3]	Vaal River and West Wits surface
2010					
Pay limit (oz/t)	0.36	0.41	0.49		0.01
Pay limit (g/t)	11.69	13.08	15.87		0.29
Recovered grade (oz/t)	0.175	0.179	0.263		0.016
Recovered grade (g/t)	5.99	6.13	9.03	3.32	0.54
Gold production (000 oz)	132	305	292	63	179
Total cash costs ($/oz) [1]	894	613	586	905	486
Total production costs ($/oz) [1]	1,152	879	997	937	520
Capital expenditure ($ million)	24	61	120	10	3
Employees [2]	3,225	5,484	4,651		374
Outside contractors[2]	90	454	1,801		
All injury frequency rate	21.63	21.86	19.72		5.99
2009					
Pay limit (oz/t)	0.43	0.40	0.60	0.21	0.007
Pay limit (g/t)	14.90	13.85	20.57	7.27	0.225
Recovered grade (oz/t)	0.167	0.197	0.273	0.097	0.015
Recovered grade (g/t)	5.73	6.74	9.36	3.32	0.53
Gold production (000 oz)	158	336	247	124	164
Total cash costs ($/oz) [1]	791	408	421	718	378
Total production costs ($/oz)[1]	994	598	749	766	390
Capital expenditure ($ million)	24	58	104	17	3
Employees [2]	4,612	5,612	4,334	2,700	228
Outside contractors [2]	127	447	1,735	414	6
All injury frequency rate	17.51	22.71	28.82	26.39	9.10
2008					
Pay limit (oz/t)	0.29	0.32	0.69	0.17	0.007
Pay limit (g/t)	10.07	11.07	23.51	5.70	0.206
Recovered grade (oz/t)	0.214	0.199	0.271	0.104	0.011
Recovered grade (g/t)	7.33	6.82	9.31	3.58	0.36
Gold production (000 oz)	330	362	192	143	92
Total cash costs ($/oz) [1]	458	348	375	524	446
Total production costs ($/oz)[1]	564	500	641	720	478
Capital expenditure ($ million)	26	47	89	18	1
Employees [2]	5,472	5,620	2,914	2,650	227
Outside contractors [2]	271	411	1,823	384	7
All injury frequency rate	28.54	25.29	38.24	33.92	11.80

Key statistics Surface sources Uranium

	2010	2009	2008
Pay limit (lb/t)	0.316	0.362	0.331
Pay limit (g/t)	0.143	0.164	0.150
Recovered grade (lb/t)	0.622	0.584	0.508
Recovered grade (g/t)	0.282	0.265	0.231
Uranium production (000lbs)	1,462	1,442	1,283
Capital expenditure ($ million)	12	5	6
Employees [(2)]	185	194	193
Contractors [(2)]	28	27	36

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

(2) Average for the year.

(3) Tau Lekoa was sold effective August 1, 2010.

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Great Noligwa

Description: Great Noligwa adjoins Kopanang and Moab Khotsong and is located close to the town of Orkney near the Vaal River. The Vaal Reef, the primary reef, and the Crystalkop Reef, a secondary reef, are mined here. This mining operation consists of a twin-shaft system and operates over eight main levels at an average depth of 2,400 meters below surface.

Given the geological complexity of the orebody at Great Noligwa, a scattered mining method is employed. The mine shares a milling and treatment circuit with Moab Khotsong and Kopanang, which applies conventional crushing, screening, SAG grinding and carbon-in-leach (CIL) processes to treat the ore and extract gold.

Operating review: Gold production declined by 16 percent as planned to 132,000 ounces, from 158,000 ounces in 2009. This was largely as a result of the redesign of the mine plan and layout, and a shift in operational focus to pillar extraction. This redesign resulted in a reduction in the extent of underground resources and in lower volumes being mined. Consequently, tonnages milled fell by 20 percent and reef development by 85 percent. The latter was also affected by the complex geological structures encountered. Yield rose by 5 percent with the mining of higher grade areas and an increase in gold produced from vamping operations.

Total cash costs increased by 13 percent to $894 per ounce from $791 per ounce the previous year, due mainly to the mine redesign, inflationary pressure on labor, power and stores, royalty payments which came into effect on March 1, 2010, and a stronger currency.

Capital expenditure of $24 million in 2010 was unchanged from 2009.

Growth prospects: As a mature operation, Great Noligwa has converted from conventional scattered mining to pillar mining for the remainder of its operational life. The Vaal Reef, which has been the most economically viable reef at Great Noligwa, is mined extensively. The less economically viable Crystalkop Reef is also being exploited, together with viable pillars containing the Vaal Reef. Hence, the life extension opportunity is limited to the inclusion of a few Vaal and Crystalkop Reef haulage pillars that were previously not part of the Ore Reserve. A feasibility study was conducted to determine the viability of establishing alternate routes for men, material, ore and ventilation to replace these haulages. This study showed that portions of these pillars can be mined and they have thus been included in the business plan.

Sustainability

Safety: There were no fatalities during 2010, with the mine achieving 1 million fatality-free shifts on November 5, 2010. The mine also achieved 269 white flag days, signifying the number of full days without a lost-time injury being reported on site.

The all injury frequency rate deteriorated to 21.63 per million hours worked recorded for the year (2009: 17.51).

The *White Flag Day Every Day*, *It s OK to Stop* and *United for Safe Gold* were the major safety campaigns undertaken during the year. Other initiatives included daily shaft-based communication and a continuation of tours by management and union leadership to increase visibility. Safety stoppages initiated by management also had a positive impact on physical conditions underground. A safety workshop was held at which three strategic safety pillars were identified. Plans were made to address these issues and dates set for their implementation. Great Noligwa maintained its OHSAS 18001 and ISO 14001 certification in 2010.

Labor: Great Noligwa was restructured during the year with the aim of reducing its overall operational footprint and to return it to profitability. Employees were offered the opportunity to apply for voluntary severance packages or transfer to other business units within the company. Labor unions were consulted on strategic matters throughout the process.

Transformation remains a strategic thrust of the mine and will receive continued attention during 2011.

Community: Great Noligwa remained active in the community with various outreach projects. Donations were made to the following organizations:

Triest Training Centre;

Matlosana Hospice;

Evannah Old Age Home;

Dipapeng Disability Centre;

Klerksdorp Baby House; and

Stilfontein Welfare.

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Environment: Great Noligwa retained its ISO 14001 certificate during the first advanced DQS audit conducted in August 2010. No environmental incidents were reported during the year.

The water separation project at Great Noligwa, aims to reduce the inflow of dirty water into the Great Noligwa gold plant process-water tank.

Kopanang

Description: The Kopanang mine, located in the Free State province roughly 170 kilometers southwest of Johannesburg, has been in production since 1984. Kopanang s current mine lease incorporates an area of 35km^2, directly west of neighboring Great Noligwa and bound to the south by the Jersey Fault.

Kopanang exploits gold- and uranium-bearing conglomerates of the Central Rand Group of the Witwatersrand, the most important being the Vaal Reef. Gold is the primary commodity extracted with uranium oxide as a by-product. The Vaal Reef, the primary reef mined, is exploited at depths of between 1,300 meters and 2,600 meters below surface. Minor amounts of gold are also extracted from the secondary Crystalkop Reef, located about 250 meters above the Vaal Reef.

Given the complexity of the geology, scattered mining is employed and the orebody accessed mainly via footwall tunneling, raised on dip of the reef and stoped on strike.

Kopanang uses conventional semi-autogenously grinding and carbon-in-pulp (CIP) technology to process gold. There are two streams of ore into the plant, one comprised mainly of Vaal Reef ore and the other fed exclusively with marginal ore dump material. Roughly 60 percent of Kopanang s ore is treated in this plant. The balance is sent to the Noligwa Gold Plant and South Uranium plant by rail for gold and uranium extraction.

Operating review: Gold production fell 9 percent to 305,000 ounces in 2010, from 336,000 ounces in 2009. Total cash costs increased 50 percent to $613 per ounce as a result of the stronger currency, lower production, lower grades, inflationary pressures on labor, power and stores, and royalty payments which came into effect on March 1, 2010.

A 13 percent decline in volumes mined was the major contributor to the drop in production, as were safety-related work stoppages, and lower-than-anticipated mining grades. The 9 percent decline in recovered grade was a function of the lower-grade areas mined, and the increase in dilution from tonnages treated at the waste washing plant. A waste washing plant to reduce dust by washing the fines from waste rock was commissioned. Additional labor was recruited during the second quarter to make up production lost owing to safety-related stoppages during the first half of the year. While these stoppages continued in the second half of the year, this initiative contributed 19,300 ounces towards the year s total production.

Capital expenditure for the year totaled $61 million (2009: $58 million).

Growth prospects: Life extension projects identified in 2010 were De Pont Landing and Altona, Gencor 1 East extension, Crystalkop Reef (C-Reef) Below 68 level, the Shaft Fault area and pillars. Additional information will be obtained from ongoing exploration to generate Mineral Resources for conversion to Ore Reserves. The mother hole drilled at the Gencor 1E area had intersected the reef which will be sampled during 2011. Two more long inclined boreholes are planned from the same site for 2011.

Electro-hydraulic drilling, originally scheduled to commence in August 2010 in the De Pont Landing and Altona exploration areas, has been postponed to mid 2011 due to ventilation requirements and the delay in the issuing of the prospecting rights for De Pont Landing. The Below 68 level project was also delayed due to ventilation requirements which affected electro-hydraulic drilling, while limited pneumatic drilling was done from the 68 DW4 8 crosscut. The bulk of the exploration program has been deferred to 2011.

As a result of the C-Reef exploration program, the confidence increased in the Mineral Resource during 2010. The program will continue into 2011. The Shaft Fault drilling which added to the Mineral Resource during 2010, remains a very prospective target area for new Mineral Resource ounces and exploration here will continue during 2011.

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Sustainability

Safety: Regrettably, there were two fatal accidents one each in March and September 2010. This overshadowed a strong safety performance in the preceding months with the mine having achieved 1 million fatality-free shifts in February 2010. The all injury frequency rate improved from 22.71 per million hours worked in 2009 to 21.86 in 2010. Mitigation strategies were implemented, including improved support standards for development areas, to reduce the risks associated with horizontal transport and falls of ground.

Strategies for 2011 include improved dust management systems through a centralized blasting system, improved footwall and dust filtration systems and experimentation with intake air scrubbing systems. Following the noise baseline risk assessment which was conducted in February 2011, the current hearing protection device system will be revised to ensure optimum protection from noise, based on occupational exposures.

The mine successfully achieved recertification for both ISO 14001 and OHSAS 18001.

More than 60 percent of employees, including contractors, underwent voluntary HIV testing during the year following a concerted effort by AngloGold Ashanti s wellness counselors, peer educators and its programs.

Kopanang, Great Noligwa and Moab Khotsong, in conjunction with other mines in the region, regularly interact with the Department of Mineral Resources at a tripartite forum to discuss topical issues related to mining operations in North West Province.

General managers, safety managers, health and safety representatives, as well as unions and association representatives, meet with the state mine inspectors to discuss topical issues including regional health and safety statistics, focus areas and legislation trends.

Community: The mine hosted a number of underground visits from interested parties in the community, organized by Kopanang s social committee, in partnership with a local non-governmental organization.

A mathematics and science competition was launched for surrounding secondary schools with the aim of identifying and recognizing students who excel in these subjects. Twenty-six children from five schools participated in this competition, which will be repeated. Kopanang is also represented in various activities in the surrounding area through the AngloGold Ashanti Fund s Local Area Committee. These initiatives include the Winter Warming Project, which distributes blankets to the surrounding communities.

During 2010, the mine started its program to accelerate the conversion of communal rooms in the Kopanang residence to single room accommodation 198 single rooms were completed, compared to 54 in 2009. Capital has been approved to convert 208 rooms in 2011. Another 1,819 rooms are scheduled for conversion over the next three years.

Environment: An environmental management system (EMS) is in place to address the environmental impacts of the operation, including water and energy consumption, dust levels and potential groundwater pollution from the waste rock dump. To address the dust issue, a waste washing plant was installed and will be fully commissioned in 2011, along with additional dust suppression systems. Storm-water catchment facilities will be put in place and 20 hectares of phytoremediation woodlands planted in 2011. Numerous projects resulted in reduced energy consumption from 32GWh per month in 2003 to 24.5GWh per month in 2010. Additional projects to reduce consumption to 23.4GWh per month are planned in 2011 and 2012.

Kopanang retained its ISO 14001 certification following an audit conducted in August 2010. No environmental incidents were reported during the year.

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Moab Khotsong

Description: Moab Khotsong is the newest deep-level gold mine in South Africa. It is situated near Orkney, Klerksdorp and Viljoenskroon, about 180 kilometers southwest of Johannesburg.

Following the successful exploration of the Vaal Reef in the Moab lease area, which lies to the south and is contiguous with Great Noligwa, a decision was taken in late 1989 to exploit the Moab Mineral Resource. Shaft sinking started in 1991 and stoping operations in November 2003. The mine is scheduled to reach full production in 2013.

A feasibility study of the lower mine (Zaaiplaats) was recently completed. The project will exploit the reef to depths of 3,455 meters below collar.

The main shaft was commissioned in June 2002 and the rock ventilation shaft in March 2003. Ore Reserve development on 85, 88, 92, 95, 98 and 101 levels is progressing to plan. Given the geological complexity of the Vaal Reef, scattered mining is employed.

Operating review: Moab Khotsong continued to ramp-up its output. Production increased by 18 percent to 292,000 ounces in 2010, compared to 247,000 ounces the previous year. The operation is scheduled to reach full annual production of 368,000 ounces in 2013.

Total cash costs increased by 39 percent to $586 per ounce, due mainly to inflationary pressures on the cost of labor, power and stores, royalty payments which came into effect on March 1, 2010 and the stronger currency.

Capital expenditure for the year totaled $120 million (2009: $104 million).

Mined grade decreased by 4 percent as mining took place in lower grade areas in the older northern part of the mine. Volumes treated increased by 22 percent, mainly due to ramp-up activities. Production, however, was hampered by safety- and mining related stoppages as well as complex geological structures. These issues are being reviewed. In order to obtain critical information on a timely basis, a comprehensive risk-drilling program was revised to include macro drilling up to three cross-cuts ahead of the current development ends, thus improving grade prediction and development planning. This allowed more proactive mine design and the opening up of reef, while the development of new raises provided additional grade information. Ore Reserve development and LIB drilling proceeded according to plan in 2010. The active drilling program employs a minimum of five LIB machines to ameliorate the risk of intersecting dip features within the 12-month mining plan. There was also a focus on critical-path scheduling and increased development to open up Ore Reserves and create flexibility.

Project ONE was launched October 27, 2010 at Moab Khotsong.

Growth prospects: The initial development of Moab Khotsong included the exploitation of adjacent ore blocks, including Zaaiplaats to the southwest and some 400 meters deeper than the existing mine. The first phase of Moab Khotsong s business plan, excluding growth projects, sees the mine producing 3 million ounces of gold over the life of mine. The Zaaiplaats project provides an additional 5 million ounces (164 tonnes) and a life extension of some 15 years, as well as the potential to include additional blocks that rely on the new project infrastructure.

As Moab itself has achieved a stable operating base, Project Zaaiplaats is set to get under way. The project will utilize a modified approach to pre-development in order to facilitate drilling platforms for gathering orebody and structural information, together with the possibility of earlier gold production given the anticipated drilling outcomes. This pre-development also retains the option to fundamentally change the orebody extraction approach by applying different technologies.

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Sustainability

Safety**:** The mine achieved one million fatality free shifts in January 2010. Tragically, however, two fatalities were recorded in March and June, following incidents involving a fall-of-ground and horizontal transport. The all injury frequency rate improved 32 percent year-on-year, to 19.72 per million hours worked (2009: 28.82). An interpersonal communication strategy yielded improvements in personal safety during the second half of 2010, while an aggressive and rigorous audit protocol further improved safety in individual workplaces. A safety workshop was held and three strategic safety pillars identified. Action plans to address these were devised with the related implementation dates being the focus of 2011. These pillars include:

removing people from risk;

planning work; and

managing behavior.

OHSAS 18001 and ISO 14001 accreditation were received during 2010 following external audits.

Labor: The labor relations climate at the mine was stable during the year, with unions actively consulted on matters affecting their members and wherever possible involved in strategic issues affecting the operation. National Union of Mineworkers representatives hold monthly meetings with management while ad hoc engagements are expedited quickly to discuss issues of immediate concern. Workforce transformation in line with South Africa s employment equity goals remains a strategic thrust for the mine and the company as a whole and will receive continued attention during 2011.

Community: As part of AngloGold Ashanti s policy of anticipating and responding quickly and efficiently to immediate community needs, Moab Khotsong has a management representative on the local area committee (LAC). This committee was established by the AngloGold Ashanti Fund to disburse charitable donations to communities neighboring the company s operations. In addition to LAC funding, Moab Khotsong made donations during the year to:

Stilfontein and Jouberton Anglican Church, specifically for the care of the elderly;

Kanana soup kitchen;

Bosasa Youth Development Centre;

Hoërskool Schoonspruit, a local high school;

SPCA;

Triest Training Centre; and

Youth Eagle Christian United Movement.

In order to improve the literacy of its workforce and those living in areas nearby, AngloGold Ashanti provides transport for students from neighboring communities who undertake evening classes in adult basic education and training.

Environment: Moab Khotsong retained its ISO 14001 certification during the first advanced DQS audit conducted in July 2010. No reportable environmental incidents were recorded during the year.

Environmental projects:

An Environmental Impact Assessment of the new chilled-water reservoir is in progress and was completed by the end of February 2011.

The clean and dirty water separation project was completed. This project aimed to reduce dirty water inflows into the dam and determine the ultimate volumes required for the second dam.

Tau Lekoa

Description*:* Tau Lekoa was one of four mining operations in the Vaal River area. It is close to the town of Orkney on the North West Province side of the Vaal River. Unlike the other Vaal River operations, the major reef mined at Tau Lekoa is the Ventersdorp Contact Reef. Mining operations are conducted at depths ranging from 800 meters to 1,743 meters.

The Tau Lekoa operation comprises a twin-shaft system. Because of its geologically complex orebody, a scattered mining method is used at Tau Lekoa with the orebody being accessed via footwall tunneling. Stoping takes place on strike. There are seven shaft levels with an average of 70 panels in operation. Tau Lekoa employs hydro-power as its primary source of energy.

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Ore mined at Tau Lekoa was processed and treated in preparation for gold extraction at the Kopanang gold plant. Tau Lekoa mine was sold effective August 1, 2010 to Simmer & Jack Mines Limited.

Operating review: Gold production during 2010 amounted to 63,000 ounces, while total cash costs were $905 per ounce.

Vaal River and West Wits Surface Operations

Description: South Africa Metallurgy encompasses AngloGold Ashanti s portfolio of gold and uranium processing plants in South Africa, as well as its Surface Operations, which extract gold and uranium from tailings and rock dumps at surface. This operating unit also produces backfill essential for mining operations. The producing divisions include:

Vaal River Gold: Kopanang Gold Plant, West Gold Plant, East Gold and Archive Plant and Vaal River Tailings;

Vaal River Uranium: Noligwa Gold Plant, Mispah Plant, South Uranium Plant and Nufcor;

West Wits Metallurgy: Mponeng Plant (including a backfill plant), Savuka Plant, West Wits Tailings; and

Vaal River and West Wits Chemical Laboratories.

Operating review:

Gold production increased by 9 percent to 179,000 ounces, compared with 164,000 ounces in 2009.

Total cash costs increased by 26 percent to $486 per ounce, from $378 per ounce the previous year, due mainly to increased electricity tariffs, higher contractors costs and the stronger rand.

Uranium production increased 1 percent to 1.46 million pounds in 2010, compared with 1.44 million pounds in 2009. A 6 percent increase in grade, improved recovery and steady plant operations offset a 6 percent drop in tonnages treated from the previous year.

Sulfuric acid: Both the East and South Flotation Plants, as well as the East Acid Plant were not operated during the year as a cheaper product was available from external suppliers.

The BPF component of Project ONE was successfully implemented at the Savuka and Mponeng Gold Plants, with partial implementation during 2010 at the Noligwa Gold Plant and South Uranium Plant. Implementation of BPF will take place at West Kopanang and East Gold Plants during 2011.

Other aspects of Project ONE, namely SP and the Safety Framework and Engagement Process, have been initiated and are scheduled for implementation during 2011 and 2012.

Growth prospects:

South Africa Metallurgy s project pipeline: Uranium is perceived as a growing opportunity within the South Africa region. The application of new technology has the potential to increase both the gold and uranium reserves.

Uranium Expansion Project: An alternative strategy has been identified to increase uranium production, premised on improved utilization of the uranium recovery process-plant stream. Processing of the highest-grade material will be prioritized and the process plants will be modified to remove throughput restrictions to increase capacity.

Higher utilization will be realized by providing ore-surge capacity on surface and improving rail-network capacity to increase surface tramming tonnages. The surge storage will provide material for processing during weekends when no hoisting takes place from underground. Plant modifications will improve the processing efficiency of the Noligwa plant s thickening circuit and ore reception areas. A feasibility study has identified that an additional 3.2 million pounds of uranium can be produced over the life of mine of Kopanang. Capital investment has been estimated at $27 million. Detailed design will commence in 2011, ramping up to full production from the second quarter of 2012.

New acid storage section at South Uranium Plant: Construction of a new acid storage section at the South Uranium Plant is in progress to provide storage capacity during periods of market surplus. Mechanical installation is nearing completion and the tanks will be commissioned in the second quarter of 2011.

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Kopanang waste washing plant: The objective of this project is to recover extra gold from the Kopanang waste rock and to eliminate fine dust from the waste rock dump, which imposes an environmental liability on the mine. Construction was completed in the second quarter of 2010.

Mponeng feeder upgrades: The Langlaagte chutes on the mill-feed belts are to be replaced with Weba chutes. An installation on one of the mills showed reduced occurrence of chokes giving more consistent mill feed and improved mill throughput. Installation of the second chute was completed in the fourth quarter of 2010 and the third chute will be installed in 2011.

Sustainability

Safety**:** South Africa Metallurgy achieved a remarkable 12 million fatality free shifts during 2010. The all injury frequency rate improved from 9.10 per million hours worked in 2009 to 5.99 in 2010 and the total number of white flag days , signifying days on which no injury occurred, increased from 307 in 2009 to 326 in 2010. Eight plants achieved more than 100 consecutive white flag days . OHSAS 18001 certification was maintained, ICMI compliance was re-certified and industry milestones for silica dust and noise were achieved.

Labor: Initiatives to improve the relationship with organized labor particularly in West Wits, have begun with a focus on capacity building and roll-out of the company s values.

Meeting employment equity targets remained key, with significant progress achieved during 2010. Historically disadvantaged South Africans accounted for 41.21 percent of all management roles, compared to 38.4 percent in 2009, while female representation across the workforce was 16.8 percent compared to 16 percent in 2009.

Environment: As part of the phytoremediation program, a total of 10 hectares was planted on the footprint of the East Pay Dam. Various environmental projects were successfully implemented during the year, including:

relining the No.2 Barren dam at South Uranium plant;

construction of lined areas and bund walls at Noligwa Gold plant to manage clean and dirty water;

construction of lined areas and bund walls at East Gold Acid Float (EGAF) plant to manage clean and dirty water;

lining of the process water trench from EGAF plant to Central Spillage; and

cleaning historical pyrite spills outside the Noligwa Gold plant.

ISO 14001 accreditation was successfully maintained during 2010.

A total of eight pre-closure sites were rehabilitated during the year. During the clean-up of the East Pay Dam footprint, 260,392 tonnes from the East Pay Dam, 2,101 tonnes from the site adjacent to EGAF and 3,522 tonnes from the black-reef area were loaded and transported to the screening plant for processing via the Archive mill. In addition, 29,126 tonnes of silt material was loaded and transported from the upper residence dam and 19,000 tonnes from the lower residence dam to the bunkers built on the old North Tailings Storage Facility.

A total of 51,408 tonnes of contaminated gold-bearing material was sold to a third party for processing.

An aggressive invader-plant eradication program was undertaken in 2010. Independent consultants measured a significant reduction in the prevalence of the three invader plant species targeted.

There were 10 reportable environmental incidents, a marked decline from 2009 when there were 35 incidents. All of the 2010 incidents involved water dam overflows. Dam capacity has been increased and is in the process of being expanded further. Dam level alarms have also been installed to prevent recurrence. The program to replace pipelines has borne fruit, with no incidents involving pipeline failures occurring during the year. The closure of the acid plant at the EGAF plant meant that there were also no reportable air emission incidents.

Bokkamp water management project: Construction was undertaken of a storm water dam and pipeline system to eliminate the environmental impact of overflowing dams in the Vaal River area. The dam was completed during the third quarter of 2010 and is operational.

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West Wits operations

Description: The Mponeng, Savuka and TauTona mines are situated on the West Wits Line near the town of Carletonville, straddling the border of Gauteng and North West Province. Mponeng has its own gold processing plant, while the Savuka and TauTona operations share a plant.

Operating and production data for West Wits operations

	Mponeng	Savuka	TauTona
2010			
Pay limit (oz/t)	0.28	0.56	0.60
Pay limit (g/t)	9.14	17.86	19.27
Recovered grade (oz/t)	0.276	0.155	02.04
Recovered grade (g/t)	9.48	5.30	7.01
Gold production (000 oz)	532	22	259
Total cash costs ($/oz)[1]	452	1,136	699
Total production costs ($/oz)[1]	580	1,409	996
Capital expenditure ($ million)	122	9	75
Employees[2]	5,732	952	4,137
Outside contractors[2]	46	29	472
All injury frequency rate	15.93	7.69	19.03
2009			
Pay limit (oz/t)	0.25	0.78	0.74
Pay limit (g/t)	8.53	26.74	25.33
Recovered grade (oz/t)	0.253	0.159	0.213
Recovered grade (g/t)	8.66	5.45	7.29
Gold production (000 oz)	520	30	218
Total cash costs ($/oz)[1]	331	1,133	532
Total production costs ($/oz)[1]	404	1,400	766
Capital expenditure ($ million)	109	13	57
Employees[2]	5,926	1,019	3,842
Outside contractors[2]	103	35	451
All injury frequency rate	14.31	13.23	15.84
2008			
Pay limit (oz/t)	0.22	0.43	0.44
Pay limit (g/t)	7.61	14.91	15.05
Recovered grade (oz/t)	0.292	0.183	0.253
Recovered grade (g/t)	10.02	6.28	8.66
Gold production (000 oz)	600	66	314
Total cash costs ($/oz)[1]	248	424	373
Total production costs ($/oz)[1]	327	515	519
Capital expenditure ($ million)	86	11	60
Employees [2]	5,482	1,179	3,849
Outside contractors [2]	203	45	774
All injury frequency rate	14.29	19.82	19.00

(1)

Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A.: Operating results Total cash costs and total production costs

(2) Average for the year.

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Mponeng

Description: Mponeng is located between the towns of Carletonville and Fochville on the border between Gauteng and the North West Province, southwest of Johannesburg. The operation mines the Ventersdorp Contact Reef (VCR) at depths between 2,400 meters and 3,900 meters. A sequential-grid mining method is employed. Access to the reef is from the main haulage and return airway development, with cross-cuts developed every 212 meters to the reef horizon. Raises are then developed on-reef to the level above and the reef is stoped-out on strike.

The Mponeng lease area is constrained to the north by the TauTona and Savuka mines, to the east by Gold Fields Limited s Driefontein mine and to the west by Harmony Gold Mining Limited s Kusasalethu mine.

Mponeng comprises a twin-shaft system housing two vertical shafts and two service shafts. Ore is treated and smelted at the mine s gold plant which has a monthly capacity of 160,000 tons. The plant uses two semi-autogenous (SAG) mills to process ore and the gold is extracted by means of CIP technology.

Geology: Two reef horizons are exploited at the West Wits operations, the Ventersdorp Contact Reef (VCR) located at the top of the Central Rand Group and the Carbon Leader Reef (CLR) near the base. The separation between the two reefs increases from east to west from 400 to 900 meters, owing to unconformity in the VCR. TauTona and Savuka exploit both reefs whereas Mponeng only mines the VCR. The structure is relatively simple; faults of greater than 70 meters are rare. The CLR consists of one or more conglomerate units and varies from several centimeters to more than three meters in thickness. Regionally, the VCR dips at approximately 21 degrees but may vary between 5 degrees and 50 degrees, accompanied by changes in thickness of the conglomerate units. Where the conglomerate has the attitude of the regional dip, it tends to be thick, well-developed and accompanied by higher gold accumulations. Where the attitude departs significantly from the regional dip, the reef is thin, varying from several centimeters to more than three meters in thickness.

Operating review: Mponeng s gold production increased by 2 percent to 532,000 ounces in 2010, compared to 520,000 ounces in 2009. A 9 percent increase in grade contributed to the rise in production.

Total cash costs rose by 37 percent to $452 per ounces, due to the impact of the stronger currency, inflationary pressure on labor, power and stores and royalty payments which came into effect on March 1, 2010.

Capital expenditure for the year totaled $122 million (2009: $109 million).

Growth prospects:

Ventersdorp Contact Reef (VCR) Below 120 Project: Development is ahead of schedule and in line with the project plan. The estimated completion date is 2013 and full production is scheduled for 2016. The project is anticipated to recover 2 million ounces of gold at a cost of R2 billion.

Carbon Leader Reef (CLR) Below 120 Project: This project which targets the mining area from 120 to 141 levels of the Carbon Leader Reef horizon, has the potential to yield 11.3 million ounces of recovered gold. This project can be undertaken in a phased approach, accessing 123 and 126 levels first in order to bring gold forward. This initial phase could potentially recover 3.5 million ounces of gold.

Sustainability

Safety**:** Tragically, there were four fatalities at Mponeng during 2010. Two of the fatalities were of undetermined causes and are still pending classification upon completion of the DMR enquiry. The all injury frequency rate deteriorated to 15.93 per million hours worked from a rate of 14.31 in 2009.

The mine embarked on a number of safety initiatives in 2010. These included the introduction of detailed work packages in line with the implementation of BPF; the roll-out of the Safety Transformation program; promotion of consecutive injury free days; miner, artisan, team-leader and safety representative meetings; empowering of safety representatives and finally the application of the SANDLA safety system, which focuses on procedures, personal protective equipment and tools and equipment.

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The Inspector of Mines issued Mponeng with 10 Section 54 directives during the year. Each directive resulted in Mponeng suspending operations fully or partially in order to comply with the inspector s recommendations on safety aspects. In each case, the suspension order was lifted following investigation and consultation between management, organized labor and the DMR.

Occupational health and safety assessments for OHSAS 18001 first and second advance assessments were conducted in January and July 2010, with Mponeng retaining accreditation on both occasions.

Health: During 2010, some 111 new cases of occupational tuberculosis (TB) were diagnosed at Mponeng, at an annual incidence of 2 percent. By year-end, 58 employees were still receiving daily treatment for TB. In addition, 852 Mponeng employees were seen at the Wellness Clinic in the six-month period to December 2010, representing approximately 19 percent of the group 3-8 workforce. A total of 512 employees had received anti-retroviral therapy by the end of the year.

Training: Key successes of AngloGold Ashanti s adult basic education and training (ABET) initiative at Mponeng included:

- Coordinating and hosting International Literacy Day with partners including the Mining Qualification Authority, the National Union of Mineworkers and other mining companies in the region. The event included more than 3,000 ABET learners, staff, representatives from the Department of Labor and other stakeholders;
- Providing learners with the opportunity to study for the national diploma (N1 and N2) courses at Wescol College; and
- Planning a library and resource centre for both AngloGold Ashanti s ABET learners and members of the general community. This library will be an electronic learning centre.

Skills training opportunities were provided to employees and the community. Training opportunities exist in boiler-making, wiring, plumbing, carpentry, welding and computer training. Fifty-nine employees and 52 community members participated during the year.

Community: Mponeng s We Care Committee , has formed partnerships in the host communities of Kokosi, Greenspark and Fochville, and is making a concerted effort to understand their environment, traditions and values.

Projects undertaken during 2010 included:

- Winnie the Pooh Nursery School, Greenspark: shelter for the school s sandpit, provision of storage space, new tables, chairs and mattresses, a sustainable vegetable garden to feed children and sell surplus produce to the community to supplement funds;
- Old age centre, Greenspark: construction of shaded areas and provision of food parcels;
- Nursery School, Kokosi: provision of coats for school children during the winter months;
- Fochville Service centre: provision of food parcels;
- Welfare, Fochville: hosting a Christmas party and presents; and
- Fochville and Losberg Primary Schools, Fochville: provision of stationery for learners and other outreach projects.

Environment: In order to prevent the mine from impacting surface and ground water, a number of risk assessments and environmental investigations were conducted during the year. Most of these studies have been completed and the planning and execution of mitigation projects are under way. These include:

- Hydrological and waste assessments the purchasing and installation of flumes and flow meters in the east and west trenches to measure clean storm water discharge;
- Completion of a legal compliance audit and a polychlorinated biphenyls (PCB) assessment. (PCBs are a group of synthetic oil-like chemicals of the organochlorine family which have been shown to possess carcinogenic properties and damage reproductive, neurological and immune systems of wildlife and humans);
- Coating and sealing of concrete-lined washing bays and waste transferring stations;

Collection and disposal of asbestos waste;

Eradication of alien and invader vegetation;

Purchasing of high pressure cleaners; and
Sampling and analysis of water discharge to demonstrate continual improvement in monitoring and managing process water. An ISO 14001 first advancement assessment audit was conducted at Mponeng in August 2010, with the mine retaining its accreditation. No reportable environmental incidents were recorded during the year.

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Savuka

Description Savuka is situated on the West Wits line in the province of Gauteng, approximately 70 kilometers southwest of Johannesburg. Savuka is close to the town of Carletonville. The Carbon Leader Reef (CLR) is mined at depths varying between 3,137 meters and 3,457 meters below surface and the Ventersdorp Contact Reef (VCR) at a depth of 1,808 meters below surface.

The Savuka lease area is constrained to the north and northwest by DRDGOLD Limited s Blyvooruitzicht Mine, to the east by TauTona, to the west by Harmony s Kusasalethu mine, and to the south by Mponeng.

Operating review: Savuka produced 22,000 ounces of gold during 2010, compared with 30,000 ounces the previous year. Total cash costs increased by 3 percent to $1,136 per ounces, from $1,133 per ounces in 2009.

Savuka s operations continued to bear the impact of the seismic event that occurred in May 2009 as rehabilitation work continued during 2010. This resulted in production taking place in the VCR upper level in the first half of the year due to limited access to the CLR. In the interests of capital efficiency, a decision was made in late 2010 to place the mine on care and maintenance and to access its Ore Reserves from the larger, neighboring Mponeng operation in future.

An insurance claim, covering normal business interruption and material damage was lodged. Payments received during 2010 as a reimbursement of costs, were $11 million in June and $5 million in September.

Capital expenditure declined to $9 million in 2010 (2009: $13 million).

Growth prospects: Several strategic options are currently being considered for Savuka. These options vary from placing the operation on care and maintenance to a continuation of mining activities. It is anticipated that a formal decision on the future of Savuka will be made by mid-2011.

Sustainability

Safety**:** The all injury frequency rate improved from 13.23 in 2009 to 7.69 per million hours worked in 2010. There were no fatalities during 2010.

Savuka also retained its OHSAS 18001 certification following an audit that was conducted during the course of the year.

The mine continued implementation of the parallel safety initiatives initiated in 2008, including Goldsafe days; the promotion of team-based processes, mass open-air meetings and monthly miner, artisan, team leader and safety representative meetings.

Savuka also participated in AngloGold Ashanti s successful roll-out of the It s OK to stop campaign. In addition, various internal safety audits were conducted to enable management to address and mitigate the risks identified in the process. The AuRisk system was implemented to address risks at the mine.

Community: Savuka s community program is managed in tandem with that of the TauTona mine.

Environment: An ISO 14001 first advance assessment audit was conducted at Savuka in September 2010, with the operation retaining its accreditation.

The environmental closure plan has been assessed. Pumping will be dealt with through Mponeng and TauTona.

Environment-related projects for TauTona/Savuka include the establishment of a centralized oil store and the construction of a storm-water channel at the internal mine store yard.

No reportable environmental incidents were recorded during the year.

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TauTona

Description: TauTona lies on the West Wits Line, just south of Carletonville in Gauteng and about 70 kilometers southwest of Johannesburg. Mining at TauTona takes place at depths of 1,850 meters to 3,450 meters. The mine has a three-shaft system, supported by secondary and tertiary shafts and is in the process of converting from longwall mining to scattered-grid mining. This change in mining method was necessitated by the increased incidence of complex geology and the unsuitability of the current method for mining through the Pretorius fault. The change will also lead to improved safety.

TauTona shares a processing plant with Savuka. The facility currently has a monthly capacity of 180,000 tonnes and uses conventional milling to crush the ore and a CIP plant to treat it. Once the carbon has been removed from the ore, it is transported to the gold plant at Mponeng for elution electro- winning, smelting and the final recovery of the gold.

Operating review: Production at TauTona rose by 19 percent to 259,000 ounces during 2010, compared with 218,000 ounces the previous year. Cash costs rose 31 percent to $699 per ounces, from $532 per ounces in 2009, due mainly to inflationary pressure on the cost of labor, power and stores, royalty payments which came into effect on March 1, 2010 and a stronger currency.

Capital expenditure totaled $75 million in 2010 (2009: $57 million).

The improvement in production was due largely to the successful resumption of mining in January 2010 following the temporary closure of the shaft in October 2009. The positive production performance was, however, affected by a Section 54 stoppage imposed on all tramming activities during September by the Department of Mineral Resources.

Project ONE was officially launched on October 26, 2010. A project support team was established and trained. Site configuration and employee training have commenced with full implementation scheduled for the end of September 2011.

Projects update:

CLR Below 120 project: The original project scope was to develop a twin-shaft system one for men and material and the other a rock decline to access and mine below the 120 level. Initial production targets were around 46.3 tonnes or 1.5 million ounces of recovered gold, including 42.9 tonnes or 1.4 million ounces directly from the project and the balance from tailings, which would contribute significantly to TauTona s gold production. Following a major seismic event which closed off one of the two access routes, the project was reviewed and impaired in January 2009. A decision was made to limit the scope of the project to the development of the rock decline to 123 level. As a result of unfavorable geological drilling results and a significant increase in the latest cost estimate, the project has been suspended. The project area may be accessed at a later date from Mponeng.

CLR Shaft Pillar Extraction Project: The project was designed to enable stoping operations to be conducted up to an infrastructural zone of influence. However, given the safety and fall-of-ground risks, a decision was made to halt mining of this pillar. Only 65 percent (434,000 ounces) of the targeted production was achieved from this project. Capital expenditure on the project was $34 million.

VCR Pillar Project: The aim of this project is to provide the necessary infrastructure to access the VCR pillar area. Production began in 2005 and development was scheduled to have been completed in 2010. Total production was estimated at almost 200,000 ounces in all at a capital cost of $14 million, most of which has been spent. Following a seismic event in the shaft and after further modeling done by the Rock Mechanics Department, it was decided to stop mining the VCR pillar. As at December 2010, 141,000 ounces had been produced from this project.

Sustainability

Safety**:** Tragically, two fatalities occurred at TauTona during 2010 resulting from accidents related to winches and horizontal transport. The all injury frequency rate per million hours worked deteriorated from 15.84 in 2009 to 19.03 per million hours worked in 2010.

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TauTona retained its OHSAS 18001 certification following an audit conducted during the second quarter of 2010 as the mine implemented the behavior based safety observations program to audit the behavior of the mine s workforce and adopted the MOSH system to further enhance the mine s safety performance. Shaft infrastructure upgrades continued into 2010 following an incident in the fourth quarter of 2009, when a length of penthouse steel fell down the sub-shaft, damaging infrastructure and prompting the temporary suspension of operations while a full inspection was undertaken.

Mining through complex geology, including the Pretorius fault zone, represented one of the chief safety challenges during the year. TauTona continued with the implementation of parallel safety initiatives which begun in 2008, including, the ongoing roll-out of the It is OK to Stop principle to all employees, the White Flag drive and the Laduma for Safety and wellness days. The monitoring of emergency escape routes was improved.

On October 2, 2010, TauTona achieved two years without a fall-of-ground fatality, demonstrating the significant progress made in mitigating one of the most important risks related to deep-level, underground mining. The AuRisk system was implemented to address risk at the mine.

Community: TauTona plays an active role in supporting various community projects in the Merafong district. AngloGold Ashanti made donations to local organizations during the year, including:

Carletonville Home Based Centre;

Avondgloor Old Age Home;

Suid-Afrikaanse Vroue Federasie (SAVF); and

Timber Twig Pre-Primary School.

Environment: An ISO 14001 first advancement assessment audit was conducted at TauTona in September 2010, with the operation retaining its accreditation.

Additional projects undertaken during the year to minimize the operation s environmental impacts included:

Upgrading of the waste separation area to improve waste handling and storage, thereby improving recycling capacity;

The cleanup and removal of steel and redundant equipment which formed part of the backfill testing plant, in order to reduce the size of the mine s footprint; and

Relocation of the internal mine store and equipment from the ESKOM servitude, bringing TauTona in line with safety and legal requirements on power cabling running through the mine area.

Additional focus areas with regard to environmental aspects included:

Minimizing refrigeration gasses (R134a and R11) that are used in the refrigeration plants as refrigerant to supply cooling power to underground workings;

Management of hazardous material and waste, specifically hydrocarbons, chemicals and fluorescent tube light bulbs;

The management of clean and dirty water at TauTona; and

Water and electricity usage.

No reportable environmental incidents were recorded during the year.

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CONTINENTAL AFRICA

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

Iduapriem and Obuasi in Ghana;

Siguiri in Guinea;

Morila, Sadiola and Yatela in Mali;

Navachab in Namibia; and

Geita in Tanzania.

Combined production from these operations declined by 6 percent to 1.49 million ounces of gold in 2010, equivalent to 33 percent of group production. In all, they employed 15,761 people, including contractors, 494 more than in 2009. Total attributable capital expenditure for the region was $232 million (2009: $196 million).

AngloGold Ashanti also conducts an active greenfield exploration program, principally in the Democratic of the Republic of the Congo (DRC), focused on the Mongbwalu concession and the Kibali joint venture with Randgold Resources and the DRC government. This is in addition to brownfield exploration being conducted in and around its existing operations. For further information on the group s exploration program in Continental Africa, see the Global exploration section is this report.

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GHANA Summary of metallurgical operations

	OBUASI			
	Sulfide Treatment Plant	Tailings Treatment Plant	Oxide Treatment Plant	IDUAPRIEM PLANT
Capacity (000 tonnes/month)	200	200	150	375

Iduapriem

Description: Iduapriem, wholly owned by AngloGold Ashanti since September 2007, comprises the Iduapriem and Teberebie properties on a 110km^2 concession. The mine is situated in the western region of Ghana, some 70 kilometers north of the coastal city of Takoradi and 10 kilometers southwest of Tarkwa.

Iduapriem is an open-pit mine and its processing facilities include a CIP plant.

Geology: The Iduapriem and Teberebie gold mines are located along the southern end of the Tarkwa basin. The mineralization is contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic age. The outcropping Banket Series of rocks in the mine area form prominent, arcuate ridges extending southwards from Tarkwa, westwards through Iduapriem and northwards towards Teberebie.

Operating and production data for Iduapriem

	2010	2009	2008
Pay limit (oz/t)	0.04	0.04	0.04
Pay limit (g/t)	1.47	1.45	1.43
Recovered grade (oz/t)	0.050	0.050	0.051
Recovered grade (g/t)	1.70	1.72	1.76
Gold production (000 oz) 100 percent	185	190	200
Total cash costs ($/oz) (1)	778	658	625
Total production costs ($/oz) (1)	1,027	795	740
Capital expenditure ($ million) 100 percent	17	28	54
Employees (2)	729	727	732
Outside contractors (2)	754	720	1,048
All injury frequency rate	9.73	12.26	13.95

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

(2) Average for the period.

Operating review: Gold production declined by 3 percent to 185,000 ounces in 2010. The decline in production was mainly due to a stoppage from February 11, to April 20, to improve and increase the capacity of the site s tailings storage facilities (TSF). However, a significant portion of production lost due to the stoppage was recovered by re-planning mining operations and achieving designed plant throughput.

Total cash costs increased by 18 percent from the previous year to $778 per ounce, due primarily to higher fuel and power prices as well as increased employee and maintenance related costs.

The launch of Project ONE in August 2010 has improved overall mill throughput, which reached a record of 423,000 tonnes in December 2010, in line with the upgraded plant design specification.

Capital expenditure for the year was $17 million (2009: $28 million). Owing to the operational stoppage between February and April 2010 and based on a review of capital spend, the initial amount of $31 million budgeted for the Ajopa project and other projects was deferred.

Growth prospects: While the mine has limited growth prospects on surface, the higher gold price led to renewed interest in evaluating the considerable low-grade Mineral Resources in the Tarkwaian conglomerates that extend

below the economic limits of the existing pits. Work is planned in 2011 to determine if there is an economic resource sufficient to support underground mining.

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In addition, the Ajopa project, which was anticipated to start in 2010, is to be developed over the next two to three years. Ajopa contains an estimated Ore Reserve of 5.2 million tonnes at a grade of 1.83g/t, equivalent to around 341,000 ounces of gold. This project is expected to yield approximately 324,000 ounces over 24 months. The change in projected Ajopa ounces is due to change in planning parameters leading to increased volume to be mined.

Sustainability

Safety**:** The all injury frequency rate of 9.73 per million hours worked improved from 12.26 reported in 2009. Reducing the number of safety-related incidents remains a key focus for management, with a number of interventions already in place. These include hazard identification and risk assessment; incident reporting and investigation; employee engagement and communication; contractor safety management; and more visible leadership inspections by management.

Iduapriem maintained its OHSAS 18001 certification.

Environmental: Permitting issues had a significant impact on operations in 2010, following a shut-down while Block 2 and TSF 3 were closed and the interim TSF built with permission from the Ghana Environmental Protection Agency. In the meantime, construction of a TSF to cater for life of mine tailings deposition is in progress. It is anticipated that tailings deposition in the new facility will start in the first half of 2011.

In addition to this shut-down, four reportable environmental incidents, all related to pipeline failures, took place in 2010.

In 2009, the mine applied for temporary withdrawal from the certification to the cyanide code due to the non-compliance of its existing cyanide mixing and storage facility. Construction of the new cyanide storage facility is in progress and a new application will be made to the International Cyanide Management Institute (ICMI) during 2011. During 2010, the original water treatment plant installed in 2009 was upgraded. This work was undertaken to ensure full treatment of contaminants in process water in order to achieve the discharge standard for release of excess water from the operations.

Iduapriem achieved its ISO 14001 certification following a surveillance audit completed in November 2010.

Community: Iduapriem s alternative livelihood program continued in 2010, with strong support from the communities, local chiefs and local authorities. The program includes crop, fish and palm farming and processing. In addition, a mushroom farming project is being piloted as part of a broader economic development strategy. Women from local communities will operate the mushroom farms as stand-alone businesses, selling and marketing their produce in and around the Tarkwa region.

Key outstanding issues from previous years, in particular cracks in houses in Teberebie village, were addressed in 2010. Work is still in progress to finalize land-for-land compensation. This would improve an already strong relationship with the mine s surrounding communities.

Obuasi

Description: Obuasi is located in the Ashanti Region of southern Ghana, approximately 60 kilometers south of Kumasi. It is primarily an underground mine operating at depths of up to 1.5 kilometers, though some surface mining in the form of open pit and tailings reclamation occurs. Two treatment plants processed ore this year: the South Treatment Plant, which is a Float-BIOX®-CIL plant for treating hard rock sulfides and tailings; and a tailings treatment plant using CIL to treat only tailings. The tailings treatment plant was shut down in October and was impaired. Tailings will be treated through the South Treatment Plant to increase gold recovery.

Geology: The gold deposits at Obuasi are part of a prominent gold belt of Proterozoic (Birimian) volcano-sedimentary and igneous formations which extend for a distance of approximately 300 kilometers in a north-east/south-west trend in south-western Ghana. Obuasi mineralization is shear-zone related and there are three main structural trends hosting gold mineralization: the Obuasi trend, the Gyabunsu trend and the Binsere trend.

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Two main ore types are mined:

quartz veins which consist mainly of quartz with free gold in association with lesser amounts of various metal sulfides such as iron, zinc, lead and copper. The gold particles are generally fine-grained and occasionally are visible to the naked eye. This ore type is generally non-refractory; and

sulfide ore which is characterized by the inclusion of gold in the crystal structure of a sulfide material. The gold in these ores is fine-grained and often locked in arsenopyrite. Higher gold grades tend to be associated with finer grained arsenopyrite crystals. Other prominent minerals include quartz, chlorite and sericite. Sulfide ore is generally refractory.

Operating and production data for Obuasi

	2010	2009	2008
Pay limit (oz/t) [1]	0.19	0.21	0.29
Pay limit (g/t)	6.60	7.26	9.35
Recovered grade (oz/t) [1]	0.150	0.151	0.127
Recovered grade (g/t)	5.16	5.18	4.37
Gold production (000 oz)	317	381	357
Total cash costs ($/oz) [2]	760	630	636
Total production costs ($/oz) [2]	1,003	848	863
Capital expenditure ($ million)	109	94	112
Employees [3]	4,225	4,408	4,259
Outside contractors [3]	1,497	1,351	1,463
All injury frequency rate	2.86	4.73	6.36

(1) Pay limits and recovered grade refer to underground ore resources.

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

(3) Average for the period.

Operating review: Gold production decreased by 17 percent to 317,000 ounces in 2010. The reduced gold production was mainly attributable to underground tonnages declining by 8 percent as a result of reduced flexibility in developed Ore Reserves. Total development meters were 19 percent lower, due largely to the poorer-than- expected performance of the contractor.

The South Treatment Plant was stopped twice during 2010 for 5 days in March and 12 days in October, due to excess water on the TSF at Sansu. The tailings treatment plant was then shut down permanently in October as capacity on the Pompora tailings dam had been exhausted.

The mine also suffered blocked and collapsed ore passes and delays in ore-pass relocation. In order to increase the overall efficiency of the operation in the long term, the number of mining areas at Obuasi was consolidated from thirteen to nine as planned. Changes to the mining method included changes to certain waste footwall drives used for access, definition drilling in all newly designed narrow reef stopes and an increase in stope length to 150 meters. The transverse open stoping mining method will be applied to widen sections of the reef.

AngloGold Ashanti has appointed a high-level, multi- disciplinary taskforce to address the operating problems at Obuasi. This team, comprising senior management, will analyze the recent underperformance and design a turnaround plan that will touch all aspects of the operation, from mining and processing to a holistic approach in addressing legacy sustainability issues resulting from a century of mining. Peter Anderton, a seasoned engineer with several years experience, will lead the rapid turnaround effort; and Keith Faulkner, the former AngloGold Ashanti (Ghana) managing director, will oversee the planning of Obuasi s long-term future. This team will report its findings to the

board and table a detailed plan for Obuasi s sustained turnaround.

Total cash costs increased by 21 percent to $760 per ounce from $630 per ounce in 2009. The increase was mainly attributable to the decline in production, an increase in the power tariff and the once-off settlement of historical worker claims. These negative factors were partially offset by a reduction in the cost of consumables, which were sourced via a focused procurement strategy.

The Sulfide Treatment Plant metallurgical recovery rate was 86 percent against the target of 82 percent set during 2009.

Capital expenditure amounted to $109 million for the year (2009: $94 million).

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Growth prospects: Ore production from underground activity is planned at 1.82 million tonnes in 2011, compared to 1.85 million tonnes achieved in 2010.

Within the task force structure implemented to manage the mine, one of the three elements is to identify the level and methods of production best suited to exploiting the deposit at Obuasi, given advances made in modern mining technology.

Development at Obuasi Deeps on level 50 for both the Kwesi Mensah Shaft and Brown Sub-Vertical Shaft, as well as exploration drilling on the level 50 platform, were suspended because of flooding in July 2009. Development was restarted in the fourth quarter of 2010 and exploration drilling is planned from the first quarter of 2011.

Sustainability

***Safety*:** The safety performance at Obuasi improved significantly compared to 2009 with an all injury frequency rate of 2.86 per million hours worked recorded in 2010 compared with 4.73 per million hours worked in 2009. There were no fatalities during the year.

The safety strategy drawn up in 2009 and implemented in 2010 contributed significantly to this performance. It focused on four interlinked goals: processes that assign accountability and drive performance; effective employee dialogue and engagement; improving health and safety systems and establishing a health and safety support function that suits the operation s needs.

Community: The implementation of the recommendations of the 2009 Social Study report on Obuasi communities continues to receive attention.

The mine site continued to engage with surrounding communities including the Artisanal Miners Association. There was an increase in the number of communities covered under the stakeholder engagement plan from 48 in 2009 to 58 in 2010.

On legacy issues, farms impacted by mining activities have been assessed and some compensation paid. Grievances have been investigated and documented, and proactive engagement through regular meetings with communities has been instituted.

Regarding economic development, three projects are being piloted at Obuasi to create employment opportunities for the communities, namely a piggery, aqua culture and a garment factory.

AngloGold Ashanti s staffing needs in the community and social development spheres have been expanded and training is being provided to environment and community staff. Implementation of management standards to prevent or avoid the creation of additional legacy issues has commenced.

The occasional chemical treatment of process water for discharge in positive water balance situations to streams and rivers has been curtailed and rehabilitation of mined-out pits has commenced at Adubriem and Sansu. The road to Sansu village is being resurfaced by the company.

The mine continued to fund and operate its Malaria Control Program, which has successfully reduced the incidence of malaria in the community, of more than 250,000 people, by more than 75 percent. The program is a world benchmark and has been selected by the United Nation s Global Fund with AngloGold Ashanti as the principal recipient to expand the Obuasi model to 40 districts around Ghana. Funding of $130 million will be provided over five years at which time the Obuasi program will be included in the Global Fund program. The program awaits government tax exemption on the Global Fund donor funds, which should be forthcoming in 2011.

In addition, Obuasi continues its support of the municipality on waste and hygiene management, education, HIV/Aids awareness and treatment.

Environment: Six reportable environmental incidents, two of which were related to tailings management, took place in 2010.

A tailings retreatment project is under way to retreat tailings in the facilities at the northern end of the mine and simultaneously address stability and drainage issues as part of Obuasi s mine closure obligations.

Construction of two process water treatment plants to mitigate the positive water balances to the north and south of the mine is scheduled for completion by the second quarter of 2011.

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Permitting processes are also under way ahead of the construction of a return water dam to be commissioned by 2012, to enhance the stability of the south tailings storage facility.

The mine underwent its ISO 14001 surveillance audit in November after successfully completing a certification audit in December 2009.

GUINEA

AngloGold Ashanti has one gold mining operation, Siguiri, in the Republic of Guinea.

SIGUIRI

Description: AngloGold Ashanti has an 85 percent interest in Siguiri and the government of Guinea holds the balance of 15 percent. Siguiri is a multiple open-pit, oxide gold mine situated in the Siguiri district in northeast of the Republic of Guinea, about 850 kilometers northeast of the capital, Conakry. Siguiri s open pits are operated by mining contractors using conventional techniques. Mineralization at Siguiri is hosted within the Birimian System. The plant processes at a rate of about 30,000 tonnes of ore a day.

Geology: This concession is dominated by Proterozoic Birimian rocks which consist of turbidite facies sedimentary sequences. The two main types of gold deposits which occur in the Siguiri basin and are mined are:

laterite or CAP mineralization which occurs as aprons of colluvial or as palaeo-channels of alluvial lateritic gravel adjacent to, and immediately above; and

in situ quartz-vein related mineralization hosted in meta-sediments with the better mineralization associated with vein stockworks that occurs preferentially in the coarser, brittle siltstones and sandstones.

The mineralized rocks have been deeply weathered to below 100 meters in places to form saprolite or SAP mineralization. With the percentage of available CAP ore decreasing, a carbon-in-pulp (CIP) plant is used to treat predominantly SAP ore.

Operating and production data for Siguiri

		2010	2009	2008
Pay limit (oz/t)		0.02	0.02	0.03
Pay limit (g/t)		0.66	0.71	0.93
Recovered grade (oz/t)		0.028	0.032	0.035
Recovered grade (g/t)		0.97	1.11	1.20
Gold production (000 oz)	100 percent	321	372	392
Gold production (000 oz)	85 percent	273	316	333
Total cash costs ($/oz)[1]		656	513	468
Total production costs ($/oz)[1]		733	601	565
Capital expenditure ($ million)	100 percent	12	26	22
Capital expenditure ($ million)	85 percent	10	22	18
Employees[2]		1,531	1,492	1,489
Outside contractors[2]		1,639	1,481	1,444
All injury frequency rate		6.15	5.54	9.42

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

(2) Average for the period.

Operating review: Attributable gold production declined by 14 percent to 273,000 ounces, due mainly to the mining of lower grade ore. The decline in grade was a result of lower overall grades mined in the Sintroko and Tubani pits. Production was also affected by lower drawdown rates, which affected geotechnical stability and caused the failure of the main ramp of Sintroko pushback 1. This delayed mining operations in the affected area from August to November.

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The mine implemented the BPF component of the Project ONE business improvement initiative during 2010. It is anticipated that plant efficiencies will improve as a result of increased throughput as new initiatives are introduced.
Total cash costs increased by 28 percent to $656 per ounce, from $513 per ounce in 2009, due to higher fuel prices and costs related to labor and mining contractors.
Attributable capital expenditure for the year totaled $10 million (2009: $22 million).
Growth prospects: Scoping studies are being undertaken on the mining optimizations and expanded metallurgical processing capability of the mine. These studies are expected to:

- provide direction for the short- and long-term development of the mine;
- address the 30 million tonnes a year treatment of saprolite ore from areas to the northwest and southeast of the current pits, as well as the overlying cap rock in those areas and the transitional and hard oxide deposits below the existing pits; and
- conduct mining scenarios to provide cut-off grades that will feed into blue sky exploration drilling programs.

Successful completion of the studies will provide direction on the expected increase in throughput over the life of mine.
Current Proven and Probable oxide Ore Reserves at Siguiri are around 2 million ounces of gold at 1.28g/t from the operation s pits and 1.77 million ounces at 0.55g/t from stockpiles and spent heaps. This is sufficient to feed the plant at a rate of 10.2 million tonnes a year for three to four years. Studies are planned for 2011 to determine options available to improve plant throughput.
There remains potential for additional sulfide and low- grade oxide Mineral Resources in the regional gold belt, which remains very prospective and under explored. Support for this view is based on gold showings in surface geochemistry and on interpretations based on geophysical and geological understanding. Fast-tracking of drilling is required to upgrade blue sky estimates into Proven and Probable Ore Reserves.
Sustainability
***Safety*:** Siguiri had one fatality in January 2010 when a collision occurred between two trucks. Management implemented an action plan whereby contractors are closely managed and monitored with regards to safety. The all injury frequency rate for the year was 6.15 per million hours worked (2009: 5.54).
Management identified the need to entrench the view that safety remains more important than production goals. To achieve this, improvements are to be made to enforce basic safety rules and standards in contractor management, management visibility at the workplace, and operator training and awareness.
Preparations for continuous occupational hygiene measurement have been completed and this will be fully operational from January 2011.
The mine maintained its OHSAS 18001 certification.
Community: Siguiri continued its engagement with stakeholders to assure adoption of strategies to achieve common goals. An annual forum was initiated and held to solicit recommendations from interested stakeholders with a view to strengthening relationships with these groups. Long- and short-term community infrastructure projects were undertaken, including:

- health post (Kourouda);
- Great Mosque of Kintinian;
- Arabic school of Kintinian;
- upgrading of rural roads within and between villages;
- water drainage systems;
- water boreholes; and

renovation of Siguiri Central police station and the airport.

The second round of the year s malaria control initiative for the mine village and six major surrounding communities progressed steadily and was identified as the main reason for the reduction in malaria-related illnesses reported at the new medical centre. The challenge for the malaria control program is how to attend to the larger community in the town of Siguiri, where about 70 percent of mine employees currently reside. It appears that the Global Fund is in the process of funding malaria projects in Guinea s mining industry.

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Environment: Three reportable environmental incidents occurred during the year, all involving tailings spillages. High density polyethylene pipelines are being replaced by steel pipes on an ongoing basis. The frequency of pipeline inspections has been increased in order to minimize the volume of material spilled should a leak occur. One incident was as a result of sabotage by community members. Community engagement including local and regional authorities was stepped up to prevent a recurrence.

Dust control on haul and access roads and at the ROM1 stockpile was satisfactory, but remains a challenge in the dry months. The operations relied heavily on recirculation of process water and extracted less than a third of its annual water allocation from Tinkinsso River.

The land management program was well executed during the year, with no land-use conflicts with neighboring communities.

Mine closure planning remained high on the agenda, resulting in a closure gap analysis being carried out and measures put in place to close the identified shortfalls.

Siguiri was certified to be in full compliance with the International Cyanide Management Code in March 2010. Certification is valid for three years. A successful ISO 14001 surveillance audit was conducted during the year.

MALI

AngloGold Ashanti has interests in three gold mining operations in Mali, namely, Sadiola, Yatela and Morila. It manages two of these operations, Sadiola and Yatela.

Morila **(attributable 40 percent)**

Description: The Morila mine is situated some 180 kilometers southeast of Bamako, the capital of Mali. The operation currently treats low- grade stockpiles. The plant at Morila, which incorporates a conventional CIL process with an upfront gravity section to extract the free gold, has an annual throughput capacity of 4.3 million tonnes per annum.

Morila is 80 percent owned by Morila Limited, a joint venture in which AngloGold Ashanti and Randgold Resources Limited each have a 50 percent stake, giving AngloGold Ashanti an effective interest of 40 percent in Morila. The government of Mali owns the remaining 20 percent. Randgold Resources manages the mine.

Geology: Morila is a mesothermal flat lying shear-zone hosted deposit which, apart from rising to the surface in the west against steep faulting, lies flat. The deposit occurs within a sequence Birimian metal-arkoses of amphibolite metamorphic grade. Mineralization is characterized by silica-feldspar alteration and sulfide mineralization consists of arsenopyrite, pyrrhotite, pyrite and chalcopyrite.

Operating and production data for Morila

	2010	2009	2008
Pay limit (oz/t)	0.02	0.04	0.06
Pay limit (g/t)	0.67	1.21	2.17
Recovered grade (oz/t)	0.050	0.072	0.090
Recovered grade (g/t)	1.70	2.47	3.08
Gold production (000 oz) 100 percent	238	342	425
Gold production (000 oz) 40 percent	95	137	170
Total cash costs ($/oz)[1]	716	526	424
Total production costs ($/oz)[1]	768	577	500
Capital expenditure ($ million) 100 percent	3	10	3
Capital expenditure ($ million) 40 percent	1	4	1
Employees[2]	476	518	605
Outside contractors[2]	415	535	1,098

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

(2) Average for the year.

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Operating review: Attributable gold production declined by 31 percent to 95,000 ounces, mainly due to a 30 percent drop in head grade as a result of the treatment of low-grade stockpiles.
Total cash costs increased by 36 percent to $716 per ounce as a result of the lower production and higher costs for reagent and also for fuel burnt in power generation.
Morila capital expenditure was $3 million in 2010, of which $1 million was attributable (2009: $10 million or $4 million attributable). The major elements of this were the SAG and ball mill main gearbox, conveyor belting and the replacement of the Knelson concentrators.
Morila will continue the current process of treating low-grade ore stockpiles until 2013. Attributable production is therefore expected to decrease further as Morila reaches the end of its life.
Growth prospects: From 2010 to the end of the mine s life, Morila will continue to treat only low-grade ore. Attributable production is expected therefore to decrease.
Sustainability
Safety: The safety statistics for Morila are reported by Randgold Resources, the operator, and are not included in AngloGold Ashanti s statistics.
Environment: No significant environmental incidents were reported during the year. ISO 14001 certification was maintained after an external assessment audit was completed during 2010. No non-conformance issues were raised.
Community: The mine maintained a good relationship with communities and regular meetings were held. All community development projects planned for the year were completed. The mine continued to provide malaria spraying services and treated five villages during 2010, through three spraying cycles.
Morila s closure committee is operational and meets quarterly. A sustainable agribusiness project is being developed to continue wealth creation after closure of the mine, with 1,270 hectares having been identified for agriculture. Plans are in place to convert the bulk mining yard and the batch plant into an area for poultry farming and animal husbandry. The micro-finance project (CAMIDE) has funded 20 undertakings for former staff members. Morila s management and unions are formulating a social plan for employees. The ongoing closure process focuses on the social plan submitted by labor unions and the closure coordinator, as well as engagement with government agencies to provide training assistance to affected employees.
The New Mine Collective Convention was implemented in September 2010, with no major issues identified. Compulsory health insurance and the payment of the related subscription came into effect in November 2010.
***Sadiola* (attributable 41 percent effective December 29, 2009, previously 38 percent)**
Description: Sadiola is situated in the far southwest of Mali, 77 kilometers south of the regional capital, Kayes. Sadiola is a joint venture in which AngloGold Ashanti and IAMGOLD each have a 41 percent interest and the government of Mali 18 percent.
Mining at Sadiola takes place in five open pits. Ore is treated and processed in a CIL gold plant with a monthly capacity of 364,000 tonnes.
Geology: The Sadiola deposit occurs within an inlier of greenschist facies metamorphosed Birimian rocks known as the Kenieba Window. The specific rocks which host the mineralization are marbles and greywackes which have been intensely weathered to a maximum depth of 200 meters. A series of north-south trending faults occur that are the feeders to the Sadiola mineralization. As a result of an east-west regional compression event, deformation occurs along a north-south striking marble-greywacke contact, increasing the porosity of this zone. North-east striking structures which intersect the north-south contact have introduced mineralization, mainly with the marble where the porosity was greatest. The Sadiola Hill deposit generally consists of two zones, an upper oxidized cap and an underlying sulfide zone. From 1996 until 2002, shallow saprolite oxide ore from the Sadiola Hill pit was the primary ore source. Since 2002, the deeper saprolitic sulfide ore has been mined and in future will progressively replace the depleting oxide reserves.

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Operating and production data for Sadiola

	2010	2009	2008
Pay limit (oz/t)	0.04	0.04	0.07
Pay limit (g/t)	1.28	1.46	2.18
Recovered grade (oz/t)	0.060	0.074	0.100
Recovered grade (g/t)	2.04	2.52	3.42
Gold production (000 oz) 100 percent	287	354	453
Gold production (000 oz) 41 percent[1]	118	135	172
Total cash costs ($/oz)[2]	686	489	401
Total production costs ($/oz)[2]	737	585	587
Capital expenditure ($ million) 100 percent	20	10	8
Capital expenditure ($ million) 41 percent[1]	8	4	3
Employees[3]	790	705	634
Outside contractors[3]	981	827	876
All injury frequency rate	1.65	2.31	4.37

(1) Effective December 29, 2009, the company increased its interest from 38 percent to 41 percent.

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

(3) Average for the year.

Operating review: Attributable production decreased by 13 percent to 118,000 ounces, from 135,000 ounces in 2009, mainly as a result of a 12 percent decline in head grade.

The decline in grade is as a result of the depletion of the Sadiola main pit Ore Reserves and a change in the mining focus to the lower-grade satellite pits.

A new gravity circuit was introduced in the plant and aided recovery in the processing of oxide and sulfide feed materials. Advance crushing and screening of both ore types significantly improved plant throughput in the latter part of the year by minimizing the introduction of large rocks and associated blockages early in the process.

Total cash costs increased by 40 percent to $686 per ounce, owing mainly to the lower-grade feed supplied to the priority plant. In addition, mining contractor costs were higher as a result of the longer haulage distance, higher maintenance costs and increases in the fuel price.

The BPF component of the Project ONE initiative was introduced during 2010 and is expected to be fully entrenched during 2011. Initial BPF work will be directed at optimizing processing activities so as to increase availability, utilization and throughput of the plant.

Total capital expenditure for the year was $20 million ($8 million attributable) (2009: $10 million or $4 million attributable).

Growth prospects: Sadiola has two expansion opportunities, namely the Deep Sulfide project and the Oxide Expansion project, is the latter currently undergoing a prefeasibility study.

The Deep Sulfide project will treat both oxide (5 million tonnes per year) and sulfide (3.6 million tonnes per year) ores. Initial waste stripping at Sadiola s main pit and the commissioning of the sulfide plant is expected to commence in 2012. Once current oxide Ore Reserves are depleted, the plant will be modified to treat only sulfide material at a capacity of 7.2 million tonnes per year. The Deep Sulfide project will extend the mine s life and add 4.2 million ounces to Sadiola s current life of mine production profile.

The Oxide Expansion project is based on exploration results that indicate additional oxide potential in the Sadiola area. Current work includes expediting the exploration program to better define the potential of all existing targets and profile new target areas.

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Sustainability

***Safety*:** Sadiola had one fatality in August 2010. Whilst positioning a submersible de-watering pump, the supervisor fell into a temporary sump following the collapse of the area. All the recommendations arising from the investigation into the incident have been implemented. The all injury frequency rate for the year improved to 1.65 per million hours worked (2009: 2.31).

As contractor-related incidents were the major source of injury, contractor management received concerted attention to ensure alignment and compliance with AngloGold Ashanti s standards and practices.

Other safety-related programs and initiatives are directed at pre-work planning, hazard analysis, vehicle safety and training focused on crisis and emergency plans.

The mine maintained its OHSAS 18001 certification in 2010.

Community (including Yatela)*: Annual workshops comprising government, national and regional authorities, local communities, media, Non- Governmental Organizations (NGOs) and other associations have been held since 2003. These workshops provide a forum to communicate the activities planned by Sadiola and Yatela, while providing an opportunity for the relevant stakeholders to comment and make recommendations.

The Integrated Development Action Plan (IDAP) has been in place since 2004. Covering villages located around the Sadiola and Yatela mines, it focuses on agricultural capacity-building and micro-financing activities. The plan is managed by the communities themselves and includes a general assembly with representatives from each village. The IDAP has received funding from Sadiola and Yatela which enables it to function successfully and independently.

Community members from the villages surrounding Sadiola and Yatela have been trained in malaria mitigating techniques, which has aided a decline in the incidence of the illness since the implementation of the program in 2005.

It is the responsibility of both Sadiola and Yatela to contribute to an HIV/AIDS program. Initiatives focus specifically on awareness, testing and peer educators in the workplace. The company partnered with NGOs during the soccer World Cup 2010 to attract villagers to central locations to watch games and participate in voluntary testing.

Environment: One reportable environmental incident occurred on April 26, 2010 when the incorrect disposal of 75 liters of a pesticide into drains led to contamination of the final effluent from the sewage treatment plant, resulting in the death of more than 200 birds. This incident resulted in a fine levied by local authorities. Management implemented measures to prevent a repeat of the incident by including regular inspections of the site and the education of employees on the importance of adhering to the correct disposal procedures.

The environmental impact assessment for the Sekokoto road diversion was completed and approved by government.

ISO 14001 certification was maintained following an external surveillance audit.

** Given their proximity to each other, Sadiola and Yatela conduct their local community initiatives jointly.*

***Yatela* (attributable 40 percent)**

Description: The Yatela mine is situated some 25 kilometers north of Sadiola and approximately 50 kilometers south-southwest of Kayes. Ore extraction is conducted from the Yatela main pit as well as the satellite pit at Alamoutala. The ore mined is treated at a heap-leach pad together with carbon loading. The carbon is then eluted and the gold smelted at nearby Sadiola.

Yatela is 80 percent owned by the Sadiola Exploration Company Limited, a joint venture in which AngloGold Ashanti and IAMGOLD each have an interest of 50 percent, giving AngloGold Ashanti an effective stake of 40 percent in Yatela. The government of Mali owns the remaining 20 percent stake in the mine.

Geology: Yatela mineralization occurs as a keel-shaped body in Birimian metacarbonates. The keel is centered on a fault which was the feeder for the original mesothermal mineralization, with an associated weakly mineralized diorite intrusion. Mineralization occurs as a layer along the sides and in the bottom of the keel . The ore dips almost vertically on the west limb and more gently towards the west on the east limb, with tight closure to the south.

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Operating and production data for Yatela

	2010	2009	2008
Pay limit (oz/t)	0.01	0.04	0.04
Pay limit (g/t)	0.45	1.52	1.34
Recovered grade (oz/t)	0.036	0.106	0.078
Recovered grade (g/t)	1.23	3.62	2.66
Gold production (000 oz) 100 percent	150	222	165
Gold production (000 oz) 40 percent	60	89	66
Total cash costs ($/oz)[1]	817	326	621
Total production costs ($/oz)[1]	883	416	636
Capital expenditure ($ million) 100 percent	5	3	8
Capital expenditure ($ million) 40 percent	2	1	3
Employees[2]	308	298	305
Outside contractors[2]	570	505	583
All injury frequency rate	2.28	5.54	6.13

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

(2) Average for the year.

Operating review: Yatela was originally scheduled for closure in 2010, though the life has since been extended.

Attributable gold production at Yatela dropped by 33 percent from 2009 levels to 60,000 ounces in 2010. The decline in production was due mainly to a decrease in the head grade of the ore stacked as a result of non-conformity at the bottom of mineralized structures in Alamoutala.

Total cash costs increased by 151 percent to $817 per ounce, due to the significant decrease in production coupled with higher costs to access the Alamoutala ore and an increase in contract mining costs.

Capital expenditure for the year was $6 million ($2 million attributable) (2009: $3 million; $1 million attributable).

Growth prospects: The current life of mine is based on the successful conversion of the Inferred Mineral Resource in Yatela North, where the opportunity lies in the northeast and northwest extensions. Furthermore, a focused exploration program will be undertaken over the next year to ensure continuation of the mining operation.

Sustainability

Safety: The all injury frequency rate for the year improved to 2.28 per million hours worked (2009: 5.54).

Programs which enabled this improvement included pre-work planning, hazard analysis and also vehicle safety and training directed at crisis and emergency plans.

Management identified effective contractor management as a key area for safety improvement and contractor alignment with group safety standards as a priority.

The mine maintained its OHSAS 18001 certification in 2010.

Community: See discussion of Sadiola.

Environment: There were no reportable environmental incidents at Yatela during 2010. This was as a result of increased inspection and regular interaction with site personnel and management on accident prevention.

The mine rehabilitated 19.5 hectares of waste dumps and heap leach pads during the year. The rehabilitation of a further 160 hectares has been built into the current business plan and will be accelerated.

Furthermore, a closure manager has been appointed by Yatela to ensure that all requirements are fulfilled. The closed Obotan mine in Ghana was visited jointly with the National Closure Commission to better understand closure-related issues and help in the development of a formal closure plan for Yatela that considers the physical environment, social issues and worker development.

ISO 14001 recertification of Yatela was achieved following an audit. An external surveillance audit will be undertaken in 2011.

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NAMIBIA

Description: The Navachab gold mine is situated near the town of Karibib, some 170 kilometers northwest of the capital Windhoek and 171 kilometers inland on the southwest coast of Africa.

Navachab, which began operations in 1989, is an open-pit mine with a processing plant which includes a mill as well as CIP and electro-winning facilities, all with a monthly capacity of 120,000 tonnes.

In addition to the current operation, a Dense Media Separation (DMS) plant with a monthly capacity of 120,000 tonnes was commissioned during 2010.

Geology: The Navachab deposit is hosted by Damaran greenschistam-phibolite facies, calc-silicates, marbles and volcanoclastics. The rocks have been intruded by granites, pegmatites and (quartz-porphyry dykes) aplite and have also been deformed into a series of alternating dome and basin structures. The mineralized zone forms a sheet-like body which plunges at an angle of approximately 20 degrees to the north-west. The mineralization is predominantly hosted in a sheeted vein set (±60 percent) and a replacement skarn body (±40 percent). The gold is very fine-grained and associated with pyrrhotite, and minor to trace amounts of pyrite, chalcopyrite, maldonite and bismuthinite. Approximately 80 percent of the gold is free milling.

Operating and production data for Navachab

	2010	2009	2008
Pay limit (oz/t)	0.07	0.051	0.04
Pay limit (g/t)	2.53	1.55	1.29
Recovered grade (oz/t)	0.052	0.046	0.042
Recovered grade (g/t)	1.80	1.58	1.43
Gold production (000 oz)	86	65	68
Total cash costs ($/oz)[(1)]	721	677	559
Total production costs ($/oz)[(1)]	779	723	632
Capital expenditure ($ million)	14	20	12
Employees[(2)]	687	578	482
Outside contractors[(2)]			
All injury frequency rate	25.60	26.30	20.63

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

(2) Average for the year.

Operating review: Gold production increased by 32 percent to 86,000 ounces in 2010, due to greater volumes mined from the bottom of the pit and the treatment of high-grade concentrate from the DMS plant.

Total cash costs rose by 6 percent to $721 per ounce as a result of higher labor and power costs and rising contractor fees, though this was partly offset by an increase in production.

Capital expenditure for the year was $14 million (2009: $20 million).

Growth prospects: The optimization process at Navachab indicated that the main pit will be expanded to the east from 2011 to access footwall mineralization north of the current east pushback. The west cut is expected to be mined from 2013 to access the hanging wall mineralization. Exploration during 2011 will focus on the down plunge extension of the existing orebody of the main pit. Drilling will focus on the North Pit 2 and the down plunge extension, while also exploring the strike extent of the satellite target areas where previous exploration indicated potential, as well as the western limb of the fold hinge at anomaly 16.

Sustainability

***Safety*:** The all injury frequency rate per million hours worked improved from 26.30 in 2009 to 25.60 in 2010.

Navachab complied with OHSAS 18001 assessments conducted in March and October 2010.

Safety interventions include ongoing speed surveillance on the access roads in the mine, quarterly vehicle safety audits, regular safety representative meetings and quarterly safety steering-committee meetings. The behavioral safety initiative, known as Ostrich, is ongoing and has begun to produce results.

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Community: Navachab made contributions to educational projects, including the Spell it Right competition, spring school for grade 12 learners and prize giving ceremonies at local and regional schools. Navachab also sponsored the building of a house for volunteer teachers at the local government school, contributed to the young scientist exhibition and made its annual donation to the private school in the town of Karibib.

A pool of 100 unemployed women was identified in Karibib in order to create ad-hoc employment on a short-term basis where possible.

Environment: No reportable environmental incidents occurred during 2010.

The construction of the water filtration plant commenced in 2010 with commissioning planned to be complete by the third quarter of 2011. This facility will ensure additional recovery of water from the plant to eliminate the need for a third TSF and also negate the inherent safety, health and environment risk associated with a TSF.

ISO 14001 environment certification was maintained during the year. Navachab further received a formal notification of compliance with the Cyanide Code from the Code Secretariat.

TANZANIA

AngloGold Ashanti has one gold mining operation in Tanzania, the Geita gold mine.

Geita

Description: The Geita gold mine is located in the Lake Victoria goldfields of the Mwanza region of Tanzania, about 120 kilometers from Mwanza and 4 kilometers west of the town of Geita. The mine is wholly owned and managed by AngloGold Ashanti.

The Geita gold deposit is an Archaean mesothermal orebody, largely hosted in a banded ironstone formation. It is a multiple open pit operation with underground potential and is currently serviced by a 5.2 million tonnes per annum CIL processing plant.

Geology: Geita is an Archaean mesothermal mainly BIF-hosted deposit. Mineralization is located where auriferous fluids, which are interpreted to have moved along shears often on BIF-diorite contacts, reacted with the BIF. Some lower-grade mineralization can occur in the diorite as well (usually in association with BIF-hosted mineralization), and approximately 20 percent of the gold is hosted in the diorite.

Operating and production data for Geita

	2010	2009	2008
Pay limit (oz/t)	0.07	0.09	0.10
Pay limit (g/t)	2.38	3.08	3.10
Recovered grade (oz/t)	0.069	0.055	0.056
Recovered grade (g/t)	2.36	1.89	1.92
Gold production (000 oz)	357	272	264
Total cash costs ($/oz) [(1)]	697	985	814
Total production costs ($/oz) [(1)]	874	1,191	1,004
Capital expenditure ($ million)	38	19	53
Employees [(2)]	1,874	1,990	2,130
Outside contractors [(2)]	1,391	1,196	986
All injury frequency rate	5.38	5.56	8.52

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

(2) Average for the year.

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Operating review: The turnaround at Geita resulted in gold production increasing by 31 percent to 357,000 ounces in 2010. Significant quarterly improvements were achieved during the first half of the year, with gold production rising from 84,000 ounces in the first quarter to 90,000 ounces in the second quarter. Output was hampered during the third quarter as a result of a major planned plant shutdown to replace the SAG mill discharge end-plate and to rebuild the crusher dump-pocket. Production was also supported by improved grades from Nyankanga pit, which delivered an average grade of 3g/t.

Total cash cost for the year improved by 29 percent to $697 per ounce, mainly as a result of lower reagent costs, as well as a reduction in general and engineering stores.

In addition, other initiatives included the start, in 2010, of the construction of a re-designed run-of-mine pad to improve the ore-blending capability of the plant. All planned performance parameters were achieved.

The fleet rationalization strategy also saw the number of trucks used during the year reduce from 48 to 34. This, in conjunction with improved operating practices, resulted in significant productivity gains as the same volume of material was moved with fewer haul trucks. Fleet rationalization will continue through 2011 as truck productivity is expected to improve by an additional 10 percent to 20 percent, as a result of the new larger, lightweight trays.

Geita s turnaround and the implementation of Project ONE initiatives which include the BPF and SP, continued throughout 2010. The work management aspect of BPF was successfully implemented in the mining maintenance and processing divisions, resulting in continued improvements. Under the SP component, the Geita organizational structure was re-designed. Managerial Leadership Practices (MLP) training is being delivered to senior management and is due to be completed by 2011.

Capital expenditure for 2010 totaled $38 million (2009: $19 million).

Growth prospects: Exploration drilling was undertaken to increase confidence in the Nyankanga Cut 9 volumes, Cut 6 volumes behind the 2007 failure zone, and in the near-surface volume of Block 1 in the Nyankanga underground. Results confirmed current mineralization and the Nyankanga Mineral Resource model will be updated to incorporate additional drilling and mapping data in 2011.

Both the Nyankanga and Geita Hill Mineral Resource models were updated in April 2010. The Geita Hill Mineral Resource decreased by 2 percent and the Nyankanga Mineral Resource by 1 percent. Both reductions resulted from decreased mineralized volumes.

Exploration activities outside of the active mining areas comprised IP-surveying and geological mapping of five targets: Nyakabale, Mgusu, Nyankumbu, Kukuluma A and Kukuluma B. Except for Kukuluma B, all targets revealed promising combined chargeability and resistivity signatures indicative of disseminated sulfides and potentially associated with gold mineralization. Drill testing of these anomalies is ongoing.

Sustainability

Safety**:** Geita achieved 11.5 million hours free of lost-time injuries before two tragic fatalities in May 2010, resulting from a collision between two trucks on one of the haul roads during the night shift. The all injury frequency rate for 2010 was 5.38 per million hours worked (2009: 5.56).

Fatigue continues to pose a major threat to Geita s safety record, making it a priority for safety management. The safety management program in 2010 included the completion of a hazard identification and reporting course, plan task observation training to all frontline managers and rescue team refresher courses.

Geita was second runner-up in the country OHSAS competition.

Community: Resolution of land compensation claims progressed well during the year, with the completion of the Nyamatagata and Katoma claims. Phase 5 of Nyankumbu Girls Secondary School started in 2010 and construction of the school will be completed in 2011.

Design work was completed on the Geita Town Water Supply Project, which will be built in 2011. This project, which will draw water from the Nyankanga dam on the mine s lease area, will include transfer pumping, a treatment and storage system and will deliver water at a rate of 4,800 cubic meters per day to the town.

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Environment: One reportable environmental incident took place in 2010, following the death of two birds.
Cyanide management has been enhanced with the completion of the plant tailings dilution circuit. Improved control may be expected once the second oxygen injection system on the conditioning tanks is satisfactorily commissioned at the beginning of 2011.
The key requirements of the cyanide code have now been met and the main remaining objective is to achieve compliance with the code requirement that weak acid dissociable (WAD) cyanide levels in the tailings slurry should not exceed 50 parts per million for a period of three to six months. This will be the objective for the first two quarters of 2011.
ISO 14001 environment certification was maintained during the year.

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AUSTRALASIA

AngloGold Ashanti s sole operating mine in Australasia is Sunrise Dam.

Production from Australasia declined by 1 percent to 396,000 ounces in 2010, equivalent to 9 percent of group production. Total cash costs increased by 10 percent to $692 per ounce. In all, 494 people, including contractors were employed, 39 more than in 2009. Total attributable capital expenditure for the region, including Tropicana, was $40 million, a decrease of 77 percent on the $177 million spent in 2009, which included the Boddington project that was sold.

The group is also developing the new Tropicana gold mine in Western Australia, along with joint venture partner Independence Group Ltd. (30 percent). Tropicana, a greenfield discovery made by AngloGold Ashanti, is expected to deliver its first production in 2013. AngloGold Ashanti is managing the project along with a vast exploration program in the area that covers some 13,500km^2 of tenements along a 600 kilometer strike length, considered one of the most prospective regions for new gold discoveries in Australia.

The Ore Reserve for Australasia, attributable to AngloGold Ashanti, totaled 3.74 million ounces at year-end.

Exploration in the Australasia region was conducted in the Cornelia Range, in Western Australia, and in the Solomon Islands. For further information on the group s exploration program in Australasia, see the Global exploration section of this report.

AUSTRALIA

SUNRISE DAM

Description: The Sunrise Dam gold mine is located in the northern goldfields of Western Australia, 220 kilometers northeast of Kalgoorlie and 55 kilometers south of Laverton.

The mine consists of a large open pit which is now in its fourteenth year of operation, and an underground mine which began in 2004. Mining is conducted by contractors and the ore is treated in a conventional gravity and CIL processing plant, which is owner-managed.

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Geology: Gold ore at Sunrise Dam is structurally and lithologically controlled within gently dipping high strain shear zones (for example, Sunrise Shear) and steeply dipping brittleductile low strain shear zones (for example, Western Shear). Host rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.

Operating and production data for Sunrise Dam

	2010	2009	2008
Pay limit (oz/t)	0.14	0.08	0.09
Pay limit (g/t)	4.32	2.45	2.79
Recovered grade (oz/t)[2]	0.094	0.084	0.101
Recovered grade (g/t)[2]	3.22	2.87	3.46
Gold production (000 oz)	396	401	433
Total cash costs ($/oz)[1]	692	631	559
Total production costs ($/oz)[1]	773	738	665
Capital expenditure ($ million)	29	31	19
Employees[3]	93	99	77
Outside contractors[3]	401	356	333
All injury frequency rate	13.65	8.94	15.85

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

(2) Open-pit operations.

(3) Average for the year.

Operating review: Production in 2010 decreased by 1 percent to 396,000 ounces, from 401,000 ounces the previous year. This was equivalent to 9 percent of group gold production. The decline reflects the marginally lower average grade of ore processed as anticipated in the mine plan. Open-pit mining continued in the North Wall Cutback providing over 80 percent of production. Ore continued to be sourced from a combination of underground and open pit operations with the use of lower-grade stockpiles to supplement the ore feed to the plant.

Underground tonnage decreased by 12 percent, or 94,000 tonnes, to 686,000 tonnes. Underground ore yielded approximately 75,000 ounces, contributing 19 percent to total mine production compared with 28 percent, or 111,000 ounces, the previous year.

Total cash costs increased by 10 percent to $692 per ounce, from $631 per ounce in 2009.

Capital expenditure for the year was $29 million, a decrease of 6 percent on the previous year.

Growth prospects: The North Wall Cutback will continue to supply ore to the plant until the second half of 2012, which is a year longer than originally planned. Ore from the cutback will be blended with ore from stockpiles and from the underground mine.

The contribution from the underground mine is planned to increase in 2011. As a result, a paste fill plant has been constructed to enable larger orebodies to be fully extracted. Continued exploration and advances in geological understanding have also resulted in further growth of underground Mineral Resources.

Underground Ore Reserves decreased to 0.85 million ounces after depletion. Due to the time required to convert Mineral Resources to Ore Reserves, it is anticipated that Ore Reserves will increase in 2011. The mine s total Ore Reserve at year-end was 1.38 million ounces.

Sustainability

Safety: Safety performance at Sunrise Dam reached a plateau during 2010 with an all injury frequency rate of 13.65 per million hours worked (2009: 8.94). There were no fatalities during the year.

Training in hazard identification and risk assessment was the focus at Sunrise Dam over the course of 2010. In addition, training aimed at providing an open, transparent culture of safety and safety systems, was undertaken in: risk management; values-based safety leadership; role clarity and personal accountability, open, transparent and learning safety culture; and safety systems.

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In May, the Sunrise Dam team won the 2010 Chamber of Minerals and Energy Surface Emergency Response competition for the second year in a row. In addition, the Emergency Response Team went on to win the Underground Emergency Response competition in November.

Community: Sunrise Dam continues to support the Laverton community through its involvement with the Laverton Mining Liaison Committee and Shire Council. AngloGold Ashanti also has representation on the Laverton Leonora Cross Cultural Association (LLCCA) and contributes to the Mt Margaret Mission and Laverton School lunch programs. An Indigenous People s Engagement strategy is being progressed by the company s cross functional team with support from an external representative.

Environment: A mine closure plan is in place and progressive rehabilitation in line with this plan is being undertaken. Governance reporting for Energy Efficiency Opportunity, National Greenhouse and Energy Reporting, and National Pollutant Inventory is being maintained and is in compliance with government regulations.

No reportable environmental incidents took place in 2010.

Tropicana

Description: The Tropicana Gold Project (TGP) is part of a joint venture between AngloGold Ashanti (70 percent interest and manager) and Independence Group (30 percent). The project is located 330 kilometers east-northeast of the mining service centre, Kalgoorlie, in Western Australia and 200 kilometers east of AngloGold Ashanti s Sunrise Dam Gold Mine. The area is remote and infrastructure is limited.

The boards of AngloGold Ashanti and Independence approved development of the TGP in November 2010.

Tropicana was discovered in 2005 in an area not previously thought to be prospective for gold, and represents the most significant gold discovery in Australia for more than a decade.

The Tropicana joint venture s first mover advantage has enabled it to peg tenements over the bulk of what is now recognized as a major new gold province, whilst ownership of the first processing plant in the Tropicana Belt will put the joint venture in a strong strategic position to leverage value from future discoveries.

The approved project will utilize conventional open-cut mining methods to mine the Tropicana and Havana deposits and conventional carbon-in-leach processing technology to process the ore at a rate of 5.8 million tonnes per annum. Besides the processing plant and mining area, project infrastructure will include 220 kilometers of new road, a water bore field, a sealed airstrip and an accommodation village.

Average annual gold production is anticipated to be 330,000 ounces to 350,000 ounces (100 percent project) over the life of the mine and 470,000 ounces to 490,000 ounces per annum (100 percent project) over the first three years, when higher grade ore will be processed.

Geology: The Tropicana deposit comprises two known mineralized zones, the Tropicana zone to the north and Havana zone to the south. Together the known mineralized zones define a system that extends over a 4 kilometer strike length. The lenses have been tested to a vertical depth of 350 meters to 400 meters, and are open down dip. The Tropicana and Havana zones are grossly stratiform within the preferred gneissic host sequence. Havana zone consists of multiple stacked lenses, whereas Tropicana comprises one main mineralized lens.

Growth prospects: A feasibility study is under way to determine the viability of open-cut mining of the Boston Shaker deposit, immediately north of the proposed Tropicana pit, following encouraging results from scoping studies. A prefeasibility study on underground mining of the Havana Deeps mineralization beneath the proposed Havana pit will commence in 2011.

Sustainability

The processing plant has been designed to be energy and water efficient. The mine will utilize high pressure grinding rolls which use less energy than conventional ball or SAG milling. Leach and tailings thickeners will be used to recover and recycle process water, and grey water from the village will be recycled for use in the processing plant.

Community: The proposed project will provide employment in the local community and goods and services will be procured from local businesses wherever possible. Tropicana will also generate royalties and taxes for the state and federal governments.

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Consultation with key community groups has been under way for several years. A full spectrum of stakeholder consultation commenced very early in 2008, well before the project was referred to the Western Australian Environmental Protection Agency later that year. The joint venture held several public meetings in Perth, Kalgoorlie and Menzies during the various phases of the approvals process to address community concerns on an ongoing basis. Regular meetings are also held through the joint venture s Indigenous Reference Group to keep members of the Aboriginal community informed about the development of the project, including heritage matters and employment and contracting opportunities when they arise.

Environment: Significant environmental baseline surveys were conducted between 2006 and 2009 to understand key environmental and heritage values. This information was used to design a project that avoids all known populations of Declared Rare Flora and Archaeological Heritage Sites and minimizes impacts on priority and threatened flora and fauna habitats. The project was referred to the Western Australia Environmental Protection Authority and the Commonwealth government in the first half of 2008. The project underwent a public environmental impact assessment in the second half of 2009 and received state and Commonwealth approval towards the end of 2010.

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THE AMERICAS

AngloGold Ashanti owns the Cripple Creek & Victor mine in the United States, the Cerro Vanguardia mine in Argentina, the AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração) and Serra Grande operations, both in Brazil. The Americas represents an important growth region for AngloGold Ashanti.

Combined production from these operations increased by 3 percent to 842,000 ounces of gold in 2010. This was equivalent to 19 percent of group production. In all, 6,582 people including contractors, were employed, 698 more than in 2009. Total capital expenditure for the region was $309 million, an increase of 20 percent on the $257 million spent in 2009.

AngloGold Ashanti also conducts an extensive greenfield program across the Americas, most notably in Colombia, where it holds a significant land position and has made two greenfield discoveries Gramalote and La Colosa. The company also has exploration activities, either conducted by its own teams or with joint venture partners, in Canada, Brazil and Argentina, among others.

AngloGold Ashanti s Americas region fully endorses the company s objective to eliminate workplace injuries, incidents and illnesses across its operations. As in the previous year, no fatal injuries occurred in 2010. Underpinning this performance has been a significant reduction in the total number of safety-related incidents, where an all injury frequency rate of 5.66 per million hours worked was achieved during the year. This represents a 21 percent reduction when compared with 2009 and a 43 percent improvement since 2008 (2009: 7.12 and 2008: 9.92).

UNITED STATES OF AMERICA

Cripple Creek & Victor Gold Mining Company (CC&V) is AngloGold Ashanti s sole active operation in the United States.

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Cripple Creek & Victor

Description: Located in the state of Colorado in the United States, CC&V s Cresson Project is an open-pit operation which treats extracted ore through a heap-leach pad, and is one of the largest in the world. Production at this operation began in 1994. AngloGold Ashanti holds a 100 percent interest in CC&V.

In 2009, construction began on the mine life extension (MLE1) project. The project will provide four additional years of production capacity to the heap-leach pad. Production from the expanded heap-leach pad area is expected to begin in 2011 and proceed through to 2016 at current mine production rates.

Geology: The district of Cripple Creek is centered on an intensely altered alkaline, Tertiary-aged, diatreme-volcanic, intrusive complex, approximately circular in shape covering 18.4 square kilometers and surrounded by Precambrian rocks. The Precambrian rocks consist of biotite gneiss, granodiorite and quartz monzonite and granite.

The intersection of these four units and regional tectonic events formed an area of regional dilation which subsequently facilitated the formation of the volcanic complex. The majority of the complex then in-filled with the eruptive phase Cripple Creek Breccia host rock. This complex was subsequently intruded by a series of intrusive dykes and sills that include syenites, phonolites, phonotephrites and lamprophyres. These intrusives occupy all of the dominant district structural orientations. District structures are generally near vertical and strike north-north-west to north-east. These structures acted as primary conduits for the late-stage gold mineralizing solutions. Higher grade pods of mineralization occur at structural intersections and/or as sheeted veins along zones of strike deflection.

High-grade gold mineralization is associated with K-feldspar + pyrite +/- carbonate alteration and occurs adjacent to the major structural and intrusive dyke zones. The broader zones of disseminated mineralization occur primarily as micro-fracture halos around the stronger alteration zones in the more permeable Cripple Creek Breccia wall rocks.

The average depth of oxidation is 120 meters and is also developed along major structural zones to even greater depths. Individual orebodies can be tabular, pipe-like, irregular or massive. Individual gold particles are generally less than 20 microns in size and occur as native gold with pyrite or native gold after gold-silver tellurides. Gold occurs within hydrous iron and manganese oxides and as gold-silver tellurides. Silver is present but is economically unimportant. Gold mineralization can be encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and quartz.

Cripple Creek & Victor Summary of metallurgical operations

Gold plants

Capacity (000 tonnes/month)	
- crushed ore production	1,739
- total ore production	1,796
- solution processed	2,371

Operating and production data for Cripple Creek & Victor operations

	2010	2009	2008[3]
Pay limit (oz/t)	0.007	0.005	0.01
Pay limit (g/t)	0.23	0.17	0.34
Recovered grade (oz/t)	0.013	0.013	0.014
Recovered grade (g/t)	0.43	0.46	0.49
Gold production (000 oz)	233	218	258
Total cash costs ($/oz) [1]	500	371	310
Total production costs ($/oz) [1]	901	743	643
Capital expenditure ($ million)	73	87	27
Employees [2]	403	367	350
Outside contractors	243	195	71

All injury frequency rate	12.26	15.80	30.19

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

(2) Average for the year.

(3) Remaining 33 percent shareholding acquired effective July 1, 2008.

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Operating review: Production increased by 7 percent to 233,000 ounces from 218,000 ounces in 2009. A total of 20.7 million tonnes of ore was placed on the heap-leach pad, compared with 18.7 million tonnes in 2009.

The increase in production resulted from the greater availability of the pad area near the liner following the removal of a truck load-out bin to another location. This change shortened the percolation time of the gold-bearing solution from the ore placed in this small, newly-lined area. In addition, successful test programs were undertaken to improve leach conditions at depth via deep injection into the pad to remediate an issue identified during the 2008 pad drilling program. The injected solution improves alkalinity and cyanide availability at depth to allow favorable conditions for leaching residual gold into solution. The injection programs are to be expanded, given their early success. Given the size of the pad, recovery of residual gold is expected to continue for several years.

Total cash costs increased 35 percent to $500 per ounce, due primarily to the higher unit cost for the new ounces placed, rising commodity prices (diesel fuel in particular), and increased royalty costs, driven by higher gold prices.

Capital expenditure for the year amounted to $73 million (2009: $87 million), spent mainly on equipment and pad facilities for the implementation of the MLE1 project.

Growth prospects: In 2008, CC&V was granted permits from the State of Colorado and Teller County for a mine-life extension (MLE1) that includes the development of new sources of ore and an extension to the heap-leach facility. The permits extend the operation of the expanded valley leach facility and closure and reclamation activities. Development drilling continues to further define areas of interest. Engineering analysis and permitting requirements were evaluated as part of a study for a second mine-life extension (MLE2) completed in late 2010. This new project which will involve milling the higher-grade ores and heap-leaching the lower-grade ores in a new valley leach facility, could extend the mine life to 2025 and possibly beyond.

Sustainability

Safety**:** CC&V continued to report a strong safety performance. The all injury frequency rate for 2010 improved to 12.26 per million hours worked (2009: 15.80). There were no fatalities during the year.

CC&V has implemented various safety programs in recent years, including the Safety Transformation Program in 2009. In 2010, the mine developed and implemented its own Safety & Environmental Observation Program where all employees provide written observations on best practices, as well as on deficiencies at the operation. In addition to immediate responses to these deficiencies, the employees observations are reviewed and acted on by the management team at weekly meetings. The programs have been implemented to ensure continued improvement in the safety performance at CC&V. Project ONE was rolled out in 2009 and further positive results are expected over the two-year implementation process.

Community: CC&V and the Victor Lowell Thomas Museum finished a successful season of mine site tours. The museum managed reservations, safety training and advertising while CC&V provided tour guides and buses. Tour fees collected were donated to the museum. The 2010 tours were 96 percent full, doubling revenues and visitation for the museum. The greater number of visitors to the museum has increased Victor s foot traffic, leading to increased sales for local businesses. This initiative by CC&V contributes to the town s viability and sustainability.

Environment: CC&V continued to be recognized as a Gold Leader in the State of Colorado s Environmental Leadership Program, the first mine in Colorado to attain that level of recognition. In addition, CC&V s Environmental Management System was again recommended for continued certification under the ISO 14001 standard. In September 2010, the operation was recognized by the International Cyanide Management Institute (ICMI) to be recertified In Full Compliance on all nine principles of the International Cyanide Management Code (ICMC). No reportable environmental incidents took place in 2010.

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SOUTH AMERICA

AngloGold Ashanti has three operations in South America Cerro Vanguardia in Argentina and AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração) and Serra Grande in Brazil.

AngloGold Ashanti has had an active exploration program in Colombia for some years, with the most favorable of the prospects being in the La Colosa district. The exploration programs in Argentina and Brazil were recently expanded.

ARGENTINA

CERRO VANGUARDIA

Description: AngloGold Ashanti has a 92.5 percent interest in Cerro Vanguardia with Fomicruz (the province of Santa Cruz) owning the remaining 7.5 percent. Located to the northwest of Puerto San Julian in the province of Santa Cruz, Cerro Vanguardia consists of multiple small open pits with high stripping ratios. The orebodies comprise a series of hydrothermal vein deposits containing gold and large quantities of silver, which is mined as a by-product. Ore is processed at the metallurgical plant which has a capacity of 3,000 tonnes per day and includes a cyanide recovery facility. Technology at the plant is based on a conventional leaching process in tanks and carbon-in-leach with a tailings dam incorporated in a closed circuit. The final recovery of gold and silver is achieved through a Merryl Crowe method with metallic zinc.

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Geology: The oldest rocks in this part of Patagonia are metamorphics of the Precambrian-Cambrian age. These are overlain by Permian and Triassic continental clastic rocks which have been faulted into a series of horsts and grabens and are associated with both limited basaltic sills and dykes and with calc-alkaline granite and granodiorite intrusions. Thick andesite flows of Lower Jurassic age occur above these sedimentary units. A large volume of rhyolitic ignimbrites was emplaced during the Middle and Upper Jurassic age over an area of approximately 100,000 square kilometers. These volcanic rocks include the Chon Aike formation ignimbrite units that host the gold bearing veins at Cerro Vanguardia. Post-mineral units include Cretaceous and Tertiary rocks of both marine and continental origin, the Quaternary La Avenida formation, the Patagonia gravel and the overlying La Angelita basalt flows. These flows do not cover the area of the Cerro Vanguardia veins.

Gold and silver mineralization at Cerro Vanguardia occurs within a vertical range of about 150 meters to 200 meters in a series of narrow, banded quartz veins that occupy structures within the Chon Aike ignimbrites. These veins form a typical structural pattern related to major north-south (Concepcion) and east-west (Vanguardia) shears. Two sets of veins have formed in response to this shearing one set strikes about N40W and generally dips 65 to 90 degrees to the east; while the other set strikes about N75W and the veins dip 60 degrees to 80 degrees to the south.

The veins are typical of epithermal, low-temperature, adularia-sericite character and consist primarily of quartz in several forms: as massive quartz, banded chalcedonic quartz, and quartz-cemented breccias. Dark bands in the quartz are due to finely disseminated pyrite, now oxidized to limonite. The veins show sharp contacts with the surrounding ignimbrite which hosts narrow stockwork zones that are weakly mineralized and appear to have been cut by a sequence of north-east-trending faults that have southerly movement with no appreciable lateral displacement.

Operating and production data for Cerro Vanguardia

	2010	2009	2008
Pay limit (oz/t)	0.13	0.12	0.19
Pay limit (g/t)	4.36	4.17	6.39
Recovered grade (oz/t)	0.178	0.190	0.159
Recovered grade (g/t)	6.11	6.51	5.44
Gold production (000 oz) 100 percent	209	208	166
Gold production (000 oz) 92.50 percent	194	192	154
Silver production (000 oz) 100 percent	2.8	2.2	1.7
Silver production (000 oz) 92.50 percent	2.6	2.0	1.6
Total cash costs ($/oz)[1]	366	359	617
Total production costs ($/oz)[1]	521	495	747
Capital expenditure ($ million) 100 percent	41	18	16
Capital expenditure ($ million) 92.50 percent	38	17	15
Employees [2]	883	753	756
Outside contractors [2]	359	316	316
All injury frequency rate	8.08	9.34	9.72

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

(2) Average for the year.

Operating review: Attributable gold production of 194,000 ounces was marginally up on the previous year. The mine s production strategy focused on ensuring 100 percent supply of plant feed.

Cerro Vanguardia was the group s lowest cost producer in 2010. Cash costs of $366 per ounce were 2 percent higher than the $359 per ounce in 2009, chiefly reflecting increased labor costs and the impact of local inflationary pressures. Higher spot prices and increased royalties also contributed to the higher costs but were partially offset by higher silver

credits. The stockpile movement was favorable as a consequence of higher ore tonnes mined compared with last year. Capital expenditure totaled $41 million (attributable $38 million) (2009: $18 million or $17 million attributable). Capital expenditure focused primarily on underground development, heap leach construction and exploration activities, all of which will have a beneficial impact on Cerro Vanguardia s life and improve its production profile.

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Growth projects: The underground mine project was launched in July. Underground development excavation reached 3,800 meters at the end of 2010. Three mine portals were opened in Mangas Norte, Osvaldo CB4 and Osvaldo CB9.

The implementation of the heap leach project will enable Cerro Vanguardia s annual gold production to increase by 20,000 ounces, maintaining total production at around 200,000 ounces by enabling the processing of low-grade material. Cerro Vanguardia s marginal-grade ores, below the cut-off grade of the current plant process, range from 0.35g/t to 1.5g/t. Project implementation will start in mid 2011.

The 2011 exploration program is based on 31,000 meters of diamond drillholes and 17,000 meters of reverse circulation holes. The program aims to expand the mine s Mineral Resource at depth and to the north and west of the concession.

Sustainability

Safety: Cerro Vanguardia s safety performance improved during the year under review. For the eighth consecutive year no fatalities were recorded, while the all injury frequency rate improved to 8.08 per million hours worked (2009: 9.34), the best performance ever for the mine.

The Safety Transformation Program is to be implemented during the first quarter of 2011.

Cerro Vanguardia s brigade members received theoretical and practical training on underground mining rescue procedures at a training course in Copiapo, Chile.

Community: The Development Agency is one of the major programs the mine shares with the local community of Puerto San Julian. This year it was agreed that the funds to sponsor these activities will be revised in line with the mine s profitability. The application of these funds will be agreed between the Development Agency representatives, the mayor and a representative from the mine.

Environment: All of Cerro Vanguardia s environmental initiatives and ISO 14001 certification were maintained. One reportable environmental incident took place during 2010. An excavator ruptured a buried tailings pipeline, spilling $10m^3$ of tailings containing cyanide solution. The spillage was cleaned up and measures implemented to prevent a recurrence.

Cerro Vanguardia will apply for Cyanide Code certification during the first half of 2011.

BRAZIL

The two AngloGold Ashanti assets in Brazil are AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração) and Serra Grande.

AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração)

Description: Reorganization of the corporate structure was completed during the first half of the year, combining the Cuiabá/Lamego/Queiroz and the Córrego do Sítio and São Bento operations to capture operating and financial synergies. The new company is called AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração).

The wholly owned AGA Mineração mining complex is located in southeastern Brazil, in the state of Minas Gerais, close to the city of Belo Horizonte, with operations in the municipalities of Nova Lima, Sabará and Santa Bárbara. Ore is sourced from the Cuiabá and Lamego underground mines and processed at the Cuiabá and Queiroz plants, while the Córrego do Sítio open pit mine has a heap-leaching facility.

Geology: The area in which Brasil Mineração is located is known as the Iron Quadrangle and is host to historic and current gold mining operations, as well as a number of open-pit limestone and iron ore operations. The geology of the Iron Quadrangle is composed of Proterozoic and Archaean volcano-sedimentary sequences and Pre-Cambrian granitic complexes. The host to the gold mineralization is the volcano-sedimentary Nova Lima Group (NLG) that occurs at the base of the Rio das Velhas SuperGroup (RDVS). The upper sequence of the RDVS is the meta-sedimentary Maquiné Group. Cuiabá mine, located at Sabara Municipality, has gold mineralization associated with sulfides and quartz veins in Banded Ironstone Formation (BIF) and volcanic sequences. At this mine, structural control and fluids flow ascension are

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the most important factors for gold mineralization with a common association between large-scale shear zones and their associated structures. Where BIF is mineralized the ore appears strongly stratiform due to the selective sulfidation of the iron rich layers. Steeply plunging shear zones tend to control the ore shoots, which commonly plunge parallel to intersections between the shears and other structures.

The controlling mineralization structures are the apparent intersection of thrust faults with tight isoclinal folds in a ductile environment. The host rocks at Brasil Mineração are BIF, Lapa Seca and mafic volcanics (principally basaltic). Mineralization is due to the interaction of low salinity carbon dioxide rich fluids with the high-iron BIF, basalts and carbonaceous graphitic schists. Sulfide mineralization consists of pyrrhotite and pyrite with subordinate pyrite and chalcopyrite; the latter tends to occur as a late-stage fracture fill and is not associated with gold mineralization. Wallrock alteration is typically carbonate, potassic and silicic.

Brazil Summary of metallurgical operations

	AngloGold Ashanti Mineração		
	Cuiabá	**Raposos**	**Serra Grande**
Gold plants Capacity (000 tonnes/month)	135	26	66

Operating and production data for AGA Mineração

	2010	**2009**	**2008**
Pay limit (oz/t)	0.13	0.08	0.15
Pay limit (g/t)	4.40	2.69	5.16
Recovered grade (oz/t) (1)	0.210	0.205	0.222
Recovered grade (g/t) (1)	7.21	7.02	7.62
Gold production (000 oz)	338	329	320
Total cash costs ($/oz) (2)	444	347	322
Total production costs ($/oz) (2)	683	492	450
Capital expenditure ($ million)	142	84	69
Employees (3)	2,486	2,249	1,954
Outside contractors (3)	940	715	1,033
All injury frequency rate	2.62	4.19	5.79

(1) Recovered grade represents underground operations.

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

(3) Average for the year.

Operating review: Gold production increased by 3 percent to 338,000 ounces from 329,000 ounces in 2009, due mainly to the implementation of the Lamego project. Total cash costs increased by 28 percent to $444 per ounce, driven largely by higher maintenance costs. These effects were partially offset, however, by higher revenue from the sale of sulfuric acid, a by-product of the Cuiabá mining operation.

Capital expenditure was $142 million (2009: $84 million).

As part of the conceptual study for the Cuiabá Future Project, which is investigating ways of sustaining performance in the longer term, actions were taken to enhance production from underground ore and waste transport logistics and to investigate alternative mining methods. A study was conducted in support of this initiative to define the best technical approaches regarding transport logistics (large truck capacity, conveyor and new shaft) that will be detailed throughout 2011, in parallel with the conceptual mining methods study.

The management maintenance program continued its focus on the optimization of costs and also on improving fleet availability. Efforts have been made since January 2010 to improve the maintenance management process for heavy mobile equipment at Cuiabá. In addition to the implementation of Project ONE, an integrated maintenance management system is ongoing and all efforts are organized into two strategies: short-term results focused on costs and equipment availability and medium- to long-term results focused on SIGM Pyramid (maintenance management process). These initiatives resulted in a 7 percent improvement in the performance of sponsored heavy mobile equipment during the year.

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Further productivity improvements are expected from Project ONE. Previous implementation experiences show that the successful stabilization of the work management portion can help operations to improve key parameters from the historical average to the 75th percentile of production rate.

Growth projects: An exploration program is currently under way on the former São Bento property, acquired in December 2008 from Eldorado Gold. The property adjoins AngloGold Ashanti s existing Córrego do Sítio mine which, together with São Bento, has been renamed Córrego do Sítio Mineração. Phase 1 of the Córrego do Sítio project, approved by the board in May 2010 with estimated capital expenditure of $195 million, covers the Laranjeiras, Carvoaria Velha and Cachorro Bravo orebodies with trial mining at the latter already completed. The capital project is proceeding according to schedule. The initial focus of the project team is on the refurbishment of the São Bento plant, the ramp-up in mine production and construction of infrastructure, including the new road to transport ore and waste. Annual production from Phase 1 is planned to start in 2011, following a mine and plant ramp up and will continue at an average of 140,000 ounces a year for the initial 11-year life of mine. The second phase of this project has the potential to increase production through the addition of Mineral Resources and the expansion of the plant. The scope and size of the expansion will depend on the results of exploration drilling currently under way.

The Lamego project, approved in September 2009, is currently being implemented. Production from the mine rose from 18,000 ounces in 2009 to 35,000 ounces in 2010, with full production of 47,000 ounces scheduled for 2011. Lamego is expected to produce approximately 469,000 ounces of gold over nine years from 3.2 million tonnes of milled ore.

A feasibility study on the Nova Lima Sul Project, which involves the restart of the mothballed Raposos mine, is being prepared for submission to the board in mid 2011. If approved, the implementation will start late in 2011, with refurbishment of the underground infrastructure and construction of a new ventilation system. Mine development will take place in 2012 and 2013 with production scheduled to begin in 2014.

Sustainability

***Safety*:** A vastly improved safety performance during 2010 resulted in an all injury frequency rate of 2.62 per million hours worked for the year (2009: 4.19). There were no fatalities.

After taking into account the results of a survey conducted during December 2009 to assess attitudes toward safety, an integrated strategic safety program was designed to address deficiencies, drive further improvements and reinforce awareness of the importance of working safely. The plan is based on optimizing technology to reduce workers exposure to risks in the production process and on introducing controls that account for human fallibility in overall safety performance.

Cuiabá completed construction of the refrigeration plant on surface with zero lost-time injuries.

AngloGold Ashanti accepted an invitation to participate in the Brazilian Mining Association s Safety and Health Strategic Group, which aims to promote institutional actions to ensure improved competitive conditions for Brazilian mining companies.

Community: AngloGold Ashanti is the first mining company in Brazil to receive Social Responsibility (NBR 16001) certification according to the Brazilian Association of Technical Standards (ABTN). ABTN is a private non-profit organization and a founding member of the International Organization for Standardization, the Pan-American Standards Commission and the Asociación Mercosur de Normalización.

A Portuguese-language website was developed and launched in 2010 to aid AngloGold Ashanti s communication efforts with its Brazilian stakeholders.

The company signed contracts with 25 beneficiary institutions on the First Public Call for Projects Subscription. According to the project timetable, AngloGold Ashanti provided the funds in parallel with meetings and visits to follow up on project implementation. These projects are focused on education, job and income generation and health, and have been run in communities surrounding the group s operations. This is a voluntary company initiative focused on local development.

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Preparations for the local sustainability report in May included a poll of stakeholder expectations. A multi-stakeholder forum included 42 participants from a variety of sectors (e.g. communities, NGOs, clients, suppliers, employees, academies, etc.) and was well received. Participants were invited to provide a critique of AngloGold Ashanti s Social Responsibility Policy in practice. Responses included an acknowledgement that while the intentions of the policy appear favorable, it requires clarification in certain activities with regard to its local priorities, specifically: health, education, entrepreneurship and socio-economic empowerment, as well as the long-term sustainability of communities. It was also recommended that the company detail its efforts around mitigation and compensation strategies for certain key issues, including greenhouse gas emissions, mine tailings, water usage, closure, economic diversification and community empowerment. Respondents further suggested the company explicitly highlight past, present and future impacts and continue to improve and update its understanding of local social and cultural issues.

Environment: ISO 14001 environment certification was maintained during the year.

Córrego do Sítio II, the former São Bento mine, has a forest reserve which may have to be relocated in order to receive permission from the authorities to conduct exploration work on surface. A request has been submitted to the authorities and is under review.

New regulations have increased the management and cost in respect of the mine closure plan, land impacted by mining, disturbed land, taxes for water consumption, environmental compensation for the new project and especially for the impact of land clearance.

The necessary permits for the underground mine expansion at Córrego do Sítio and the license for the raising of the wall of the Cuiabá dam were granted by the Environmental Agency.

It was announced in November 2010 that AngloGold Ashanti would receive an environmental award from the Minas Gerais state government at a ceremony in February 2011. This award reflects the alignment of the company s environmental goals and initiatives with those of the government.

No reportable environmental incidents occurred in 2010.

Serra Grande **(attributable 50 percent)**

Description: Serra Grande is located in central Brazil, in the state of Goiás, 5 kilometers from the city of Crixás. AngloGold Ashanti and Kinross Gold Corporation are equal partners in this operation. In terms of the shareholders agreement, AngloGold Ashanti manages the operation and has the right to access a maximum of 50 percent of the earnings accrued and dividends paid by Serra Grande.

Serra Grande currently comprises three mechanized underground mines, Mina III, Mina Nova which includes the Pequizão orebody and Palmeiras and an open pit above Mina III.

The Palmeiras mine, where development began in May 2008, started production in 2009 from the primary development works. Annual capacity of the processing circuit, which has grinding, leaching, filtration, precipitation and smelting facilities, was expanded from about 0.8 million tonnes to 1.15 million tonnes. This expansion was completed in February 2009.

Geology: The deposits occur in the Rio Vermelho and Ribeirão das Antes Formations of the Archaean Pilar de Goia s Group which together account for a large proportion of the Crixás Greenstone Belt in central Brazil.

The stratigraphy of the belt is dominated by basics and ultrabasics in the lower sequences with volcano sedimentary units forming the upper successions.

The gold deposits are hosted in a sequence of schists, volcanics and carbonates occurring in a typical greenstone belt structural setting. The host rocks are of the Pilar de Goiás Group of the Upper Archaean. Gold mineralization is associated with massive sulfides and vein quartz material associated with graphitic and sericitic schists and dolomites. The oreshoots plunge to the north-west with dips of between 6 and 35 degrees. The stratigraphy is overturned and thrusts towards the east.

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The greenstone belt lithologies are surrounded by Archaean tonalitic gneiss and granodiorite. The metamorphosed sediments are primarily composed of quartz, chlorite, sericite, graphitic and garnetiferous schists. The carbonates have been metamorphosed to ferroan dolomite marble with development of siderite and ankerite veining in the surrounding wallrock, usually associated with quartz veining. The basalts are relatively unaltered but do show pronounced stretching with elongation of pillow structures evident.

The Crixás greenstone belt comprises a series of Archaean to Palaeoproterozoic metavulcanics, metasediments and basement granitoids stacked within a series of north to north-east transported thrust sheet. Thrusting (D1) was accompanied by significant F1 folding/foliation development and progressive alteration in a brittle-ductile regime. D1 thrusting developed with irregular thrust ramp geometry, in part controlled by concealed early basin faults. The main Crixás orebodies are adjacent to a major north-north-west structural corridor, and up the main fault ramp/corner, to become dispersed to the east and north in zones of foreland thrust flats. Fluid alteration also diminished to the west away from the main fault corner. A series of concealed east-west to north-west-south-east basement block faults may have provided secondary fluid migration, and development of early anti-formal warps in the thrust sheets; these structures probably define the quasi-regular spacing of significant mineralization within the belt. The D1 thrust stack was gently folded by non-cylindrical folds. Gold mineralizing fluids probably migrated during this event, with similar south-south-west to north-north-east migration, and focusing on bedding slip during folding. Gold mineralization became minor and dispersed to the north and east along the formal thrust flat zone. Concentrations of gold along the case of quartz vein may be due to the damming of fluids migrating upward along layering.

Operating and production data for Serra Grande

	2010	2009	2008
Pay limit (oz/t)	0.09	0.11	0.11
Pay limit (g/t)	3.20	3.92	3.91
Recovered grade (oz/t)	0.118	0.132	0.200
Recovered grade (g/t)	4.05	4.52	6.85
Gold production (000 oz) 100 percent	155	154	174
Gold production (000 oz) 50 percent	77	77	87
Total cash costs ($/oz)[(1)]	481	429	299
Total production costs ($/oz) [(1)]	688	571	402
Capital expenditure ($ million) 100 percent	52	67	41
Capital expenditure ($ million) 50 percent	26	33	20
Employees[(2)]	965	864	725
Outside contractors [(2)]	303	425	383
All injury frequency rate (per million hours worked)	7.22	8.99	13.34

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

(2) Average for the year.

Operating review: Attributable production of 77,000 ounces was unchanged from the previous year.

Total cash costs increased 12 percent to $481 per ounce, due mainly to local currency appreciation and inflationary pressure.

In May, Serra Grande underwent re-evaluation of its mine plan and the production program was revised. The tonnages mined remained unchanged, while plant throughput exceeded the 30,000 tonnes initially planned. The feed grade was 13 percent lower than expected for the year. Despite these challenges, the total cash cost for the year was only 2 percent higher than forecast.

Attributable capital expenditure amounted to $26 million (2009: $33 million attributable).

Growth prospects: A total of 32,447 meters was drilled in the 2010 exploration program, which focused on Pequizão, Palmeiras and Cajueiros targets at a cost of more than $5 million. The exploration team has reviewed both geological mapping and the database, including agreements with joint venture partners, in order to assist in new target generation.

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The Pequizão orebody has shown potential for increased Mineral Resource both down plunge and along strike. The infill drilling campaign confirmed previous results and the deepest hole showed a high-grade intersection 850 meters deep, keeping the down plunge potential totally open. At the Cajueiro target, drilling was undertaken to understand mineralized structure controls. Preliminary results have confirmed the low-grade potential. During the third quarter of 2010, the Magnetoteluric geophysical method was tested at Mina III, aiming to define the structure III geometry below level 1,000. The preliminary results are being evaluated by specialists.

In 2011, a fast-track exploration program is planned to define and evaluate the complete potential of mine targets at Pequizão, Palmeiras, Orebody IV and Mina Nova and also to generate new targets in the northwest structure and joint venture partner areas. More than 70,000 meters of drilling is planned in this program, including underground and surface drilling as well as geochemical and geophysical surveys to support target generation.

Sustainability

Safety: Safety performance at Serra Grande improved in 2010 with an all injury frequency rate of 7.22 per million hours worked (2009: 8.99) recorded for the year. There were no fatalities recorded for the second consecutive year. Continuous investments were made during the year in the development of a safety culture across the workforce. All leadership at site underwent seven modules of training with specialist consultants about the nature of human behavior, how to enhance safety awareness in the workplace and a one-on-one safety approach to work on a daily basis. Significant investments in technology for safety were made in 2010 and a second scaler to remove rock from the roof and galleries was acquired.

There was increased use of sub-level mining methods during the year in order to minimize the exposure of people at the stope face. Serra Grande currently uses four remote-controlled loaders and Simbas for longer drilling. The ventilation system at the mine was upgraded using raise borer drilling.

Radio communication was installed in mobile equipment and a dispatch system implemented in all Serra Grande s mines.

Community: Continuous support was given to local social institutions that assist people, especially children and those with special needs. Support was also given to cultural and religious celebrations and to the restoration of historical buildings to protect the city s heritage, including an old house dating from the 1700s when the first miners arrived in the area. Donations were made to: the Association of Parents and Friends of Disabled Children; an amateur acting school for youngsters; free soccer lessons for 102 children; and the support of a day care centre that caters for 165 children every day.

Environment: Reviews were undertaken of all safety, health and environmental-related measurements such as water, air, dust, noise and vibration after blasting to ensure compliance with international standards.

Improvements in water usage controls across all industrial processes were developed and locations for all meters were identified with several having been installed by year-end. This will allow improved control of water usage. About 80 percent of all water used in the production process is currently recycled.

No reportable environmental incidents occurred in 2010.

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GLOBAL EXPLORATION

Greenfield exploration

An expansive greenfield exploration program was undertaken during 2010 in Australia, China, North and South America, the Middle East and North Africa (MENA), Sub-Saharan Africa and South East Asia. A total of 276,346 meters of diamond, reverse circulation, and aircore drilling was completed in testing existing priority targets and in the delineation of new targets in Australia, Colombia, the Solomon Islands, Gabon, Guinea, Egypt, the Democratic Republic of the Congo (DRC) and Canada. This compares to 183,481 meters drilled the previous year.

Greenfield activities were undertaken through joint ventures, strategic alliances and on wholly owned ground holdings. The principal objective of the greenfield exploration team is value creation through the discovery of new long-life, low-cost mines that maximize shareholder value. Discoveries and ground positions that do not meet certain investment criteria are joint-ventured or divested to maximize AngloGold Ashanti s return on its exploration investment.

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Strategic context

AngloGold Ashanti s greenfield exploration strategy maintains a balanced portfolio and a pipeline of projects at various stages of exploration. Importantly, this requires diversification across new frontiers, emerging regions and known terranes. The range of ownership and partnership structures employed by AngloGold Ashanti helps to achieve the desired variety of targets envisaged in this strategy. Important components for new discoveries and effective resource targeting include securing new search spaces and strategic land holdings while maintaining a balanced portfolio.

AngloGold Ashanti s global exploration portfolio includes strategic world-class holdings in Colombia and Australia, where the company has progressed frontier exploration from broad geological concepts to major discoveries of the La Colosa and Tropicana-Havana deposits, two of the worlds largest virgin gold finds of recent times. In addition, the dominant strategic land holdings of some 44,838km^2 in Australia and 15,815km^2 in Colombia have the potential to yield further significant new discoveries.

In the Middle East and North Africa, AngloGold Ashanti and its strategic alliance partner, Thani Investments, have made significant progress in building a regional tenement portfolio in Egypt and Eritrea. The Thani Ashanti Alliance Company is also conducting project generation in Saudi Arabia and has entered into an exploration joint venture with Stratex International in Ethiopia and Djibouti. Once again, AngloGold Ashanti has been ahead of the curve in anticipating the importance of these regions, allowing it to gain early mover advantage ahead of several of its peers.

In Sub-Saharan Africa, the focus is on new opportunities in Gabon and Tanzania, in addition to the Kilo project in the DRC and regional exploration around Siguiri in Guinea.

Work undertaken in 2008 and 2009 to rebuild a balanced exploration portfolio is starting to produce the desired results. In 2009, drilling activities were restricted to three countries as a result of changes in legislation and evolving risk profiles in the remaining countries. In 2010, however, a total of 276,346 meters was drilled in nine countries, including, Argentina, Colombia, Canada, DRC, Guinea, Gabon, Australia, Solomon Islands and Egypt, as the company began to leverage its exploration land holdings to greater effect.

Achievements

Significant achievements for 2010 included the successful completion of the scoping study of the Boston Shaker and Havana Deeps extensions to the Tropicana-Havana trend in Australia and resumption of drilling at the La Colosa project in Colombia to delineate additional gold ounces.

Considerable progress was also made in advancing AngloGold Ashanti s greenfield exploration portfolio elsewhere in 2010. Following the company s entry into four new regions in 2009, 2010 saw rapid progress in the delineation of exploration targets, license applications and associated approvals and exploration activities including drilling, airborne and ground geophysics and diamond drilling. Encouraging drilling and trench results have been received from Gabon, Canada, Egypt and the Solomon Islands.

Expansion

During the course of 2010, AngloGold Ashanti entered into a number of new joint ventures and strategic alliances in Brazil, Australia and the Middle East and North Africa, while downsizing in China and exiting Russia altogether. These new ventures include the Falcão joint venture in Brazil with Horizonte Minerals; the Stratex joint venture in Ethiopia/Djibouti with Stratex International; the Lusahunga joint venture in Tanzania with Oryx Mining; the Gawler joint venture in Australia with Stellar Resources; and the New Georgia and Vangunu joint ventures with XDM Resources in the Solomon Islands. AngloGold Ashanti has also applied for wholly-owned tenure in Canada known as the Melville Project and in Australia at the Cornelia Range Project. In Eritrea, two tenements known as Kerkasha and Akordat North were granted and are included in the Thani Ashanti Alliance.

Impediments

A number of targets for greenfield exploration were missed in 2010, especially those relating to resource drilling and prefeasibility studies at La Colosa and Gramalote in Colombia and at Central Mongbwalu in the DRC. The total number of meters drilled in Colombia was significantly lower than expected due to delays in the approval of the necessary environmental (water use) and access permits. Contractual and legal issues delayed the start of regional exploration drilling on the Kilo joint venture in the DRC until the fourth quarter of 2010.

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2010 initiatives

Initiatives to enhance the success of the greenfield exploration team included a rigorous assessment of the existing exploration portfolio. The work focused on establishing the appropriate split between frontier, emerging and known geological terranes. As a consequence the team is well positioned to increase drilling on both existing and new projects that were at or near drill-ready stage in 2010.

To further improve decision-making processes in project and portfolio management, a global portfolio management process is being implemented to encompass both technical and commercial gating elements.

COLOMBIA

Exploration in Colombia focused upon quantifying the potential of the identified La Colosa and Gramalote gold projects by dedicated multidisciplinary brownfield project feasibility study teams, and advancing exploration for further world-class Greenfield discoveries of Miocene aged gold-rich porphyry systems in the wider La Colosa region, Quebradona, Rio Dulce, Chaparral, Salvajina and the La Llanada mineral fields.

The synthesis of proprietary airborne and ground geophysical and geochemical data sets built up over the last decade of AngloGold Ashanti s involvement in Colombia has facilitated consolidation of a world-class tenement portfolio with a robust project pipeline.

Systematic regional greenfield exploration was undertaken by AngloGold Ashanti and its joint venture partners B2Gold, Glencore International and Mineros S.A. in Colombia. AngloGold Ashanti has consolidated the tenement position from roughly 100,000km^2 in 2009, to 15,815km^2 at the end of 2010 through a variety of structures including joint ventures and the relinquishment of non-prospective areas.

At the wholly owned La Colosa project, brownfield exploration led drilling and prefeasibility development resumed during the third quarter. AngloGold Ashanti secured regional opportunities surrounding La Colosa and exploration of the greater La Colosa area is continuing with the objective of discovering and quantifying similar gold-rich porphyry mineralization styles.

At Gramalote (51 percent AngloGold Ashanti, 49 percent B2Gold), the joint venture partners renegotiated their agreement, resulting in AngloGold Ashanti assuming management of the project via a designated brownfield-exploration-led project feasibility study team. Feasibility drilling began during the last quarter of 2010, after a hiatus of more than 12 months.

In all, a number of targets were generated by systematic exploration of an area covering 15,815km^2 of mineral tenement contracts and applications in 2010. Two targets were drilled and four remain to be drill tested in Colombia. AngloGold Ashanti will continue to push its first-mover advantage and dominant land position, particularly as major competitors realize the potential of Colombia, which has not seen a major gold mine development for decades.

CANADA

AngloGold Ashanti continued greenfield exploration in several areas of Canada in 2010, both on its own at the Melville Project and in joint venture with Laurentian Goldfields and Commander Resources.

Superior joint venture (Laurentian Goldfields) the Laurentian Goldfields Superior Province alliance is active in several areas of eastern Canada. Some 669km^2 of tenements considered prospective for gold mineralization have been pegged in the Goldpines South joint venture.

Baffin Island joint venture (Commander Resources) AngloGold Ashanti is earning into a joint venture on Commander s Baffin Island properties. Field work completed during 2010 included 5,500 meters of diamond drilling at the Kanosak and Malrok prospects. The gold occurrences on Baffin Island are hosted by a package of gently dipping rocks in a fold and thrust belt.

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The gold event appears to be relatively late and is associated with arsenopyrite. Significant drill results from the Malrok prospect include 3.24 meters @ 7.65g/t Au and 0.50 meters @ 14.4g/t Au. High-grade intersections such as 0.51 meters @ 31.38g/t Au and 1.45 meters @ 7.48g/t Au were returned from the Kanosak prospect.

BRAZIL

AngloGold Ashanti completed the first year of greenfield exploration at the Santana joint venture with Horizonte Minerals and has signed a new joint venture agreement with the same partner over the advanced Falcão project, where infill soil sampling over the 6km x 2km, gold-in-soil anomaly was completed, along with detailed geological surface mapping. Ground gradient array induced polarisation and airborne magnetic-radiometric geophysical surveys were also conducted to assist with the definition of drill targets. Encouraging results were received for the Santana joint venture and work will continue in 2011.

DEMOCRATIC REPUBLIC OF THE CONGO

AngloGold Ashanti owns an 86.22 percent stake in Ashanti Goldfields Kilo (AGK), the joint venture company, while the remaining 13.78 percent is held by SOKIMO, the country s state- owned gold company. Of the 7,443km^2 previously held under exploitation licenses by SOKIMO, 5,447km^2 has been transferred to AGK under the terms of the agreement, with 399km^2 pending transfer. A feasibility study on the 1.90 million ounces Central Mongbwalu project is scheduled for completion in the first half of 2011.

Regional drilling programs recommenced during the fourth quarter of 2010 and a total of 139 meters in one diamond hole was completed at the Mont Tsi prospect. Soil and stream sediment sampling and reconnaissance mapping of the tenement is ongoing.

A total of 7,729 soil, 408 stream sediment, 1,600 trench and pit samples were collected for the year.

RUSSIA

During the year, AngloGold Ashanti developed a plan to monetize its assets and withdrew from greenfield exploration in Russia.

GABON

In Gabon, AngloGold Ashanti and its joint venture partners advanced exploration over 16,248km^2 of tenements, using geological mapping, soil sampling, channel sampling and drilling. Some 1,223 meters of diamond drilling were completed at the LaMboumi prospect, with a best result returned of 3 meters @ 0.72g/t Au. Further work will be undertaken in 2011 to test a number of well defined gold in soil anomalies.

MIDDLE EAST AND NORTH AFRICA (MENA)

The Thani Ashanti strategic alliance with Thani Investments significantly increased its presence in the Arabian Nubian Shield and other parts of the Middle East and North Africa during 2010.

Active exploration in Egypt returned significant trench results (33 meters @ 4.37g/t Au) at the Hutite prospect of the Hodine concession, where drilling commenced in late 2010. Two licenses, were applied for and granted to the Thani Ashanti joint venture in Eritrea during 2010 and a further two applications were made late in the year. A new joint venture was formed in Ethiopia/Djibouti with Stratex International to explore for epithermal mineralization in the Afar Depression. Extensive project generation activities were also conducted in Saudi Arabia.

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SOUTH EAST ASIA

In the Solomon Islands, AngloGold Ashanti signed two new joint venture agreements with XDM Resources New Georgia and Vangunu following the two joint ventures initiated the previous year. These new joint ventures cover an additional 1,171km^2 in the New Georgia Belt, effectively consolidating the greenfield exploration potential of the entire island chain. The potential to host high-grade, gold-silver bearing low sulphidation epithermal veins and gold-copper porphyry systems has been demonstrated during 2010.

The Kele and Mase joint venture agreements, formed in 2009 and covering 738km^2, have been the focus of exploration efforts. Exploration activities in 2010 included drilling (8,747 meters), trenching, field mapping, soil and rock chip sampling, spectral studies and airborne electromagnetic surveying. Best results from drilling at Kele include 15.5 meters @ 7.89g/t Au, 30.2 meters @ 2.74g/t Au and 6.2 meters @ 8.63g/t from argillic alteration zones. Best results from trenching include 25 meters @ 3.1g/t, 8 meters @ 3.5g/t and 13 meters @ 1.61g/t Au. Mase exploration is at an earlier stage, trench results from 2010 include 57 meters @ 0.51g/t Au, 83 meters @ 0.19g/t Au, 25 meters @ 0.47g/t Au and 37 meters @ 0.51g/t Au. Mineralization is associated with stock working and overlapping epithermal veining.

CHINA

AngloGold Ashanti s exploration activity in China declined during 2010 and is now restricted to opportunity-based business development and exploration. AngloGold Ashanti retained its 70 percent interest in the Gansu Longxin Minerals co-operative joint venture over the Jinchanggou group of properties in the province of Gansu, located in western China.

AUSTRALIA

The Tropicana joint venture (AngloGold Ashanti 70 percent, Independence Group NL 30 percent) is systematically targeting a belt of tectonically reworked Archaean (c. 2640 Ma) rocks that form the eastern margin of the Yilgarn Craton, Western Australia. Some 3.7 million ounces (attributable) Tropicana gold discovery is a new mineral deposit style in this previously unrecognized and unexplored gold province. Exploration in the Tropicana Belt has primarily focused on reverse circulation (RC) and diamond drill testing of targets in support of the Tropicana Gold Project resource development, with regional exploration predominantly in early stages of work to advance about 50 key prospects to drill testing stages.

In 2010, the region s exploration potential was further realized with the discovery of the Boston Shaker deposit, about 360 meters north of the Tropicana open pit, and underground resource extensions down plunge of the Havana deposit (Havana Deeps). Scoping level studies for Boston Shaker and Havana Deeps were completed in December 2010. The potential for further Mineral Resource growth is highlighted by a recent step-out exploration drill hole which intercepted mineralization 1.2 kilometers down plunge of the Havana open pit design at vertical depth of 1 kilometer. During the year, a total of 2,889 aircore holes were drilled for 123,973 meters, 552 reverse circulation holes for 76,802.3 meters and 137 diamond holes for 41,094 meters. In addition, 3,194 surface auger samples were collected, 32,962 line kilometers of aeromagnetic and radiometric surveys flown, and 200 line kilometers of EM data were acquired.

The best results for the year came from diamond drilling intercepts at Boston Shaker, including 32 meters @ 3.7g/t Au from 181 meters and 18 meters @ 4.3g/t Au from 34 meters. The best results from Havana Deeps include 35 meters @ 5.0g/t Au from 514 meters and 16 meters @ 9.7g/t Au from 369 meters.

In regional exploration, significant aircore results were returned from a number of prospects. At Black Dragon, 30 kilometers north-east of Tropicana, results included 6 meters @ 1.66g/t Au from 12 meters and 4 meters @ 0.54g/t Au from 30 meters. At Springbok, 5 kilometers north of Tropicana, results included 12 meters @ 0.53g/t Au from 32 meters. At Iceberg, 30 kilometers south of Tropicana, results included 3 meters @ 0.61g/t Au from 53 meters, 2 meters @ 0.82g/t Au from 50 meters and 1 meter @ 1.45g/t Au from 66 meters in the same hole, and 1 meter @ 1.03g/t Au from 39 meters.

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In addition to the 16,104km^2 of the Tropicana joint venture, the company holds a 100 percent interest in the 12,949km^2 Viking project to the southwest, including 9,313km^2 of granted exploration licenses. Surface geochemical sampling continued at Viking throughout the year, resulting in the definition of a pipeline of geochemical targets for follow-up exploration. First pass aircore drilling began in the fourth quarter and with 11,437 meters of drilling having been completed, geochemical results are awaited. The two strongest gold-in-soil anomalies tested by aircore drilling are of similar dimensions and gold tenor as the original geochemical anomaly that delineated the Tropicana deposit.
AngloGold Ashanti completed five diamond drill holes, for 4,044 meters at the Saxby (815km^2) joint venture with Falcon Minerals Limited in northwest Queensland. Results include 15 meters @ 9.09g/t Au from 701 meters. Further work is required to understand the significance and access the full potential of this system. Subsequent to year-end, AngloGold Ashanti withdrew from exploring in Saxby.
AngloGold Ashanti entered into two new projects in Australia in 2010. The first of these is the wholly-owned Cornelia Range project covering 13,780km^2 of exploration license applications made over the eastern Capricorn Orogen and adjacent Paterson Orogen in central Western Australia. The project is 500 kilometers north of Sunrise Dam and 300 kilometers from each of the major gold mining centers of Telfer (Paterson Orogen), Jundee and Plutonic (Yilgarn Craton). The second project is the Gawler joint venture with Stellar Resources Limited (1,190km^2) to explore for iron oxide-copper-gold (IOCG) deposits in the Gawler Craton of South Australia.

ORE RESERVES

Ore Reserve estimates are reported in accordance with the requirements of the SEC s Industry Guide 7. Accordingly, as of the date of reporting, all Ore Reserves are planned to be mined out under the life-of-mine plans within the period of AngloGold Ashanti s existing rights to mine, or within the renewal periods of AngloGold Ashanti s rights to mine. In addition, as of the date of reporting, all Ore Reserves are covered by required permits and governmental approvals. See Item 4B.: Business overview .
AngloGold Ashanti has standard procedures for the estimation of Ore Reserves. These standard procedures are performed by technical personnel at the mining operations and reviewed by regional and corporate competent persons. In the case of its underground mines, the procedure is as follows: Firstly, gold content and tonnage are estimated for in-situ mineralized material at a mining operation. This mineralized material is not necessarily economically viable. Exclusions on the grounds of safety (for example, stability pillars and shaft pillars) are then defined. Grade and tonnage curves specific for each of the deposits, in conjunction with parameters such as the cost structure; yield; mine call factor and gold price estimates are used to determine an optimal mining mix. This process facilitates the determination of the average grade to be mined by each operation. This grade is then applied to the grade-tonnage curves, which in turn facilitates the determination of the cut-off grade and Ore Reserve tonnage for the operation. A full mine design is carried out on the blocks of mineralized material, excluding large mining areas that do not meet the cut-off grade criterion. This mining plan is reviewed to ensure that it satisfies the economic criterion and practical limitations of access and timing. If the review process is positive then the mineralized material (with dilution) included in the mining plan is declared and published as the Ore Reserve for that operation. In the case of open-pit mines the procedure is as follows: revenue and costs are calculated for each mining block within a three-dimensional model of the orebody using assumed values for gold price, operating costs and metallurgical recoveries. An optimization process is then applied to determine the combination of blocks within the model that make a positive contribution under these assumptions. Block selection is within a shell whose limits are defined by the planned slope angles of the pit. Within this process, a cut-off grade is applied which determines the ore blocks to be treated and included in the Ore Reserves. These blocks are scheduled with consideration being given to practical mining considerations and limitations. Scheduled ore blocks that are classified as Proven or Probable constitute the Ore Reserve.
The gold price and exchange rate used for 2010 and 2009 Reserves are outlined in the following table.

	2010 (3 year average)	2010 (Business Plan)	2009 (3 year average)	Units

Reserve Gold Price	1,015	850	840	US$/oz
Exchange Rate South Africa	8.00	8.71	7.90	ZAR/US$
Reserve Gold Price (South African rand per ounce)	8,120	7,404	6,636	ZAR/oz

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The Ore Reserves have been determined using the company s business plan assumptions a gold price of $850 per ounce and a South African rand exchange rate of 8.71 to the US dollar, which translates to a South African rand gold price of ZAR7,404 per ounce. At the time these economic assumptions were being formulated for issue to the business units, the three year average South African rand gold price was ZAR7,007 per ounce (as at March 31, 2010). The strong rally in the gold price during the latter part of 2010 pushed the three year average South African rand gold price to ZAR8,120 per ounce (as at December 31, 2010). Given the significant amount of time and effort that is taken to plan and optimize reserves and life of mine plans, the company published its reserves based on the business plan assumptions stated above.

As in prior years, the Ore Reserves determined from the planning process were then tested for economic viability at the three-year historical average gold price and currency exchange rates shown in the above table for determining SEC compliant Ore Reserves. This did not result in any changes. The resultant SEC compliant Proven and Probable Ore Reserves are shown in the following pages.

In Australia and South Africa, AngloGold Ashanti is legally required to publicly report Ore Reserves and Mineral Resources according to the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC 2004) and the South African Code for Reporting of Mineral Resources and Ore Reserves (SAMREC 2007). The SEC s Industry Guide 7 does not recognize Mineral Resources. Accordingly, AngloGold Ashanti does not report estimates of Mineral Resources in this annual report on Form 20-F.

When the 2009 Ore Reserve is restated to exclude the sale of Tau Lekoa (0.2 million ounces), the 2009 Ore Reserve is reduced from 68.3 million ounces to 68.1 million ounces. Using the restated figure, the AngloGold Ashanti Ore Reserve increased from 68.1 million ounces in 2009 to 71.2 million ounces in December 2010. A year-on-year increase of 8.7 million ounces occurred before the subtraction of 5.6 million ounces for depletion, resulting in an increase of 3.1 million ounces after the subtraction of depletion. A gold price of $850 per ounce (ZAR7,404 per ounce) was used for Ore Reserve estimates (2009: $840 per ounce, ZAR6,636 per ounce).

The principal changes in AngloGold Ashanti s Ore Reserves as at December 31, 2010 compared with those published as at December 31, 2009 are as follows:

Ore Reserve		**Million oz**
Ore Reserves as at December 31, 2009		**68.3**
Sale of Tau Lekoa		0.2
Restated 2009 Ore Reserves		68.1
Reductions		
Geita	Depletion and model changes	(0.9)
Obuasi	Depletions and refinements to Ore Reserve estimation	(0.7)
Siguiri	Remodeling in accordance with reconciliation and depletion	(0.7)
TauTona	Depletion and transfers to Mponeng, minor model changes	(0.7)
Other	Total of non-significant changes	(1.2)
Additions		
CC&V	Addition from Mine Life Extension Project	1.4
Mponeng	Successful conversion drilling and minor transfers from TauTona and Savuka	1.2
Tropicana	Tropicana Project reserve incorporated	1.1
Sadiola	Additions from the Deep Sulfide project	0.8
Other	Total of non-significant changes	2.8

Ore Reserves as at December 31, 2010 **71.2**

Rounding may result in computational differences.

AngloGold Ashanti will continue to pursue a strategy of increasing value-adding Ore Reserves through expansion projects, brownfields and greenfields exploration and acquisition of new assets.

The Ore Reserve estimates in this document include Ore Reserves below current infrastructure in the case of certain South African, Brazilian and Ghanaian underground mines which are in production. These Ore Reserves have been determined based upon completed economic studies.

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BY-PRODUCTS

Several by-products are recovered as a result of the processing of gold Ore Reserves. These include 47.6 million pounds of uranium oxide from the South African operations, 0.49 million tons of sulfur from Brazil and 34.6 million ounces of silver from Argentina. Details of by-product Ore Reserves are given in the Mineral Resource and Ore Reserve Report 2010, which is available on the corporate website.

EXTERNAL AUDIT OF MINERAL RESOURCE AND ORE RESERVE STATEMENT

During the course of the year and as part of the rolling audit program, AngloGold Ashanti s 2010 grade models at the following operations were submitted for external audit by a number of international consulting companies:

Geita

Obuasi

Siguiri

Sunrise Dam Underground

Cripple Creek and Victor

Cerro Vanguardia

Serra Grande

AGA Mineração Cuiabá

The company has been informed that the audit identified no material shortcomings in the process by which AngloGold Ashanti s grade models were evaluated. It is the company s intention to continue this process so that each of its operations will be audited, on average, every three years.

COMPETENT PERSONS

The information in this report that relates to Ore Reserves is based on information compiled by the Competent Persons. The Competent Persons consent to the inclusion of Exploration Results and Ore Reserves information in this report, in the form and context in which it appears.

During the past decade, the company has developed and implemented a rigorous system of internal and external reviews of Exploration Results, Mineral Resources and Ore Reserves. A chain of responsibility exists from the Competent Persons at the operations to the company s Mineral Resource and Ore Reserve Steering Committee. Accordingly, the Chairman of the Mineral Resource and Ore Reserve Steering Committee, VA Chamberlain, MSc (Mining Engineering), BSc Hons (Geology), FAusIMM, assumes responsibility for the Mineral Resource and Ore Reserve processes for AngloGold Ashanti and is satisfied that the Competent Persons have fulfilled their responsibilities.

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Ore Reserves: Imperial	At December 31, 2010						
	Proven Ore Reserves[1]			Probable Ore Reserves[1][2]			
	Tons[5] (mill)	Gold Grade Content[1] (oz/ton)	Gold Content[1] (mill oz)	Tons[5] (mill)	Gold Grade (oz/ton)	Gold Content[1] (mill oz)	Metallurgical Recovery Factor percent
South Africa							
Vaal River [6]							
Great Noligwa	4.44	0.225	1.00	1.98	0.210	0.42	96.0
Kopanang	1.37	0.230	0.31	14.71	0.190	2.79	95.6
Moab Khotsong [2]	2.03	0.305	0.62	18.57	0.370	6.87	95.4-95.6[4]
West Wits							
Mponeng [2]	4.58	0.234	1.07	43.96	0.292	12.83	97.4-98.2[4]
Savuka	0.09	0.147	0.01	3.60	0.181	0.65	97.0
TauTona [2]	0.75	0.226	0.17	7.01	0.269	1.89	97.2
Surface							
Surface sources				121.79	0.014	1.74	40-88[4]
Continental Africa							
Democratic Republic of Congo							
Kibali (45 percent) [3]				36.86	0.123	4.52	84.5; 91.3[10]
Ghana							
Iduapriem	32.21	0.039	1.26	27.23	0.045	1.24	95.0
Obuasi [2]	16.30	0.195	3.18	27.12	0.212	5.75	85.0
Guinea							
Siguiri (85 percent) [3]	43.05	0.018	0.78	74.34	0.021	1.60	90-95[4]
Mali							
Morila (40 percent) [3]	2.59	0.049	0.13	2.95	0.033	0.10	89.0
Sadiola (41 percent) [3]	2.57	0.086	0.22	38.88	0.053	2.08	76-96[4]
Yatela (40 percent) [3]	0.31	0.023	0.01	1.36	0.052	0.07	75-85[4]
Namibia							
Navachab	15.73	0.030	0.47	32.78	0.042	1.38	69.5 : 86.5[9]
Tanzania							
Geita				45.10	0.093	4.21	46-89[4]
Australasia							
Australia							
Sunrise Dam[3]	7.93	0.050	0.40	7.38	0.133	0.98	85.5-86[4]
Tropicana (70 percent)[3]	18.57	0.066	1.23	18.41	0.062	1.13	90.3

Americas							
Argentina							
Cerro Vanguardia (92.5 percent)[3][7]	10.51	0.036	0.37	9.45	0.155	1.47	95.0
Brazil							
AGA Mineraçáo[2][8]	5.45	0.197	1.07	6.70	0.160	1.07	93.0
Serra Grande (50 percent)[3]	2.17	0.100	0.22	1.45	0.121	0.18	90.9-94.9[4]
United States of America							
Cripple Creek & Victor	162.25	0.024	3.84	86.81	0.022	1.89	43-95[4]
Total	332.90	0.049	16.34	628.45	0.087	54.86	

(1) *Ore Reserves include marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*

(2) *Probable Ore Reserves include Ore Reserves below infrastructure. See table below.*

(3) *Ore Reserves attributable to AngloGold Ashanti s percentage interest shown.*

(4) *Recovery factor varies according to ore type.*

(5) *Tons refers to a short ton, which is equivalent to 2000lbs avoirdupois.*

(6) *The Vaal Reef Ore Reserves include 47.6 million pounds of Uranium oxide by-products; this cannot be accounted for by individual mine as Great Noligwa, Kopanang and Moab Khotsong feed to a combination of plants.*

(7) *The Ore Reserve contains 34.6 million ounces of silver to be recovered as a by-product.*

(8) *The Ore Reserve contains 0.49 million tons of sulfur to be recovered as a by-product.*

(9) *DMS plant and CIP plant, respectively.*

(10) *Open pit and underground mining, respectively.*

Rounding may result in computational differences.

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The 2010 Probable Ore Reserves include Ore Reserves below infrastructure in the case of the following underground mines currently in production:

Mine	Tons (millions)	Grade (ounces/ton)	Gold Content (million ounces)
Mponeng	34.06	0.311	10.58
Moab Khotsong	11.47	0.366	4.19
Obuasi	2.99	0.381	1.14
AGA Mineração	3.54	0.172	0.61
Total	52.06	0.317	16.53

Rounding may result in computational differences.

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Ore Reserves: Imperial	At December 31, 2009						
	Proven Ore Reserves[1]			Probable Ore Reserves[1][2]			Metallurgical
	Tons[5] (mill)	Grade (oz/ton)	Gold Content[1] (mill oz)	Tons[5] (mill)	Grade (oz/ton)	Gold Content[1] (mill oz)	Recovery Factor percent
South Africa							
Vaal River [6]							
Great Noligwa	4.03	0.226	0.91	3.35	0.206	0.69	96.3
Kopanang	1.08	0.202	0.22	18.64	0.166	3.10	97.5
Moab Khotsong [2]	1.29	0.305	0.39	20.51	0.328	6.74	94.6-97.1[4]
Tau Lekoa	0.66	0.116	0.08	0.76	0.116	0.09	97.4
West Wits							
Mponeng [2]	2.45	0.241	0.59	39.46	0.307	12.12	98.0-98.5[4]
Savuka	0.13	0.156	0.02	3.26	0.182	0.59	97.3
TauTona [2]	0.37	0.345	0.13	9.58	0.272	2.60	97.8
Surface							
Surface sources				128.22	0.015	1.88	48 91[4]
Continental Africa							
Democratic Republic of Congo							
Kibali (45 percent) [3]				31.65	0.131	4.14	84.5: 91.3[9]
Ghana							
Iduapriem	29.06	0.040	1.16	25.59	0.048	1.24	95.0
Obuasi [2]	15.35	0.208	3.19	30.97	0.208	6.46	35-83[4]
Guinea							
Siguiri (85 percent) [3]	33.98	0.019	0.63	96.84	0.025	2.44	88-93.5[4]
Mali							
Morila (40 percent) [3]	4.34	0.051	0.22	3.05	0.033	0.10	88.9-89[4]
Sadiola (41 percent) [3]	4.52	0.072	0.33	17.86	0.063	1.13	80-100[4]
Yatela (40 percent) [3]	1.33	0.033	0.04				84.8
Namibia							
Navachab	10.86	0.027	0.29	35.72	0.037	1.33	88.0
Tanzania							
Geita				52.21	0.097	5.07	46.2-89.3[4]
Australasia							
Australia							

Sunrise Dam	9.16	0.057	0.52	10.24	0.118	1.21	85-85.5(4)
Americas							
Argentina							
Cerro Vanguardia (92.5 percent)(3)(7)	11.86	0.040	0.48	10.63	0.132	1.40	95.0
Brazil							
AGA Mineraçáo(8)	5.08	0.202	1.03	7.12	0.162	1.15	88 92(4)
Serra Grande (50 percent)(3)	2.27	0.104	0.24	0.95	0.116	0.11	90.9-95.9(4
United States of America							
Cripple Creek & Victor	110.03	0.027	2.97	51.14	0.026	1.32	50 77(4)
Total	247.87	0.054	13.44	597.73	0.092	54.92	

(1) *Ore Reserves include marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.*

(2) *Probable Ore Reserves include Ore Reserves below infrastructure. See table below.*

(3) *Ore Reserves attributable to AngloGold Ashanti s percentage interest shown.*

(4) *Recovery factor varies according to ore type.*

(5) *Tons refers to a short ton, which is equivalent to 2000lbs avoirdupois.*

(6) *The Vaal Reef Ore Reserves include 37.29 million pounds of Uranium by-products; this cannot be accounted for by individual mine as Great Noligwa, Kopanang and Moab Khotsong feed to a combination of plants.*

(7) *The Ore Reserve contains 34.9 million ounces of silver to be recovered as a by-product.*

(8) *0.45 million tons of sulfur will be recovered from processing the Ore Reserve.*

(9) *Open pit and underground mining, respectively.*

Rounding may result in computational differences.

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The 2009 Probable Ore Reserves include Ore Reserves below infrastructure in the case of the following underground mines currently in production:

Mine	Tons (millions)	Grade (ounces/ton)	Gold Content (million ounces)
TauTona	0.53	0.406	0.22
Mponeng	27.58	0.345	9.53
Moab Khotsong	13.05	0.302	3.94
Obuasi	3.64	0.383	1.40
AGA Mineração	4.62	0.163	0.76
Total	49.42	0.32	15.85

Rounding may result in computational differences.

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Ore Reserves: Metric	At December 31, 2010						
	Proven Ore Reserves[1]			Probable Ore Reserves[1][2]			
	Tonnes[6] (mill)	Grade (g/t)	Gold Content (tonnes)	Tonnes (mill)	Grade (g/t)	Gold Content (tonnes)	Metallurgical Recovery factor percent
South Africa							
***Vaal River*[5]**							
Great Noligwa	4.03	7.71	31.06	1.80	7.20	12.95	96.0
Kopanang	1.24	7.87	9.76	13.35	6.51	86.84	95.6
Moab Khotsong[2]	1.84	10.46	19.26	16.84	12.69	213.71	95.4-95.6[4]
West Wits							