

ANGLOGOLD ASHANTI LTD  
Form 20-F  
April 02, 2015

As filed with the Securities and Exchange Commission on 02 April 2015

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 20-F**

.. REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934 OR  
x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR  
.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR  
.. SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934  
**FOR THE FINANCIAL YEAR ENDED 31 December 2014**

Commission file number: 1-14846

**AngloGold Ashanti Limited**

(Exact Name of Registrant as Specified in its Charter)

**Republic of South Africa**

(Jurisdiction of Incorporation or Organisation)

**76 Jeppe Street, Newtown, Johannesburg, 2001**

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

**South Africa**

(Address of Principal Executive Offices)

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**E-mail: cramon@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

American Depositary Shares  
Ordinary Shares  
5.375% Notes due 2020  
8.500% Notes due 2020

Name of each exchange on which registered

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

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5.125% Notes due 2022

New York Stock Exchange

6.50% Notes due 2040

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	404,010,360
E Ordinary Shares of 25 ZAR cents each	-
A Redeemable Preference Shares of 50 ZAR cents each	2,000,000
B Redeemable Preference Shares of 1 ZAR cent each	778,896

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

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

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

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

U.S. GAAP

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

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

\* This requirement does not apply to the registrant.

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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, AngloGold Ashanti, AGA, the company, the Company and the group are references to AngloGold Ashanti Limited including, as appropriate, subsidiaries and associate companies of AngloGold Ashanti.

#### *IFRS financial statements*

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

#### *Currency*

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

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

See Item 3A.: Selected financial data Exchange rate information for historical information regarding the US dollar/South African rand exchange rate. On 23 March 2015, the interbank US dollar/South African rand exchange rate as reported by OANDA Corporation was R11.99/\$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, total production costs per ounce, all-in sustaining costs, all-in sustaining costs per ounce, all-in costs and all-in costs per ounce which have been determined using industry guidelines and practices and are not IFRS measures. An investor should not consider these items in isolation or as alternatives to production costs, profit/(loss) applicable to equity shareholders, profit/(loss) before taxation, cash flows from operating activities or any other measure of financial performance presented in accordance with IFRS. The Gold Institute provided definitions for the calculation of total cash costs and total production costs and during June 2013 the World Gold Council published a Guidance Note on all-in sustaining costs and all-in costs metrics. The calculation of total cash costs, total cash costs per ounce, total production costs, total production costs per ounce, all-in sustaining costs, all-in sustaining costs per ounce, all-in costs and all-in costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Glossary of selected terms Financial terms Total cash costs, Total production costs, All-in sustaining costs and All-in costs.

#### *Shares and shareholders*

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

## **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, all-in sustaining costs, all-in costs, cost savings and other operating results, return on equity, productivity improvements, growth prospects and outlook of AngloGold Ashanti's operations, individually or in the aggregate, including the achievement of project milestones, commencement and completion of commercial operations of certain of AngloGold Ashanti's exploration and production projects and the completion of acquisitions, dispositions or joint venture transactions, AngloGold Ashanti's liquidity and capital resources and capital expenditures and the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental, health and safety issues, are forward-looking statements regarding AngloGold Ashanti's operations, economic performance and financial condition.

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

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

## GLOSSARY OF SELECTED TERMS

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

### Mining terms

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**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.

**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.

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

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

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

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

**Skarn:** A rock of complex mineralogical composition, formed by contact metamorphism and metasomatism of carbonate rocks.

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

**Stoping:** The process of excavating ore underground.

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

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

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

**Tonnage:** Quantity of material measured in tonnes or tons.

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

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

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

**Financial terms**

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

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

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

**Capital expenditure:** Total capital expenditure on tangible assets.

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

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

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

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

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

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

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

**Total cash costs:** Total cash costs include site costs for all mining, processing and administration, reduced by contributions from by-products and are inclusive of royalties and production taxes. Depreciation, depletion and 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
C\$ or CAD	Canadian dollars
or Euro	European Euro
GHC, cedi or ¢	Ghanaian cedi
NAD	Namibian dollars
Tsh	Tanzanian Shillings
ZAR, R or rand	South African rands



**Abbreviations**

<i>ADS</i>	American Depositary Share
<i>ADR</i>	American Depositary Receipt
<i>AIFR</i>	All injury frequency rate
<i>ASX</i>	Australian Securities Exchange
<i>Au</i>	Contained gold
<i>BBSY</i>	Bank Bill Swap Bid Rate
<i>BEE</i>	Black Economic Empowerment
<i>bn</i>	Billion
<i>CDI</i>	Chess Depositary Interests
<i>CHES</i>	Clearing House Electronic Settlement System
<i>CLR</i>	Carbon Leader Reef
<i>DMTNP</i>	Domestic medium-term notes programme
<i>DRC</i>	Democratic Republic of the Congo
<i>ERP</i>	Enterprise resource planning
<i>FIFR</i>	Fatal injury frequency rate
<i>G or g</i>	Grams
<i>GhDS</i>	Ghanaian Depositary Share
<i>GhSE</i>	Ghana Stock Exchange
<i>IASB</i>	International Accounting Standards Board
<i>IFRS</i>	International Financial Reporting Standards as issued by the IASB
<i>JORC</i>	Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves
<i>JIBAR</i>	Johannesburg Interbank Agreed Rate
<i>JSE</i>	JSE Limited (Johannesburg Stock Exchange)
<i>King III</i>	The King Code on Corporate Governance for South Africa
<i>Kg or kg</i>	Kilograms
<i>Km or km</i>	Kilometres
<i>Km<sup>2</sup></i>	Squared kilometres
<i>Koz</i>	Thousand ounces
<i>LIBOR</i>	London Interbank Offer Rate
<i>M or m</i>	Metre or million, depending on the context
<i>Moz</i>	Million ounces
<i>Mt</i>	Million tonnes or tons
<i>Mtpa</i>	Million tonnes/tons per annum
<i>NYSE</i>	New York Stock Exchange
<i>Oz or oz</i>	Ounces (troy)
<i>oz/t</i>	Ounces per ton
<i>oz/TEC</i>	Ounces per total employee costed
<i>SAMREC</i>	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
<i>SEC</i>	United States Securities and Exchange Commission
<i>The Companies Act</i>	South African Companies Act, No. 71 of 2008, as amended
<i>T or t</i>	Tons (short) or tonnes (metric)
<i>Tpa or tpa</i>	Tonnes/tons per annum
<i>US/USA/United States</i>	United States of America
<i>US GAAP</i>	U.S. Generally Accepted Accounting Principles
<i>VCR</i>	Ventersdorp Contact Reef

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

**PART I**

**ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS**

Not applicable.

**ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3: KEY INFORMATION**

**3A. SELECTED FINANCIAL DATA**

The selected financial information set forth below for the years ended and as at 31 December 2014, 2013 and 2012 has been derived from, and should be read in conjunction with, the IFRS financial statements included under Item 18 of this annual report. The selected financial information for the years ended and as at 31 December 2010 and 2011 has been derived from the IFRS financial statements not included in this annual report.

The financial statements have been prepared under IFRS.

	Year ended 31 December				2010
	2014	2013	2012	2011	(1)
	\$	\$	\$	\$	\$
(in millions, except share and per share amounts)					
<b>Consolidated income statement</b>					
<b>Revenue</b>	<b>5,378</b>	5,708	6,632	6,925	5,514
Gold income	<b>5,218</b>	5,497	6,353	6,570	5,334
Cost of sales	<b>(4,190)</b>	(4,146)	(3,964)	(3,892)	(3,550)
Gain (loss) on non-hedge derivatives and other commodity contracts	<b>15</b>	94	(35)	(1)	(702)
<b>Gross profit</b>	<b>1,043</b>	1,445	2,354	2,677	1,082
Corporate administration, marketing and other expenses	<b>(92)</b>	(201)	(291)	(278)	(220)
Exploration and evaluation costs	<b>(144)</b>	(255)	(395)	(279)	(198)
Other operating expenses	<b>(28)</b>	(19)	(47)	(31)	(20)
Special items	<b>(260)</b>	(3,410)	(402)	163	(126)
<b>Operating profit (loss)</b>	<b>519</b>	(2,440)	1,219	2,252	518
Dividends received	-	5	7	-	-
Interest received	<b>24</b>	39	43	52	43
Exchange gain	<b>(7)</b>	14	8	2	3
Finance costs and unwinding of obligations	<b>(278)</b>	(296)	(231)	(196)	(166)
Fair value adjustment on \$1.25bn bonds	<b>(17)</b>	(58)	-	-	-
Fair value adjustment on option component of convertible bonds	-	9	83	84	(1)
Fair value adjustment on mandatory convertible bonds	-	356	162	104	(55)
Share of associates and joint ventures (loss) profit	<b>(25)</b>	(162)	(30)	72	63
<b>Profit (loss) before taxation</b>	<b>216</b>	(2,533)	1,261	2,370	405
Taxation	<b>(255)</b>	333	(346)	(737)	(276)
<b>(Loss) profit for the year</b>	<b>(39)</b>	(2,200)	915	1,633	129
<i>Allocated as follows</i>					
Equity shareholders	<b>(58)</b>	(2,230)	897	1,587	76
Non-controlling interests	<b>19</b>	30	18	46	53
	<b>(39)</b>	(2,200)	915	1,633	129
<b>Basic (loss) earnings per ordinary share (cents)</b>	<b>(14)</b>	(568)	232	411	20
<b>Diluted (loss) earnings per ordinary share (cents)</b>	<b>(14)</b>	(631)	177	355	20
<b>Dividend per ordinary share (cents)</b>	-	10	56	34	18

(1) As originally published in home country.

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	As at 31 December				
	2014	2013	2012	2011	2010 <sup>(1)</sup>
	\$	\$	\$	\$	\$
	(in millions, except share and per share amounts)				
<b>Consolidated balance sheet data</b>					
<b>ASSETS</b>					
<b>Non-current assets</b>					
Tangible assets	4,863	4,815	7,776	6,545	6,180
Intangible assets	225	267	315	210	194
Investments in associates and joint ventures	1,427	1,327	1,047	691	622
Other investments	126	131	167	186	237
Inventories	636	586	610	410	345
Trade and other receivables	20	29	79	76	152
Derivatives	-	-	-	-	1
Deferred taxation	127	177	97	79	20
Cash restricted for use	36	31	29	23	33
Other non-current assets	25	41	7	9	9
	<b>7,485</b>	<b>7,404</b>	<b>10,127</b>	<b>8,229</b>	<b>7,793</b>
<b>Current assets</b>					
Other investments	-	1	-	-	-
Inventories	888	1,053	1,213	998	890
Trade and other receivables	278	369	472	354	247
Current portion of other non-current assets	-	-	-	-	1
Cash restricted for use	15	46	35	35	10
Cash and cash equivalents	468	648	892	1,112	575
	<b>1,649</b>	<b>2,117</b>	<b>2,612</b>	<b>2,499</b>	<b>1,723</b>
Non-current assets held for sale	-	153	-	21	16
	<b>1,649</b>	<b>2,270</b>	<b>2,612</b>	<b>2,520</b>	<b>1,739</b>
<b>Total assets</b>	<b>9,134</b>	<b>9,674</b>	<b>12,739</b>	<b>10,749</b>	<b>9,532</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital and premium	7,041	7,006	6,742	6,689	6,627
Accumulated losses and other reserves	(4,196)	(3,927)	(1,269)	(1,706)	(2,638)
Shareholders' equity	2,845	3,079	5,473	4,983	3,989
Non-controlling interests	26	28	21	137	124
<b>Total equity</b>	<b>2,871</b>	<b>3,107</b>	<b>5,494</b>	<b>5,120</b>	<b>4,113</b>
<b>Non-current liabilities</b>					
Borrowings	3,498	3,633	2,724	2,456	2,569
Environmental rehabilitation and other provisions	1,052	963	1,238	782	589
Provision for pension and post-retirement benefits	147	152	221	195	191
Trade, other payables and deferred income	15	4	10	14	17
Derivatives	-	-	10	93	176
Deferred taxation	567	579	1,084	1,148	900
	<b>5,279</b>	<b>5,331</b>	<b>5,287</b>	<b>4,688</b>	<b>4,442</b>
<b>Current liabilities</b>					
Borrowings	223	258	859	32	135
Trade, other payables and deferred income	695	820	979	751	705
Bank overdraft	-	20	-	-	-
Taxation	66	81	120	158	134
	<b>984</b>	<b>1,179</b>	<b>1,958</b>	<b>941</b>	<b>974</b>
Non-current liabilities held for sale	-	57	-	-	3
	<b>984</b>	<b>1,236</b>	<b>1,958</b>	<b>941</b>	<b>977</b>
<b>Total liabilities</b>	<b>6,263</b>	<b>6,567</b>	<b>7,245</b>	<b>5,629</b>	<b>5,419</b>
<b>Total equity and liabilities</b>	<b>9,134</b>	<b>9,674</b>	<b>12,739</b>	<b>10,749</b>	<b>9,532</b>
<b>Number of ordinary shares as adjusted to reflect changes in share capital</b>	404,010,360	402,628,406	383,320,962	382,242,343	381,204,080
<b>Share capital (exclusive of long-term debt and redeemable preference shares)</b>	16	16	16	16	16
<b>Net assets</b>	2,871	3,107	5,494	5,120	4,113

<sup>(1)</sup> As originally published in home country.



**Annual dividends**

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

<b>Year ended 31 December<sup>(1)</sup></b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>South African cents per ordinary share</b>					
First quarter	-	50	200	80	70
Second quarter	-	50	100	-	-
Third quarter	-	-	100	90	65
Fourth quarter	-	-	50	90	-
Total	-	100	450	260	135
<b>US cents per ordinary share<sup>(2)</sup></b>					
First quarter	-	5	26	11	9
Second quarter	-	5	12	-	-
Third quarter	-	-	12	12	9
Fourth quarter	-	-	6	11	-
Total	-	10	56	34	18

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

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

For further information on the company's policy on dividend distributions, see Item 8A: Consolidated financial statements and other information Dividends .

**Exchange rate information**

The following table sets forth, for the periods and dates indicated, certain information concerning US dollar/South African rand exchange rates expressed in rands per \$1.00. On 23 March 2015, the interbank rate between South African rands and US dollars as reported by OANDA Corporation was R11.99/\$1.00.

<b>Year ended 31 December<sup>(2)</sup></b>	<b>High</b>	<b>Low</b>	<b>Year end</b>	<b>Average<sup>(1)</sup></b>
2010	8.08	6.57	6.64	7.34
2011	8.60	6.49	8.14	7.27
2012	8.95	7.46	8.47	8.20
2013	10.51	8.47	10.49	9.63
2014	11.69	10.28	11.60	10.84
2015 <sup>(3)</sup>	12.47	11.36		11.71

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

<sup>(2)</sup> Based on the interbank rate as reported by OANDA Corporation.

<sup>(3)</sup> Through to 23 March 2015.

<b>Exchange rate information for the months of<sup>(1)</sup></b>	<b>High</b>	<b>Low</b>
September 2014	11.26	10.63
October 2014	11.33	10.86
November 2014	11.27	10.92
December 2014	11.69	11.04
January 2015	11.71	11.39
February 2015	11.79	11.36

March 2015 <sup>(2)</sup>	12.47	11.65
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*(1) Based on the interbank rate as reported by OANDA Corporation.*

*(2) Through to 23 March 2015.*

**3B. CAPITALISATION AND INDEBTEDNESS**

Not applicable.

**3C. REASONS FOR THE OFFER AND USE OF PROCEEDS**

Not applicable.

**3D. RISK FACTORS**

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

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

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

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

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

The market price of gold has been and continues to be significantly volatile. During 2014, the gold price traded from a low of \$1,141 per ounce to a high of \$1,382 per ounce. On 23 March 2015, the afternoon price for gold on the London Bullion Market was \$1,186 per ounce. The price of gold is often subject to sharp, short-term changes; for example, during the period from Friday, 12 April 2013, through to Monday, 15 April 2013, the price of gold dropped by \$228 per ounce.

During 2012 and 2013, a correlation existed between the central banks' policies and the price of gold, with the price falling at the prospect of the end of quantitative easing in some of the main economies. For example, on 19 June 2013, Chairman Ben Bernanke of the Federal Reserve announced that the Federal Reserve may begin reducing its quantitative easing programme in 2013. During the course of the following week, the price of gold fell to \$1,180 per ounce, its lowest level in 34 months. Furthermore, in the week following Janet Yellen's announcement of the end of the quantitative easing programme of the Federal Reserve on 29 October 2014, the price of gold reached its annual low of \$1,141 per ounce. Any future announcements or proposals by the Federal Reserve, or any of its board members or regional presidents or other similar officials, relating to any such reduction, may materially and adversely affect the price of gold and, as a result, AngloGold Ashanti's financial condition and results of operations.



Like gold prices, gold demand can fluctuate materially from one year to the next, including in the countries that account for the highest gold consumption worldwide. For example, gold demand in China fell 38% in 2014 compared to 2013 according to the World Gold Council. Over the same period, demand for gold bars and coins fell by 50% both in China and in India. In China, the decline was due in part to the government's anti-corruption programme, which put limited pressure on demand for gold ornaments and so-called "gift bars". Whilst the considerable size of historical mined (i.e., above ground) stocks of the metal means that overall supply and demand of gold typically do not affect the gold price in the same manner or degree compared to other commodities, events that impact supply and demand may nonetheless affect gold's market price. Demand for gold may be affected, in particular, by government policies, including taxes and duties. For example, over the course of 2013, the Indian Finance Ministry increased gold import duties from 2% to 10%, with the most recent increase to 10% occurring in August 2013. In addition, at least a fifth of gold imported into India must be exported. Such increases, and any similar import duty increases in India or other large gold importing countries, could adversely affect demand for, and consequently prices of, gold.

Furthermore, the shift in demand from physical gold to gold-related investments and speculative instruments may exacerbate the volatility of the gold price. For example, in March 2015, the Finance Ministry in India, which overtook China as the world's largest consumer of gold in 2014, announced the creation of sovereign gold bonds as an alternative to the purchase of physical gold. Slower consumption of physical gold in India, resulting from a move toward gold-tracking investments or otherwise, may have an adverse impact on global demand for, and prices of, bullion.

A sustained period of significant gold price volatility may adversely affect the company's ability to evaluate the feasibility of undertaking new capital projects or the continuity of existing operations, to meet its operational targets or to make other long-term strategic decisions. Lower and more volatile gold prices, together with other factors, have led AngloGold Ashanti to alter its expansion and development strategy and consider ways to align its asset portfolio to take account of such expectations and trends. As a result, the company may decide to curtail or temporarily or permanently shut down certain of its exploration and production operations, which may be difficult and costly to effect. A further sustained decrease in the price of gold could also have a material adverse effect on AngloGold Ashanti's financial condition and results of operations, as it may be unable to quickly adjust its cost structure to reflect the reduced gold price environment. Mines with marginal headroom may be subject to decreases in value that are other than temporary, which may result in impairment losses. During 2013, the company reviewed the carrying value of its mining assets (including ore stockpiles), goodwill and intangibles and, based on revised forecast gold prices, booked a charge of \$3,245 million (2014: \$12 million) in relation to impairments, derecognition and revaluation of net realisable value of its mining assets (including ore stockpiles), goodwill and intangibles. The market value of gold inventory may be reduced and marginal stockpile and heap leach inventories may be written down to net realisable value or may not be processed further as it may not be economically viable at lower gold prices. In addition, AngloGold Ashanti is obliged to meet certain financial covenants under the terms of its borrowing facilities and its ability to continue to meet these covenants could be adversely affected by a further sustained decrease in the price of gold. The use of lower gold prices in reserve calculations and life of mine plans could also result in material impairments of the company's investment in mining properties or a reduction in its Ore Reserves estimates and corresponding restatements of its Ore Reserves and increased amortisation, reclamation and closure charges.

The spot price of uranium has been volatile in past years. During 2014, the price varied between a low of approximately \$28 per pound and a high of \$44 per pound. On 23 March 2015, the spot price of uranium was \$40 per pound. Uranium prices can be affected by several factors, including demand for nuclear reactors, uranium production shortfalls and restocking by utilities. Events like those surrounding the earthquake and tsunami that occurred in Japan in 2011 can also have a material impact on the price of and demand for uranium.

The price of silver has also experienced significant fluctuations. For example, from a high of \$32 per ounce in January 2013, the price of silver declined to a low of \$18 per ounce by June 2013. Additionally, after climbing back to \$22 per ounce in February 2014, the price declined further to a low of \$15 per ounce in November 2014. Factors affecting the price of silver include investor demand, physical demand for silver bars, industrial and retail off-take, and silver coin minting. On 23 March 2015, the price of silver was \$17 per ounce.

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

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

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

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

Exchange rate movements may have a material impact on AngloGold Ashanti's operating results. For example, the company estimates that a 1% strengthening of all of the South African rand, Brazilian real, the Argentinean peso or the Australian dollar against the U.S. dollar will, other factors remaining equal, result in an increase in total cash costs of approximately \$6 per ounce, or approximately 1%, of the company's total cash costs.

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

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

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

The price of oil has been volatile, fluctuating between \$55 and \$115 per barrel of Brent Crude in 2014. As of 23 March 2015, the price of oil was at \$54 per barrel of Brent Crude. AngloGold Ashanti estimates that for each U.S. dollar per barrel rise or fall in the oil price, other factors remaining equal, the total cash costs of all its operations change by approximately \$0.78 per ounce. The cash costs of certain of the company's mines, particularly Sadiola, Siguiri, Geita, Cripple Creek & Victor, and Tropicana are most sensitive to changes in the price of oil.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine. For example, the price of flat hot rolled coil (North American Domestic FOB) steel traded between \$608 per tonne and \$696 per tonne in 2014. On 23 March 2015, the price of flat hot rolled coil (North American Domestic FOB) was \$481 per tonne.

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

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

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

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

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

A warning of the very high risk of blackouts was reissued at the start of 2011 and each year since. On 20 February 2014, Eskom declared a power emergency pursuant to its regulatory protocols to protect the national electricity grid. The power emergency was caused by the loss of additional generating units, reduced imports resulting from failure of power lines from Cohara Bassa in Mozambique and the extensive use of emergency reserves. Eskom alerted key industrial customers, including AngloGold Ashanti, asking them to reduce their load by a minimum of 10% during critical periods. Since February 2014, AngloGold Ashanti has reduced its electricity consumption in South Africa by more than 10% measured in Gigawatt usage. Then, in November 2014, Eskom reintroduced a schedule of rolling blackouts, or load shedding. Whilst a national energy conservation programme is in place, Eskom cannot guarantee that there will be no power interruptions and is again facing very tight supply reserve margins in 2015, which can be expected to continue for many years to come.

Furthermore, the power supply to the company's South African operations has been and may be curtailed or interrupted again in the future for reasons other than government action. For example, lightning or other damage to power stations can also result in power interruptions at the company's operations. In this regard, AngloGold Ashanti's two main operational sites in the West Wits region in South Africa had all main power interrupted between 13 March 2013 and 15 March 2013 after a fire caused by lightning damaged a transformer at a main regional substation.

Eskom and the National Energy Regulator of South Africa ( NERSA ) recognise the need to increase electricity supply capacity and a series of tariff increases and proposals have been enacted to assist in the funding of this expansion. NERSA originally approved an increase of 24.8% for 2010, 25.8% for 2011, 25.9% for 2012, and 16.0% for 2013. The actual increase implemented for 2012 was lowered to 16.09% after government intervention. In 2013, NERSA announced that Eskom would be allowed to increase electricity tariffs for the five-year period that began in April 2013 at an average yearly increase of 8%, which was half of that sought by the utility in its application. In October 2014, NERSA granted a 12.69% increase in electricity prices with effect from April 2015.

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

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

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

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

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

***Global economic conditions could adversely affect the profitability of operations.***

AngloGold Ashanti's operations and performance depend significantly on worldwide economic conditions. Despite signs of economic recovery in certain geographic markets, global financial markets have experienced considerable volatility from uncertainty surrounding the level and sustainability of the sovereign debt of various countries. Concerns remain regarding the sustainability of the European Monetary Union and its common currency, the Euro, in their current form, as well as the negative impacts of the downgrade of the sovereign credit rating of the Republic of South Africa in 2012, 2013 and 2014. These conditions and other disruptions to international credit markets and financial systems caused a loss of investor confidence and resulted in widening credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Although aggressive measures taken by governments and central banks have recently corresponded with signs of economic recovery, any such recovery may remain limited in geographic scope. A significant risk also remains that this recovery could be slow or that the global economy could quickly fall back into an even deeper and longer lasting recession or even a depression. Recently, the credit ratings of some of the largest South African banks were downgraded by a major credit rating agency. Any significant weakening of the South African banking system could have a negative effect on the overall South African economy.

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

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

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

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

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

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

Like other mining companies, AngloGold Ashanti's profitability depends partly on the actual costs of developing and operating its mines, which may differ significantly from estimates determined at the time the relevant project was approved following completion of its feasibility study. Development of the company's mining projects may also be subject to unexpected problems and delays that could increase the development and operating costs of the relevant project. In addition, a decrease in budgets relating to current or medium-term exploration and development could increase its development and operating costs in the long-term.

AngloGold Ashanti's decision to develop a mineral property is typically based on the results of a feasibility study. Feasibility studies estimate the expected or 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  
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 expenditures are to a significant extent driven by the cost of commodity inputs consumed in mining, including fuel, chemical reagents, explosives, tyres and steel, and also by credits from by-products, such as silver and uranium. They could also fluctuate considerably as a result of changes in the prices of mining equipment used in the construction and operation of mining projects.

There are a number of uncertainties inherent in the development and construction of a new mine or the extension of 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 mining and processing equipment;  
availability and cost of skilled labour, power, water and transportation;  
availability and cost of appropriate smelting and refining arrangements;  
applicable requirements and time needed to obtain the necessary environmental and other governmental permits; and  
availability of funds to finance construction and development activities.

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

AngloGold Ashanti may prove unable to successfully develop the La Colosa and Gramalote projects and the Nuevo Chaquiro deposit that is part of the Quebradona project in Colombia, as well as other potential exploration sites due to difficulties that could arise in relation to, for example, social and community opposition, litigation, ore body grades, definition of adequate reserves and resources, and the time taken to prove project feasibility that could result in the expiry of permits. For example, on 11 March 2013, Cortolima, a regional environmental authority in Colombia, issued an injunction against AngloGold Ashanti's Colombian subsidiary, AngloGold Ashanti Colombia S.A. (AGAC), alleging that the subsidiary was operating without proper permits and was engaging in activity that was harmful to the environment. Furthermore, at around the same period in time, access to an AngloGold Ashanti drilling site was blockaded by residents of a nearby community. AGAC's subsequent request to have the injunction annulled was denied by the Director of Cortolima on 27 May 2013, and as a result, the injunction remains in place. While the injunction remains in place, AGAC is unable to engage in certain activities related to the La Colosa project. In July 2013, local residents of a nearby community, as well as local and regional government, voted in a non-binding referendum to prevent certain mining activities in the Piedras municipality. Local authorities have attempted to introduce regulatory measures seeking to implement such preventative measures and AGAC has initiated legal proceedings challenging such measures. As a result, protracted litigation may ensue, which could adversely affect the company's ability to conduct any mining or related activities in that area. Refer Item 8A: Legal Proceedings - Colombia.

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

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

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

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

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

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

Feasibility studies also include activities to estimate the anticipated:

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

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

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

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

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

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

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

- environmental, as well as health and safety, incidents during exploration, production or transportation resulting in injury, loss of life or damage to equipment;
- ground and surface water pollution;
- social or community disputes or interventions;
- security incidents;
- surface or underground fires or explosions;
- electrocution;
- falls from heights and accidents relating to mobile machinery, including shaft conveyances and elevators, drilling blasting and mining operations;

labour force disputes and disruptions;  
 loss of information integrity or data;  
 activities of illegal or artisanal miners;  
 shortages in material and equipment;  
 mechanical failure or breakdowns and ageing infrastructure;  
 failure of unproven or evolving technologies;  
 energy and electrical power supply interruptions or rationing;  
 unusual or unexpected geological formations, ground conditions, including lack of mineable face length and ore-pass blockages;  
 water ingress and flooding;  
 process water shortages;  
 metallurgical conditions and gold recovery;  
 unexpected decline of ore grade;  
 unanticipated increases in gold lock-up and inventory levels at heap-leach operations;  
 fall-of-ground accidents in underground operations;  
 cave-ins, sinkholes, subsidence, rock falls, rock bursts or landslides;  
 failure of mining pit slopes, heap-leach facilities, water or solution dams, waste stockpiles and tailings dam walls;  
 legal and regulatory restrictions and changes to such restrictions;  
 safety-related stoppages;  
 gold bullion or concentrate theft;  
 corruption, fraud and theft;  
 allegations of human rights abuses;  
 seismic activity; and  
 other natural phenomena, such as floods, droughts or weather conditions, potentially exacerbated by climate change.

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

Seismic activity may also cause a loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, environmental damages and potential legal liabilities. As a result, these events may have a material adverse effect on AngloGold Ashanti's results of operations and financial condition. For example, in August 2014, mining operations at the Great Noligwa and Moab Khotsong mines were suspended following a magnitude 5.3 earthquake. Operations at Mine Waste Solutions were also suspended and the Kopanang mine was taken offline for a limited time as a safety precaution. The company estimates that the earthquake resulted in lost output of approximately 30,000oz of gold. Also, in early 2011, mining of the Ventersdorp Contact Reef shaft pillar at Tau Tona was suspended following a significant seismic event. New equipment had to be purchased and the shutdown contributed to the decline in the operational output of the mine as compared to the previous year.

In the past, floods have also disrupted the operations of some of the company's mines. For example, unprecedented heavy rains in February and March 2011 in Australia flooded the Sunrise Dam Gold Mine and forced a temporary shutdown of operations. The flood event impacted underground production for approximately four months and open pit production for approximately six months. Despite the shutdown, full costs were incurred as the mining contractors worked on remedial activities to repair damage and rehabilitate flooded areas. The considerable remedial work required adversely impacted cash costs per ounce and the impact of the flood event and the pit wall failure together significantly reduced planned production at the plant.

***Mining companies' operations are vulnerable to infrastructure constraints.***

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

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

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

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

***Mining companies face strong competition.***

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

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

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

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

In some of the jurisdictions in which AngloGold Ashanti operates, the government enforces compulsory shutdowns of operations to enable investigations into the cause of accidents. Certain of the company's operations have been temporarily suspended for safety reasons in the past. In South Africa, so-called Section 54 safety stoppages have become a significant issue as an enforcement mechanism used by the Department of Mineral Resources Mining Inspectorate whose inspectors routinely issue such notices. For example, in 2014, 57 notices were issued that had a material adverse impact on production at the company's mines. Safety-related stoppages resulted in the direct loss of 72,900, 72,400, 32,800 and 47,100 ounces of gold production from the South African region operations during 2011, 2012, 2013 and 2014 respectively.

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

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

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

These businesses are under pressure to demonstrate that whilst they seek a satisfactory return on investment for shareholders, human rights are respected and other social partners, including employees, host communities and more broadly the countries in which they operate, also benefit from their commercial activities. Such pressures tend to be particularly focused on companies whose activities are perceived to have, or have, a high impact on their social and physical environment. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit may result in additional operating costs, reputational damage, active community opposition, allegations of human rights abuses, legal suits and investor withdrawal.



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

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

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

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

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

***Mining companies are subject to extensive environmental laws and regulations.***

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

The cost of compliance with environmental laws and regulations is expected to continue to be significant to AngloGold Ashanti. AngloGold Ashanti could incur fines, penalties and other sanctions, clean-up costs and third-party claims for personal injury or property damage, suffer reputational damage, or be required to install costly pollution control equipment or to modify or suspend operations, as a result of actual or alleged violations of environmental laws and regulations or the terms of AngloGold Ashanti's permits. For example, the Ghana Environmental Protection Agency (Ghana EPA) permit for AngloGold Ashanti's operations at Obuasi expired on 31 March 2014. AngloGold Ashanti filed its application for permit renewal in September 2013, 6 months prior to the expiry date, as required by law, by submitting an Environment Management Plan (EMP), but the Ghana EPA did not issue a new permit before the expiry date, citing uncertainties about the future of the Obuasi operation. AngloGold Ashanti has been in communication with the Ghana EPA regarding this issue. Concurrently, as a result of the complex challenges faced by the Obuasi mine, the company has adopted a new approach to securing the long term future of the mine. As part of this effort, on 18 July 2014 it submitted an Amendment to Programme of Mining Operations (APMO), which details

technical, environmental, financial and social details around the transition of its Obuasi operation, to the Government of Ghana and key regulators, that was approved subject to certain conditions. An amended EMP to supersede the one submitted in September 2013 was submitted at the same time to the Ghana EPA but no response has as yet been received. The company can give no assurance that the EMP will be approved in the forms submitted or at all.

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

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

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

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

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

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

AngloGold Ashanti's operations are heavily dependent upon access to substantial volumes of water for use in the mining and extractive processes and typically are subject to water-use permits that govern usage and require, amongst other things, that mining operations maintain certain water quality upon discharge. Water quality and usage are areas of concern globally, such as with respect to the company's mining operations in Ghana and South Africa and its exploration projects in Colombia, where there is significant potential environmental and social impact and a high level of stakeholder scrutiny. Any failure by the company to secure access to suitable water supplies, or achieve and maintain compliance with applicable requirements of the permits or licenses, could result in curtailment or halting of production at the affected operation. Incidents of water pollution or shortage can, in certain cases, lead to community protest and ultimately to the withdrawal of community and government support for AngloGold Ashanti's operations. A failure by the company to comply with water contamination rehabilitation directives may result in further, more stringent, directives being issued against the company, which may, in some cases, result in a temporary or partial shutdown of some of the company's operations. Water scarcity has been identified as a significant risk at AngloGold Ashanti's U.S. operation in particular. Production at the Cripple Creek & Victor Gold Mining Company's Cresson mine was adversely affected by a severe drought from 2010 through 2013, when the lack of water reduced percolation through the heap-leach pad, which curtailed production and productivity.

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

Mining companies are required by law to close their operations at the end of the mine life and rehabilitate the impacted areas. Estimates of the total ultimate closure, reclamation and rehabilitation costs for gold mining operations are significant and based principally on life-of-mine profiles, changing inflation and discount rate assumptions, changing infrastructure and facilities design and current legal and regulatory requirements that may change materially. Environmental liabilities are accrued when they become known, 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.

AngloGold Ashanti's discounted environmental rehabilitation liability was \$851 million as at 31 December 2014 compared with \$728 million as at 31 December 2013. The changes were a consequence of a number of factors, most notably a decrease in the group discount rate used in the calculation of the obligation and changes in the timing of the future cash outflows relating to the obligation. The group discount rate decreased as a result of adjustments to both country, e.g., South Africa, and company credit ratings. Costs associated with rehabilitating land disturbed by mining processes and addressing environmental, health and community issues are estimated and financial provision made based upon current available information. Estimates may, however, be insufficient and further costs may be identified at any stage that may exceed the provisions that AngloGold Ashanti has made. Any underestimated or unidentified rehabilitation costs would reduce earnings and could materially and adversely affect the company's asset values, earnings and cash flows. Further, sudden changes in a life of mine plan or the accelerated closure of a mine may give rise to the recognition of liabilities that are not anticipated.

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

Greenhouse gases ( GHGs ) are emitted directly by AngloGold Ashanti's operations, as well as by external utilities from which AngloGold Ashanti purchases electricity. Currently, a number of international and national measures to address or limit GHG emissions, including the Bali Action Plan and the Durban Platform, are in various phases of discussion or implementation in the countries in which the company operates. In particular, the Durban Platform commits all parties to the conference to develop a global mitigation regime which could take effect in 2020, with the specific terms of that legally binding accord, including individual targets, to be finalised by 2015. These, or future, measures could require AngloGold Ashanti to reduce its direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes or have these costs or taxes passed on by electricity utilities which supply the company's operations. AngloGold Ashanti also could incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements. In February 2012, the South African Minister of Finance announced the intention to introduce a carbon tax in 2015, which was followed by the publication of a carbon tax policy paper in 2013. However, the Minister of Finance later announced that the carbon tax would not be introduced until 2016. Other countries, including Brazil and the United States, have passed or are considering GHG trading or tax schemes, and/or other regulation of GHG emissions, although the precise impact on AngloGold Ashanti's operations cannot yet be determined.

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

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

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

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

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

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

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

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

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

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

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***Concerns about the integrity or reliability of the London Gold Fix, even if eventually shown to be without merit, could adversely affect investor interest in gold and confidence in the gold market***

AngloGold Ashanti relies on a liquid market for gold in which trades are made relative to a benchmark known as the London Gold Fix (the Fix) set by a group of five fixing banks that match buy and sell orders. Following a series of allegations regarding the possible manipulation of the Fix by fixing banks, German and United Kingdom regulators are reviewing the fixing process. Separately, several lawsuits have been filed against fixing banks alleging that they have colluded to manipulate the gold benchmark price. Whilst AngloGold Ashanti has no role in the operation of the Fix and has no responsibility for the conduct of the market-makers in the gold market, if the integrity of the gold benchmark were to be undermined it could affect the gold market, resulting in reduced demand for the company's gold, greater volatility in gold prices and less liquidity in the gold market.

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

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

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

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

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

AngloGold Ashanti's Code of Business Principles and Ethics and Policy on Anti-Bribery and Anti-Corruption, amongst other policies, standards and guidance, and training thereon may not prevent instances of unethical or unlawful behaviour, including bribery or corruption, nor may guarantee compliance with legal and regulatory requirements, and breaches not detected by management.

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

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

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

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

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

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

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

*AngloGold Ashanti does not have any gold hedging instruments or long-term sales contracts, exposing the company to potential gains from subsequent commodity price increases but exposing it entirely to subsequent commodity price decreases.*

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

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

AngloGold Ashanti's employees in South Africa, Ghana, Guinea and Argentina which individually produced approximately 29%, 10%, 7% and 7% respectively, of the company's total revenue in 2014, are highly unionised and unions are active at some of its other operations. Trade unions, therefore, have a significant impact on the company's labour relations, 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 labour force is unionised or there is inter-union rivalry. Labour disruptions may be used to advocate labour, political or social goals in the future. For example, labour disruptions may occur in sympathy with retrenchments, strikes or labour unrest in other sectors of the economy and for political goals. Labour unrest in South Africa can also be fuelled by migrant labour conditions and mine worker debt levels. Furthermore, such labour disruptions may themselves affect or be perceived to affect local political and social stability. Acts of vandalism affecting mines and mine equipment are possible during periods of labour unrest.

For example, following a wave of labour unrest and unprotected strike action that took place throughout the South African mining, transport and agricultural sectors since early August 2012, workers from AngloGold Ashanti's Kopanang mine, three West Wits mines and the Vaal River region's other operations engaged in unprotected strikes in September 2012. More than 100,000 miners were involved in the strikes across the mining sector during the last four months of 2012. Workers at AngloGold Ashanti's mines in South Africa have also staged sit-ins which prompted the company to suspend operations at some of its mines. These work stoppages pose significant safety risks and operating challenges. The protracted period of inactivity caused by the strike, coupled by the depth of the affected mines, complicated the consequent ramping up of production following the termination of the strikes and resulted in a lengthened ramp-up period to ensure employee safety. The unprotected strike action at the South African operations had an adverse impact on the company's third quarter results and significantly adversely impacted its fourth quarter results. The company estimates that the unprotected strike action cost approximately 235,000 ounces in lost production due to the work stoppages and the slow ramp-up to full production. In late April 2013, a number of workers at Moab Khotsoeng and all workers at Mponeng failed to report for their shifts in a dispute over Saturday working arrangements but returned soon after. Subsequently around 600 workers were dismissed for disciplinary reasons after the strikes. The Labour Court is currently reviewing some of these dismissals. Furthermore, AngloGold Ashanti experienced a 48-hour strike at its Vaal River operations in September 2013.

In addition, the emergence of the Association of Mineworkers and Construction Union (AMCU), a relative newcomer with respect to AngloGold Ashanti's South African operations and the gold sector as a whole, impacted productivity in 2013, as employees changed union affiliations and rivalry with the established National Union of Mineworkers increased. This was evidenced during the first half of 2013 by sporadic, unprotected work interruptions at some operations and some incidents of violence and intimidation. A drive to increase AMCU membership at the company's Vaal River operations resulting in the AMCU achieving a majority, as exists at West Wits, could increase the risk of industrial action.

Lower production and payroll increases resulting from the labour disruptions have adversely impacted the financial performance of all South African operations, threatening viability in some cases, and similar disruptions in the future may have a material adverse effect on the company's results of operations and financial condition. For example, subsequent to the 2012 strikes, AngloGold Ashanti, along with its major gold-producing peers in South Africa, increased the entry-level pay of employees; established a new pay category for equipment operators; provided an allowance for rock-drill operators; and increased pay by 2% for most categories of workers. The net impact of the settlement on the payroll cost for AngloGold Ashanti is \$16 million per annum.

In South Africa, amendments to labour legislation have been proposed, which, if implemented, may have negative consequences for the company. For example, the proposed amendment with respect to labour brokers could mandate that labourers who are provided by labour brokers to perform certain services for the company could be viewed as AngloGold Ashanti's employees, which could increase its labour costs and reduce operational flexibility.

In South Africa, the restructuring of mining operations that result in layoffs or redundancies are currently a highly contentious matter. Whilst the Department of Minerals and Energy does not have any statutory right on the basis of existing labour legislation to intervene in any such restructuring process, it may intervene by placing external pressure on mining companies in respect of the renewal or cancellation of their mining rights.

On 10 February 2014 workers employed by a contractor at Sadiola and Yatela went on a five day strike demanding improved redundancy payments. On 25 March 2014, the company signed an agreement to increase social benefits for workers at these mines. Furthermore, between 18 July 2012 and 20 July 2012, fourteen employees went on strike at Sadiola. Following the strike, the company's joint venture in Mali has been involved in legal proceedings against the workers, which are ongoing.

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

Labour costs represent a substantial proportion of the company's total operating costs and at many operations, including its South African, Ghanaian and Tanzanian operations, constitute the company's single largest component of operating costs. Failing to obtain any simultaneous increase in productivity, any change to the company's wage agreements or other factors that could increase labour costs may have a material adverse effect on AngloGold Ashanti's results of operations and financial condition.

In South Africa, the established practice is to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. South African employment law sets out minimum terms and conditions of employment for employees, which form the benchmark for all employment contracts. In mid-July 2013, the Chamber of Mines of South Africa undertook wage negotiations on behalf of the gold sector. Wage negotiations were completed following the 48-hour strike at the company's Vaal River operations and a wage agreement was extended to all employees irrespective of union affiliation. At present, the mining unions and gold mining companies in South Africa are in the second year of the latest two-year wage agreement, with the latest increases of up to 8% as well as increases in living-out allowances awarded to the majority of the workforce in September 2013. At the start of 2014, AMCU embarked upon protracted strike action in the platinum sector and served strike notices at three gold companies to challenge the extension of the 2013 Wage Agreement for AMCU members to obtain substantially higher wages, though the strike was later ruled unprotected. The next round of wage negotiations in South Africa is expected to begin in early 2015.

During 2014, approximately 60% of the company's workforce, excluding contractors, was located in South Africa.

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

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

AngloGold Ashanti's right to own and exploit Mineral Reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. See Item 4B: Business Overview The Regulatory Environment Enabling AngloGold Ashanti to Mine. Currently, a significant portion of the company's 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 and exploitation of these rights.

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





concessions, licenses, permits, agreements and contracts. In May 2012, for example, the Argentine government nationalised the oil company Yacimientos Petrolíferos Fiscales ( YPF ) by expropriating 51% of the shares from the majority Spanish shareholder.

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

Project implementation delays could result in licences not being renewed and the loss of mining rights. Some of AngloGold Ashanti's mining concessions, authorisations, licences and permits are subject to expiry, limitations on renewal and various other risks and uncertainties. For example, the company experienced certification delays at Cripple Creek & Victor in the United States early in 2014, which increased costs and decreased annual production. In addition, any dispute with governments or other stakeholders, including labour unions, involving an AngloGold Ashanti operation, as a result of rationalisation efforts or otherwise, could negatively affect AngloGold Ashanti's relationship with such government or stakeholders in respect of other operations within the same country, which could result in adverse consequences, including unfavourable regulatory action, claims and labour disputes. Such adverse consequences could be exacerbated due to the holding company structure of AngloGold Ashanti's subsidiaries in some of the countries in which it operates.

In 2012, the DRC Mines Minister announced a reform of the DRC's mining code. According to recent available data, the proposed laws seek to, amongst other things, increase the government stake in mining operations to 15% from the existing 5%, substantially increase royalties on some minerals, reduce in a significant way the protections AngloGold Ashanti currently enjoys on its projects in the DRC, impose new conditions on the company's ability to retain and renew licences and introduce a 50% levy on certain profits. Should such laws be enacted in the future, these may have a material adverse impact on the company's results of operations in the DRC.

Moreover, AngloGold Ashanti's mining rights in South Africa may be suspended or cancelled by the Minister of Mineral Resources, and the company may be unable to obtain new mining rights if it breaches its obligations under the Mineral and Petroleum Resources Development Act ( MPRDA ). In particular, South Africa's changing Black Economic Empowerment ( BEE ) policies may adversely affect both the terms of AngloGold Ashanti's mining concessions, as well as its ability to conduct operations. Mining rights are linked to meeting various obligations that include the Revised Charter. Compliance with the Revised Charter is measured using a designated scorecard relating to equity ownership and management control of mining companies by historically disadvantaged South Africans ( HDSAs ) by no later than the end of 2014 and HDSAs must constitute 40% of all levels of management by 2014. In 2013, AngloGold Ashanti achieved all Mining Charter targets with the exception of senior management (33% versus the target of 40%) and in the procurement services area (57% versus the target of 60%).

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

The company will incur expenses in giving further effect to the Revised Charter and the scorecard. AngloGold Ashanti may not meet all of the various requirements by the required dates. Additionally, the South African government may decide that the Mining Charter has not gone far enough to achieve its underlying goals and therefore decide to expand the obligations of mining companies thereunder and the Minister of Mineral Resources may opt to disregard certain historical BEE transactions in connection with its review of new mining rights applications. In March 2015, the Minister of Mineral Resources announced that the Department of Mineral Resources and the Chamber of Mines of South Africa had jointly agreed to submit certain matters relating to the interpretation of the Revised Charter, including the qualification of certain historical BEE transactions for meeting the HDSA ownership thresholds, to the courts in South Africa for determination and clarification. Should AngloGold Ashanti breach its obligations in complying with the MPRDA, Revised Charter or any future amendments to the Mining Charter, its mining rights in South Africa could be suspended or cancelled by the Minister of Mineral Resources and it may be unable to obtain any new mining rights. Any such suspension or cancellation could have a material adverse effect on AngloGold Ashanti's results of operations and financial condition.

In addition, and as discussed in more detail in Item 4B: Business Overview The Regulatory Environment Enabling AngloGold Ashanti to Mine South Africa recently enacted the BBBEE Amendment Act, which amended the Broad-based Black Economic Empowerment Act 53 of 2003. There are several areas of potential conflict between the BBBEE Amendment Act and Revised Charter, and it is unclear whether the Amendment Act will overrule the Revised Charter in the future.

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

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

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

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

Moreover, amendments to the laws regulating mining in South Africa became effective on 7 June 2013. One of these amendments relates to the possible expropriation of mine dumps that were created before the coming into effect of the MPRDA on 1 May 2004. Although the legal position is not clear in this regard, it is possible that some pre-2004 mine dumps are now subject to the MPRDA and, as a result, the Minister of Mineral Resources may issue rights over such dumps to third parties.

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

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

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

AngloGold Ashanti is in the process of implementing initiatives relating to strategic alignment, portfolio review, restructuring and cost-cutting, temporary or permanent shutdowns, and divestments, including in connection with the consolidation of its business activities and assets. Any future contribution of these measures to profitability will be influenced by the actual savings achieved and by the company's ability to sustain these ongoing efforts. Strategic alignment, restructuring and cost-cutting initiatives may involve various risks, including, for example, labour unrest, operating licence withdrawal, and potential knock-on effects to other company projects and jurisdictions. The risk is elevated in South Africa, given calls for withdrawal of mining licences for mothballed shafts and hostile reaction to proposed mining industry retrenchments. The risk may also be elevated in Ghana, where the restructuring and repositioning of the Obuasi mine have resulted in a substantial reduction in the mine's existing operations and significant workforce redundancies and where, AngloGold Ashanti may fail to demonstrate or realise its business case for the mine's redevelopment. Finally, the risk may also be high in the DRC where the company has exited the Mongwalu project, see AngloGold Ashanti's mining rights in the countries in which it operates could be altered, suspended or cancelled for a variety of reasons, including breaches in its obligations in respect of its mining rights .

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

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

AngloGold Ashanti may also prove unable to deliver on production targets, including in potentially critical areas as well as on the timely, cost-effective and successful execution, including ramping-up, of key capital projects. For example, in South Africa, the company experienced declining production rates (1.21 million ounces of gold in 2012, compared with 1.62 million ounces of gold in 2011, and 1.78 million ounces in 2010), principally due to continued safety and associated stoppages, mining flexibility constraints and overall falls in grades. The significant decrease in 2012 was also mainly attributable to the industrial strike action at the company's South African mines, which resulted in the loss of production of 235,000 ounces of gold. Unforeseen difficulties, delays or costs may adversely affect the successful implementation of the company's business strategy and projects, and such strategy and projects may not result in the anticipated benefits, which could have a material adverse effect on its financial results and prospects.

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

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

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

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

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

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

Asset integrity and reliability issues relating to ageing infrastructure are of concern at many operations, but are of particular concern in South Africa and at the Obuasi mine in Ghana. Furthermore in Tanzania, cracks were discovered in the mill feed end in September 2008 and at the discharge end in February 2010 at the Geita gold mine. The Geita gold mine is one of the group's principal assets and sources of cash flow. After initial repairs, the feed end was replaced during May and June 2011. Production throughput in 2011 was 1 million tonnes less than planned, as a result of mill downtime that included feed end replacement; ore grade was, however, sufficient to achieve 494,000 ounces. The Geita gold mine produced approximately 531,000 ounces in 2012, with production throughput approximately 100,000 tonnes short of budget. A decision was subsequently taken to replace the entire mill as a result of shell distortion. After new mill manufacture delays, installation was completed during March 2013. Ageing infrastructure may have an adverse effect on the company's results of operations and financial condition in the future.

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

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

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

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

As at 31 December 2014, AngloGold Ashanti had gross borrowings of \$3.721 billion (2013: \$3.891 billion), excluding all finance leases and fair value adjustments on bonds.

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

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

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

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

Following the downgrade of South Africa's sovereign debt rating as a result of strikes, social tension and policy uncertainty in South Africa, AngloGold Ashanti was placed on credit watch negative by a rating agency on 17 October 2012. In July 2013, two ratings agencies lowered the company's long-term credit rating.

Any further downgrade by ratings agencies could further increase the cost of capital and reduce the investor base and negatively and materially affect AngloGold Ashanti's business, results of operations and financial condition.

***AngloGold Ashanti expects to have significant financing requirements.***

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

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

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

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

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

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

If any of these uncertainties occur, either alone or in combination, management could be required to recognise an impairment, which could have a material adverse effect on the company's results of operations and financial condition. For example, during 2013, AngloGold Ashanti reviewed the carrying value of its mining assets (including ore stockpiles), goodwill and intangibles and, based on revised forecast gold prices, the company booked a charge of \$3,245 million (2014: \$12 million) in relation to impairments, derecognition and revaluation of net realisable value of its mining assets (including ore stockpiles), goodwill and intangibles.

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

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



Whilst AngloGold Ashanti provides strategic management and operational advice to its joint venture partners in respect of these projects, the company cannot ensure that these projects are operated in compliance with the standards that AngloGold Ashanti applies in its other operations. If these joint ventures are not operated effectively or efficiently, including as a result of weaknesses in the policies, procedures and controls implemented by the joint venture partners, the company's investment in the relevant project could be adversely affected. In addition, negative publicity associated with operations that are ineffective or inefficiently operated, particularly relating to any resulting accidents or environmental incidents, could harm the company's reputation and therefore its prospects and potentially its financial condition. Furthermore, any failure of joint venture partners to meet their obligations to AngloGold Ashanti or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse impact on AngloGold Ashanti's results of operations and financial condition. In particular, the company and Randgold retain equal representation, with neither party holding a deciding vote, on the board of the two companies that have overall management control of the Morila project in Mali and the Kibali project in the DRC, respectively, and all major management decisions for each of these two projects, including approval of the budget, require board approval. If a dispute arises between the company and Randgold with respect to the Kibali or Morila project and the parties are unable to amicably resolve such dispute, it may be difficult for the parties to make strategic decisions relating to the project affected by such dispute, the day-to-day operations and the development of such project may be adversely affected and the company may have to participate in proceedings to resolve the dispute, which could adversely affect the company's results of operations and financial condition.

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

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

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

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

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

For example, on 9 September 2011, a new mining code for Guinea was enacted. The new mining code significantly increased the share of state ownership in the mining industry, extending a 15% share of future mining projects to the government, without financial compensation. The government also had the option to purchase up to an additional 20% of each project. However, the new mining code was suspended in October 2012 due to unfavourable reception. On 8 April 2013, the Guinean parliament voted to amend the 2011 Mining Code. The amendment was promulgated shortly after by Presidential Decree on 17 April 2013. The new legislation provides that existing mining conventions will be amended through addenda which will contain various provisions, including provisions relating to taxation, state equity participation in mining companies and other matters.

The government of Ghana amended its fiscal mining regime, increasing its corporate taxation to 35% and royalty rates of 5%. Furthermore, the government of Ghana has constituted a review committee to review and re-negotiate stability agreements with mining companies. AngloGold Ashanti is currently participating in negotiations with the Ghanaian review committee. The outcome of these negotiations may have a material adverse effect on the company's results of operations or financial condition.

AngloGold Ashanti and other major mining companies are in talks with the Tanzanian government regarding new mining legislation and its impact on existing mining agreements. Such talks follow an earlier declaration in July 2012 by the Tanzanian Minister of Energy and Minerals that the mining contracts were under review. The new mining legislation and the outcome of the review of the mining contracts may have a material adverse impact on the company's results of operations and financial condition. Recently, the Tanzanian Minister of Energy and Minerals increased the royalty rate levied on gold extracted in Tanzania by AngloGold Ashanti's operations by 1% and this has a direct impact on the revenues earned from the operations in Tanzania. Proposed Tanzanian regulations set out the requirement to sell shares to nationals by way of a public offering and listing on the Dar es Salaam Stock Exchange that may apply to companies that carry out large scale mining operations.

In 2012, the DRC Mines Minister announced a reform of the DRC's mining code. According to recent available data, the proposed laws seek to, amongst other things, increase the government stake in mining operations to 15% from the existing 5%, substantially increase royalties on some minerals, reduce in a significant way the protections AngloGold Ashanti currently enjoys on its projects in the DRC, impose new conditions on the company's ability to retain and renew licences and introduce a 50% levy on certain profits. Should such laws be enacted in the future, these may have a material adverse impact on the company's results of operations in the DRC.

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

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

In December 2012, though the ruling African National Congress rejected the concept of wholesale nationalisation, a resource rent tax on windfall profits has been discussed, and it is uncertain whether such a tax will become law. The MPRDA Amendment Bill of 2013, passed by the National Assembly of Parliament of the Republic of South Africa on 12 March 2014 (and referred back to the National Assembly by the President on 16 January 2015), could impact AngloGold Ashanti's business by empowering the Minister of Mineral Resources to set developmental pricing conditions for certain minerals for beneficiation purposes, impose export permits on designated minerals and give the State an open-ended free carried interest and State participation.

In June 2013, the Brazilian government announced increased royalties of up to 4% and changes to exploration rights.

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

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



In Guinea, Mali and Tanzania, AngloGold Ashanti is due refunds of input tax and fuel duties which have remained outstanding for periods longer than those provided for in the respective statutes. For example, AngloGold Ashanti calculates that overdue recoverable value added tax, fuel duties and appeal deposits of \$71 million are owed to AngloGold Ashanti and held by the Tanzanian government and it is not certain when AngloGold Ashanti will be refunded this amount, if at all.

The countries in which the company operates may also introduce strict exchange controls, impose restrictions to source materials and services locally, or impose other similar restrictions that hinder foreign companies' operations within such countries. For example, the Argentine government introduced stricter exchange controls and related protracted approval processes, which may limit the company's ability to repatriate dividends from its Argentine subsidiaries. In October 2011, the Argentina government decreed that mining, oil and energy companies must repatriate export earnings. Additionally, the purchase of U.S. dollars requires authorisation from the Argentine tax agency and the purpose for which the currency will be used must be stated. In May 2012, the Argentine Mining Secretariat issued new regulations requiring mining companies in Argentina to boost their domestic purchases of equipment and services. Mining companies are now required to resort exclusively to locally established suppliers for their export-related shipping and logistics operations. A separate norm requires companies to open an import substitution division which will be in charge of submitting procurement plans to the Mining Secretariat on a quarterly basis. Such requirements are hindering the company's operations within Argentina and these or similar requirements may continue to do so in the future and may have a material adverse effect on AngloGold Ashanti's results of operations and financial condition.

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

For example, in South Africa mining rights are linked to meeting various obligations that include the Revised Charter. Compliance with the Revised Charter is measured using a designated scorecard relating to equity ownership and management control of mining companies by historically disadvantaged South Africans (HDSAs) by no later than the end of 2014 and HDSAs must constitute 40% of all levels of management by 2014. In 2013, AngloGold Ashanti achieved all Mining Charter targets with the exception of senior management (33% versus the target of 40%) and in the procurement services area (57% versus the target of 60%).

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

The company will incur expenses in giving further effect to the Revised Charter and the scorecard. AngloGold Ashanti may not meet all of the various requirements by the required dates. Additionally, the South African government may decide that the Mining Charter has not gone far enough to achieve its underlying goals and therefore decide to expand the obligations of mining companies thereunder and the Minister of Mineral Resources may opt to disregard certain historical BEE transactions in connection with its review of new mining rights applications. In March 2015, the Minister of Mineral Resources announced that the Department of Mineral Resources and the Chamber of Mines of South Africa had jointly agreed to submit certain matters relating to the interpretation of the Revised Charter, including the qualification of certain historical BEE transactions for meeting the HDSA ownership thresholds, to the courts in South Africa for determination and clarification. Should AngloGold Ashanti breach its obligations in complying with the MPRDA, Revised Charter or any future amendments to the Mining Charter, its mining rights in South Africa could be suspended or cancelled by the Minister of Mineral Resources and it may be unable to obtain any new mining rights. Any such suspension or cancellation could have a material adverse effect on AngloGold Ashanti's results of operations and financial condition.

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

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

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



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

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

In 2012, and for the first time in approximately seven years, Anglo Gold Ashanti Colombia's (AGAC) assets and employees were the targets of direct attacks by hostile actors around the La Colosa project's area of influence. These and other such attacks could adversely affect the company's operations in Colombia.

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

In some instances, risk assessments categorise threats as serious enough to require resorting to public security forces, such as national police or military units on a near-permanent basis. In the event that continued operations in any of the company's countries of operations compromise the company's security or business principles, AngloGold Ashanti may withdraw from any such countries on a temporary or permanent basis. This could have a material adverse impact on AngloGold Ashanti's results of operations and financial condition.

Furthermore, the company continues to experience strained relationships with certain of its host communities. AngloGold Ashanti operates in several regions where poverty, unemployment and the lack of access to alternative livelihoods mean that the creation and distribution of economic benefit from mining operations is a significant area of focus for community and government. During 2013 there were a total of 21 community opposition incidents that were of minor or moderate consequence, mostly at the company's exploration projects, particularly at Mongbwalu and in Colombia. There were five protests during 2013 at Cerro Vanguardia, Obuasi, Siguiri and Iduapriem.

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

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

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

The activities of the illegal miners, which include theft and shrinkage, could cause damage to AngloGold Ashanti's properties, including pollution, underground fires, or personal injury or death, for which AngloGold Ashanti could potentially be held responsible. Illegal mining could result in the depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. The presence of illegal miners could lead to project delays and disputes regarding the development or

operation of commercial gold deposits. Furthermore, in 2012, the company recorded an increase in the number and severity of security incidents, due to a steady migration of people into the areas and an increase in the level of organisation and funding of criminal activity around some of the company's Continental African operations, likely encouraged by an escalating gold price at that time. The most significant security challenges have occurred in Tanzania and Ghana in areas where there is endemic poverty and high levels of unemployment. Illegal mining and theft could also result in lost gold reserves, mine stoppages, and have a material adverse effect on AngloGold Ashanti's results of operations or financial condition.

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

AngloGold Ashanti uses contractors at certain of its operations to mine and deliver ore to processing plants as well as for other purposes. At mines employing mining contractors, contracting costs represent a significant proportion of the total operating costs of these operations and the company does not own all of the mining equipment. For example, increased contractor rates at the Sadiola mine in Mali contributed to a significant rise in total cash costs in the final quarter of 2011. Increased contractor costs at Sunrise Dam in Australia and Geita in Tanzania contributed to higher production costs in the first quarter of 2012. Furthermore disagreements over costs with contractors at Siguiri in Guinea and Iduapriem in Ghana resulted in a dispute in 2015.

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

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

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

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

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

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

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



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

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

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

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

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

AngloGold Ashanti is currently subject to class action litigation with respect to alleged occupational lung diseases (see *AngloGold Ashanti is subject to the risk of litigation, the causes and costs of which are not always known* ). AngloGold Ashanti is working with the industry to engage with government (and other stakeholders) to seek an appropriate industry-wide solution. An industry-wide solution may not be reached or the terms thereof may have a material adverse effect on AngloGold Ashanti's financial condition. See Item 8A: Legal Proceedings and Item 18: Note 36 Contractual Commitments and Contingencies .

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

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

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

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

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

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



Some of the mining operations adjacent to AngloGold Ashanti's operations in South Africa have been closed. For example, in May 2013, Village Main Reef (VMR) announced its intention to wind down its Buffels (Hartebeesfontein and Buffelsfontein) operations adjacent to AngloGold Ashanti's Vaal River operations, effectively transitioning their operations to closure. VMR has ceased pumping of underground water at its Buffelsfontein and Hartebeesfontein operations but AngloGold Ashanti is preparing and implementing plans to manage the underground water when it reaches the company's operations in several months' time. The company has not released VMR from any environmental obligations as relates to such water infiltration, however, and it intends to enforce any rights that it has against VMR and Buffelsfontein, including under the directive issued by the Department of Water Affairs in 2005. In the West Wits district, Blyvooruitzicht Gold Mining Company was placed in provisional liquidation in August 2013. AngloGold Ashanti has secured a court order for access rights to Blyvoor 4 and 6 shafts to keep pumping going. AngloGold Ashanti has also incorporated Covalent Water Company, which has purchased rights of access, electricity etc. to the 4 and 6 shafts as well as the relevant infrastructure to continue pumping underground water. This has reduced the risk of flooding at the company's West Wits Operations, but the company can provide no assurance that the risk of flooding will not materialise, which could have an adverse impact on its results of operations and financial condition.

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

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

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

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

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

AngloGold Ashanti maintains insurance to protect 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, damage and third-party claims arising from catastrophic events may exceed the limit of liability on insurance policies the company has in place. Furthermore, AngloGold Ashanti's insurance does not cover all potential risks associated with its business and may exclude certain parts of its business. AngloGold Ashanti may elect not to insure certain risks due to the high premiums or for various other reasons, including an assessment that the risks are remote.

The company may not be able to obtain insurance coverage at acceptable premiums. The company believes negotiations with insurance providers have become more difficult for a number of reasons, including prevailing macroeconomic conditions and the risk profile of the mining industry. Insurance for certain risks in particular, such as loss of title to mineral property, political risks in certain jurisdictions, environmental pollution, or other hazards resulting from exploration and production, is not generally available to mining companies on acceptable terms. The availability and cost of insurance coverage can vary considerably from year to year as a result of events beyond the company's control or from claims, and this can result in higher premiums and periodically being unable to maintain the levels or types of insurance the company typically carries.

The failure to obtain adequate insurance could impair the company's ability to continue to operate in the normal course or could result in the occurrence of events for which AngloGold Ashanti is not insured, either of which could adversely impact its cash flows, results of operations and financial condition.



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

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

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

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

AngloGold Ashanti has received notice of two applications for class certification relating to silicosis in which the company is a respondent. It has also received a significant number of notices of individual claims. For further information, please refer to Item 8A: Legal Proceedings – South Africa – Silicosis litigation . It is possible that additional class actions and/or individual claims relating to silicosis and/or other OLD will be filed against AngloGold Ashanti in the future. AngloGold Ashanti will defend all and any subsequent claims as filed on their merits. AngloGold Ashanti cannot predict whether or when more individual claims will be filed in the future or whether the classes described above or other classes will be certified. Should any such claims result in an adverse outcome for AngloGold Ashanti, or if AngloGold Ashanti is unsuccessful in otherwise favourably resolving perceived deficiencies in the national occupational disease compensation framework that were identified in an earlier decision by the Constitutional Court of South Africa, such matters would have an adverse effect on its financial position, which could be material.

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

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

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

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

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

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

The bulk of AngloGold Ashanti's shares are held by a relatively small number of investors. According to information available to the company, AngloGold Ashanti's four largest shareholders beneficially owned 29.30% and the top 10 largest beneficially owned 48.35% of AngloGold Ashanti's ordinary shares as at 31 December 2014.

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



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

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

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

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

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

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

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

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

## **ITEM 4: INFORMATION ON THE COMPANY**

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

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

#### **CURRENT PROFILE**

AngloGold Ashanti Limited is headquartered in Johannesburg, South Africa. The company (Registration number 1944/017354/06) was incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and operates under the South African Companies Act.

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

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

#### **HISTORY AND SIGNIFICANT DEVELOPMENTS**

Below are highlights of key corporate activities from 1998:

##### **1998**

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

##### **1998-2004**

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

##### **2004**

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

##### **2007**

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.

##### **2009**

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

##### **2010**

AngloGold Ashanti eliminated its hedge book, thereby gaining full exposure to spot gold prices.

##### **2012**

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

##### **2013**

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

### **CAPITAL EXPENDITURE**

For information concerning the company's principal capital expenditures and divestitures currently in progress, including the distribution of these investments geographically and the method of financing, refer Item 4B: Business Overview AngloGold Ashanti Global Operations: 2014 , Item 5A: Operating Results Capital expenditure and Item 5B: Liquidity and Capital Resources .

#### **4B. BUSINESS OVERVIEW**

AngloGold Ashanti is a global gold mining company with a geographically diverse portfolio of mining operations and projects with more than 97% of the company's revenue derived from the sale of gold produced at its operations located around the world. The company works across the full spectrum of the mining value chain.

#### **PRODUCTS**

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

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

#### **OPERATIONS**

AngloGold Ashanti's 20 operations are located in 10 countries.

Following a strategic review of AngloGold Ashanti's asset portfolio at the start of 2013, particularly as it pertains to development and exploration projects, the company embarked on significant restructuring in response to current challenges in the gold sector, including increasing costs of production and fall in gold prices. The gold price continued to decline in 2014. The focus on the quality of the portfolio and conservative planning was sustained.

The business segments comprise South Africa, Continental Africa, Americas and Australasia. South Africa comprises operations and assets in South Africa namely West Wits, Vaal River and surface operations, which includes First Uranium SA which owns Mine Waste Solutions (MWS). The company's operating assets outside of South Africa are Continental Africa with operations in the DRC, Ghana, Guinea, Mali and Tanzania. Australasia which comprises two operations in Australia. Americas with operations in Argentina, Brazil and the United States. The support functions from corporate consist of strategy, finance, human resources, legal, sustainability, stakeholder relations and planning and technical. Planning and Technical focuses on the management of opportunities and the maintenance of long-term optionality in the business through a range of activities which includes brownfields and greenfields exploration, innovative research, the development and technical assurance of technology and a continuing focus on mining excellence.

On 30 June 2014 the sale of Navachab gold mine in Namibia was completed.

#### **EXPLORATION**

Exploration is aimed at protecting future sustainability and creating value for the company.

Greenfields and brownfields exploration takes place in both established and new gold-producing regions through managed and non-managed joint ventures, strategic alliances and wholly-owned ground holdings. AngloGold Ashanti's discoveries include La Colosa and Gramalote in Colombia and Tropicana in Australia.

#### **GOLD MARKET**

AngloGold Ashanti's gold is refined at various precious metal refineries. In refined and marketable form, gold normally takes the shape of bars, varying in size from 12.5 kilogram to smaller bars weighing 1 kilogram or less, all of which contain 99.5 percent gold. Through the refineries the gold is sold directly to bullion banks. Bullion banks are registered commercial banks which 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.

The Federal Reserve's monetary policy and the end of quantitative easing continued to depress the gold price in 2014. The prospect of higher interest rates reduced the need for safe-haven investments. Demand for physical bars and coins had declined in 2013, in part as investors digested their heavy buying in 2012 and early 2013. Investors began a sell off of their gold holdings in the second half of 2013 and this continued into 2014. In particular, liquidations from exchange traded funds (ETFs) resulted in ETF gold holdings declining by almost 160t, significantly less than the 903t of liquidation in 2013. ETFs have now lost a third of their holdings since their peak at the end of 2012, when they held 89Moz (2,778t). Slowing growth in China, prospects for monetary stimulus in Europe and seemingly no end to Japanese deflation helped to boost the attractiveness of the US dollar which in turn weighed on gold.



In contrast, central banks remained steady net buyers of gold, a trend that has lasted several years, with net purchases of 14Moz in 2014 (2013: 13Moz). Russia's central bank started to accumulate domestically produced metal as Ukraine-related sanctions hindered normal gold exports.

Jewellery demand was largely sustained during 2014 at the 7Moz level. Indian demand in the latter half of the year took up most of the slack occasioned by slower Chinese demand. This followed the lifting of import restrictions by the Indian government. The Chinese jewellery market has been consolidating after the exceptional growth of 2013 and as warehouse stocks of bullion continued to be drawn down. Apart from in the United States and UK, where economies have been recovering and lifting jewellery demand, demand in much of the rest of the world has tended to be weaker.

## RAW MATERIALS

AngloGold Ashanti uses chemicals including cyanide and lime in the production of gold. These chemicals are available from a large number of suppliers.

## COMPETITION

As gold mining is a mature and regulated industry, and very significant volumes of gold and gold derivatives trade in the world markets independent of gold mine supply, AngloGold Ashanti does not consider that competition for sales plays any role in its operations as a gold producer. However, gold producers do compete against each other for acquisition of mining assets, exploration opportunities and human resources. For more information on a geographical analysis of gold income by destination, refer Item 18: Note 2 Segmental Information .

## INTELLECTUAL PROPERTY

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

## SEASONALITY

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

## STRATEGY

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

### *Strategic focus areas*

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

**Focus on people, safety and sustainability.** People are the foundation of our business. Our business must operate according to our values if it is to remain sustainable in the long term.

**Promote financial flexibility.** We must protect our balance sheet's ability to meet our core funding needs.

**Optimise overhead costs and capital expenditure.** All spending decisions must be checked and double checked to ensure they are necessary to fulfil our core business objective.

**Improve portfolio quality.** We have a portfolio of assets that must be actively managed as we strive for a competitive valuation as a business.

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

### *Managing performance*

The five strategic focus areas are reflected in the role descriptions of each executive and senior manager in the group.





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## 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.

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

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

For more information on the risks and uncertainties associated with AngloGold Ashanti's mining rights, see Item 3D.: Risk factors, in particular the risk factors entitled AngloGold Ashanti's mining rights in the countries in which it operates could be altered, suspended or cancelled for a variety of reasons, including breaches in its obligations in respect of its mining rights, Failure to comply with laws, regulations, standards, contractual obligations whether following a breach or breaches in governance processes or fraud, bribery and corruption may lead to regulatory penalties, loss of licences or permits, and loss of reputation, Title to AngloGold Ashanti's properties may be uncertain and subject to challenge,

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

### South Africa

#### *The MPRDA and the Revised Mining Charter*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The objectives of the Mining Charter are to:

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

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

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

Under the Charter, the mining industry as a whole agreed to assist HDSA companies in securing finance to fund participation in an amount of Rand 100 billion (\$10.9 billion) over the first five years. Beyond the Rand 100 billion commitment, HDSA participation will be increased on a willing seller, willing buyer basis, at fair market value, where the mining companies are not at risk.

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

- facilitate local beneficiation of mineral commodities;
- procure a minimum of 40 percent of capital goods, 70 percent of services and 50 percent of consumer goods from HDSA suppliers (i.e., suppliers in which a minimum of 25 percent + 1 vote of share capital is owned by HDSAs) by 2014, these targets being, however, exclusive of non-discretionary procurement expenditure;
- ensure that multinational suppliers of capital goods put a minimum of 0.5 percent of their annual income generated from South African mining companies into a social development fund beginning in 2010, to contribute to the socioeconomic development of South African communities;
- achieve a minimum of 40 percent HDSA demographic representation by 2014 at executive management (board) level, senior management (EXCO) as well as in those positions requiring core and critical skills, middle management level and junior management level;
- invest up to 5 percent of annual payroll in essential skills development activities; and
- implement measures to improve the standards of housing and living conditions for mineworkers by converting or upgrading mineworkers hostels into family units, attaining an occupancy rate of one person per room and facilitating home ownership options for all mineworkers in consultation with organised labour, all of which must be achieved by 30 April 2014.

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

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

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

The new Scorecard attached to the Revised Mining Charter makes provision for a phased-in approach for compliance with the above targets over the 5-year period ending on 30 April 2014. For measurement purposes, the Scorecard allocates various weightings to the different elements of the Revised Mining Charter. Failure to comply with the provisions of the Revised Mining Charter will amount to a breach of the MPRDA, may result in the cancellation or suspension of a mining company's existing mining rights and may prevent AngloGold Ashanti's South African operations from obtaining any new mining rights. AngloGold Ashanti has not yet received its Scorecard from the government assessing its compliance with the requirements of the Charter. Further, in March 2015, the Minister of Mineral Resources announced that the Department of Mineral Resources and the Chamber of Mines of South Africa had jointly agreed to submit certain matters relating to the interpretation of the Revised Charter, including the qualification of certain historical BEE transactions for meeting the HDSA ownership thresholds, to the courts in South Africa for determination and clarification.

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

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

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

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



AngloGold Ashanti holds two prospecting rights. In addition, a third prospecting right has been granted but has not been executed.

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

AngloGold Ashanti holds a refining licence and an import and export permit from the South African Diamond and Precious Metals Regulator. The import and export permit is currently in the process of being renewed.

#### ***The BBBEE Amendment Act***

The President of South Africa assented to the BBBEE Amendment Act on 27 January 2014. The BBBEE Amendment Act came into effect on 24 October 2014 with the object of amending the Broad-based Black Economic Empowerment Act 53 of 2003 (BBBEE Act) to provide a framework of principles, strategies and guidelines aimed at promoting the broad-based socio-economic empowerment of HDSAs across the South African economy and society in the form of ownership, management, employment equity, skills development, preferential procurement, enterprise development and socio-economic development. The BBBEE Amendment Act includes a number of changes to the current framework under the BBBEE Act, including:

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

Before the BBBEE Amendment Act came into effect, the BBBEE Act provided that in the event of a conflict between the BBBEE Act and any other law in force immediately prior to the commencement of the BBBEE Act, the BBBEE Act would prevail if the conflict specifically relates to a matter addressed in the BBBEE Act. As enacted, the BBBEE Amendment Act inserted a new provision in the BBBEE Act, whereby the BBBEE Act trumps the provisions of any other law in South Africa with which it conflicts, provided such conflicting law was in force immediately prior to the effective date of the BBBEE Amendment Act. The BBBEE Amendment Act also stipulates that this provision would only be effective one year after the BBBEE Amendment Act is brought into effect, i.e. 24 October 2015. It is unclear whether, on that basis, the BBBEE Act and the BEE Codes may overrule the Mining Charter in the future.

Additionally, the revised Broad-Based Black Economic Empowerment Codes of Good Practice, or the Revised BEE Codes became available for voluntary use on 11 October, 2013 and will become effective on 30 April 2015. Entities may however elect to be measured under the Revised BEE Codes immediately. Both the BBBEE Amendment Act and the Revised BEE Codes expressly stipulate that where an economic sector in South Africa has a Sector Code in place for BEE purposes, companies in that sector must comply with the Sector Code. For purposes of the BBBEE Act, the Mining Charter is not a Sector Code. It is not, at this stage, clear what the interplay between the Mining Charter and the Code is. The government may designate the Mining Charter as a Sector Code in which case it will be under the auspices of the BBBEE Act. On the other hand, the Mining Charter may remain as a stand-alone document under the auspices of the MPRDA and may be subject to the trumping provision discussed above. This uncertainty might be resolved either by government clarification in this regard or by the matter receiving judicial attention.

#### ***The Royalty Act***

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

The royalty in respect of refined minerals (which include gold and platinum) is calculated by dividing earnings before interest and taxes, or EBIT, as calculated under IFRS, by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5 percent. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5 percent of revenue has been introduced for refined minerals.

The royalty in respect of unrefined minerals (which include uranium) is calculated by dividing EBIT by the product of nine times gross revenue calculated as a percentage, plus an additional 0.5 percent. A maximum royalty of 7 percent of revenue was introduced for unrefined minerals. Where unrefined Mineral Resources (such as uranium) constitute less than 10 percent in value of the total composite Mineral Resources, the royalty rate in respect of refined Mineral Resources may be used for all gross sales and a separate calculation of EBIT for each class of Mineral Resources is not required. For AngloGold Ashanti, this means that currently the company will pay a royalty based on refined Mineral Resources (as the unrefined Mineral Resources (such as uranium) for AngloGold Ashanti for 2013 constituted less than 10 percent in value of the total composite Mineral Resources). The rate of royalty tax payable for 2014 was 1.28 percent of revenue of the company's South African operations.

The President has appointed a committee to review the current mining tax regime. The committee, which is undergoing a review not just of the mining tax regime but the entire South African tax regime, is currently sitting and has not yet made reports to the Minister of Finance.

## **CONTINENTAL AFRICA**

### **Democratic Republic of the Congo**

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

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

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

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

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

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

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

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



The Convention reduces the withholding tax on dividends paid by companies resident in the DRC to companies resident in South Africa from 20 percent to 5 percent and on interest paid by companies resident in the DRC to companies resident in South Africa from 20 percent to 10 percent. A South African company must own at least 25 percent of a relevant DRC entity's outstanding shares in order to take advantage of the reduced rates.

In 2012, the DRC Mines Minister announced a reform of the DRC's mining code. Following such announcement, a number of proposed draft bills were circulated and a number of official meetings held amongst key players. According to recent available data, the proposed laws seek to, amongst other things, increase the government stake in mining operations to 15 percent from the existing 5 percent, substantially increase royalties on some minerals, reduce in a significant way the protections AngloGold Ashanti currently enjoys on its projects in the DRC, impose new conditions on the company's ability to retain and renew licences and introduce a 50 percent levy on certain profits. Should such laws be enacted in the future, these may have a material adverse impact on the company's results of operations in the DRC.

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

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

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

## **Ghana**

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

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

### ***Control of mining companies***

The Ghana 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 the Minister believes the public interest would be prejudiced by the person concerned becoming or remaining such a controller.

### ***Stability agreement***

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

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

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

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



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

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

The government of Ghana has constituted a review committee to review and renegotiate stability agreements with the mining companies. Within the committee's powers of review are the redrafting of such stability agreements, the determination of whether stability agreements comply with the mining laws of Ghana and the Ghanaian legal regime for mining (fiscal requirements, foreign exchange regulations and the provisions of the tax laws), and the preparation of guidelines to govern the granting of stability agreements in the mining industry. We are currently participating in negotiations with the Ghanaian review committee.

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

An increase in the income tax rate applicable to mining businesses from 25 percent to 35 percent. AngloGold Ashanti is currently protected until 2019 from any increase of its income tax rate to greater than the rate provided for under the Ghana Stability Agreement.

Introduction of a new capital allowance regime for class 3 assets (which include mineral and petroleum exploration and production rights, buildings, structures and works of a permanent nature used in mineral and petroleum exploration and production and plant and machinery used in mining and petroleum operations) that provides for a 20 percent straight line rate for a period of five years. Pursuant to the Ghana Stability Agreement, this change will not affect AngloGold Ashanti until 2019.

Elimination of the 5 percent allowance on prior year additions. Prior to the 2012 amendment, the tax code granted an additional 5 percent of the value of assets acquired and qualified to be classified as class 3 assets for the purpose of granting capital allowances. Capital allowance is now 20 percent each year on the total value of the assets. Pursuant to the Ghana Stability Agreement, this change will not affect AngloGold Ashanti until 2019.

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

While the Stability Agreement protects AngloGold Ashanti from any new enactments that would impose obligations upon AngloGold Ashanti or any of its Ghanaian subsidiaries, the Government of Ghana has constituted a team to renegotiate stability agreements with mining companies. A government committee has invited AngloGold Ashanti for discussions and requested certain information. The government may intend to review the Ghana Stability Agreement.

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

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

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

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

- (i) any amendment to or removal of the relevant provisions of the AngloGold Ashanti (Ghana) Limited Regulations setting out the rights and restrictions attaching to the Golden Share;
  - (ii) the voluntary winding-up or voluntary liquidation of AngloGold Ashanti (Ghana) Limited;
  - (iii) the redemption of or purchase by AngloGold Ashanti of the Golden Share;
  - (iv) the disposal of any mining lease held by AngloGold Ashanti (Ghana) Limited or any subsidiary of AngloGold Ashanti (Ghana) Limited;
- and

- (v) any disposal by AngloGold Ashanti (Ghana) Limited (other than any disposal in the ordinary course of business of AngloGold Ashanti) which, alone or when aggregated with any disposal or disposals forming part of, or connected with, the same or a connected transaction, constitutes a disposal of the whole or a material part of the assets of the AngloGold Ashanti group taken as a whole. For this purpose, a part of the AngloGold Ashanti group's assets will be considered material if either (a) its book value (calculated by reference to the then latest audited consolidated accounts), or the total consideration to be received on its disposal, is not less than 25 percent of the book value of the net assets of the AngloGold Ashanti group or (b) the average profits attributable to it represent at least 25 percent of the average profits of the AngloGold Ashanti group for the last three years for which audited accounts are available (before deducting all charges, except taxation and extraordinary items).

Upon a return of assets in a winding-up or liquidation of AngloGold Ashanti (Ghana) Limited, the holder of the Golden Share is entitled to the sum of 0.10 cedis (approximately 5 US cents) in priority to any payment to other members, but the Golden Share confers no further right to participate in the profits or assets of AngloGold Ashanti. The Golden Share carries no right to any dividend or any right to participate in any offer of securities to existing shareholders or in any capitalisation issue.

The holder of the Golden Share may require AngloGold Ashanti (Ghana) Limited to redeem the Golden Share at any time in consideration of the payment to such holder of 0.10 cedis (approximately 5 US cents).

#### **VAT**

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

#### ***Retention of foreign earnings***

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

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

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

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

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

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

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

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

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

#### ***Localisation policy***

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

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

#### ***Ground rent***

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

### ***Minerals and Mining (Amendment) Act 2014***

A draft Minerals and Mining (Amendment) Bill is currently being considered by Parliament. It proposes to replace the existing royalty provisions introduced by the Minerals and Mining Amendment Act, 2010 (Act 794) in terms of which the rate of royalties is fixed by an Act of Parliament to a situation where the Minister would prescribe the rate payable and the manner of payment through passing a Legislative Instrument or other subsidiary legislation. The existing royalty rate of 5% would however remain the same until such time as the rate is altered in the manner prescribed.

### ***Minerals Development Fund Bill, 2014***

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

### ***Mining & Environmental Guidelines***

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

### ***2015 Budget Statement***

In the November 2014 Budget Statement the following taxes were proposed:

- Imposition of Special Petroleum Tax of 17.5 percent as part of a rationalization of VAT regime and change in the petroleum pricing structure this policy comes with a mitigation account to manage extremely low and high prices that result in sporadic price increases or decreases under the automatic adjustment formula;
- Reversal of the excise tax on petroleum from ad valorem to specific;
- Extension of the National Fiscal Stabilisation Levy of 5 percent and special import levy of 1-2 percent to 2017; and
- Increase the withholding tax on Directors remuneration from 10 percent to 20 percent;

### ***Mining properties***

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

### ***Obuasi***

The current mining lease for the Obuasi area was granted by the Government of Ghana on 5 March 1994. It grants mining rights to land with an area of approximately 334 square kilometres in the Amansie East and Adansi West districts of the Ashanti region for a term of 30 years from the date of the agreement. In addition, a mining lease over an adjacent 140 square kilometres was also granted, resulting in the total area under the mining lease increasing to 474 square kilometres.

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

On 20 January 2014, AGAG submitted an application to the Minerals Commission to surrender approximately 289.34 square kilometres of the area to the Government of Ghana. Upon issuance by the Government of the certificate of surrender, the lease areas will be reduced to 185.66 square kilometres. The remaining parcel of land that will be subject to the mining lease is situated within various villages and townships in the region, but excludes the municipality of Obuasi.

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## Iduapriem

Iduapriem has title to a 33 square kilometre mining lease granted on 19 April 1989 for a period of 30 years. In January 2009 Iduapriem obtained a new mining lease, the Ajopa Concession, for a period of 10 years. The concession covers an area of 48.34 square kilometres. In December 2011 the Minister of Lands and Natural Resources gave his consent for Teberebie's title to a 25.83 square kilometre mining lease, granted in June 1992 for a period of 30 years, to be assigned to Iduapriem. While ownership of the lease has passed to Iduapriem, the registration of the transfer of the lease is still in process.

## Guinea

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

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

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

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

Key elements of the Convention de Base are that:

- The Republic of Guinea holds a 15 percent free-carried or non-contributory interest; is entitled to a royalty of 3 percent based on a spot gold price of less than \$475 per ounce; and is owed 5 percent of the value of gold exported, based on a spot gold price above \$475 per ounce, as fixed on the London Gold Bullion Market;

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

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

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

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

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

## New Mining Code

Pursuant to the New Mining Code, existing mining titles in effect on the date on which the New Mining Code came into force remain valid for their duration and for the substances for which they have been issued. The New Mining Code does not allow mining conventions to derogate from its provisions but for holders of validly signed and ratified conventions, the application of the Mining Code will take place by way of amendments to the relevant mining convention (in the case of SAG, the Convention de Base), which amendments are set out in an Addendum to be negotiated between the mining convention holder and the State (the Addendum). The Addendum is required to be approved by the Council of Ministers, signed by the Minister of Mines, transmitted to the Supreme Court for its opinion and then to the National Assembly for ratification. Mining companies must cooperate in view of the conclusion of the Addendum within a 24-month delay following the publication of the New Mining Code. The 24-month delay period is expected to end on or shortly before June 2015. To that effect, the Government has established a Technical Committee, supported by a Strategic Committee, to conduct the renegotiations of all the mining contracts including the Convention de Base. Until ratification of the Addendum, the terms of the current Convention de Base apply.

The type of amendments expected to be contained in the Addendum, are categorised below by the method and timing of implementation:

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

Once signed and ratified, the provisions of the Convention de Base, as amended by the Addendum, will govern mining activities on the Siguiri concession. While the exact content of the Addendum will depend on the outcome of the negotiations with the Technical Committee, it can be anticipated that the Addendum will contain the Mandatory Provisions and will also provide a time table for the implementation of the Progressive Provisions.

With respect to the Mandatory Provisions, the New Mining Code provides that mining companies must adhere to the principles of the Extractive Industries Transparency Initiative (EITI). The EITI sets a global standard for oil, gas and mining companies to disclose payments to governments and for governments to disclose what they receive. The Mandatory Provisions also provide for the requirement to obtain ministerial consent in respect to any transfer of a mining right as well as any form of direct or indirect transfer of interest in a mining title of 5 percent or greater. In addition, the Mandatory Provisions also provide for a transfer tax regime entailing the payment of a 10percent registration fee, in addition to capital gain tax on the assignment of titles, on the transfer of shares in the company holding the mining titles and on an acquisition of participation leading to an indirect change of control of the title holder.

The Progressive Provisions require, amongst others, the implementation of a training and development plan contemplating a transfer of technology as well as preference for Guinea companies. The Progressive Provisions also establish fixed minimum quotas of Guinean personnel. These quotas depend on the stage of the project and the level of hierarchy. The Progressive Provisions further require that certain positions (General Manager, Deputy General Manager) be filled by Guinean citizens by certain deadlines. The Progressive Provisions provide for minimum quotas of contracts with SMEs, SMIs and businesses belonging to or controlled by Guineans to be complied with by title holders and their sub-contractors.

In addition, certain provisions introduced by the New Mining Code that were not otherwise covered by the previous mining legislation or are not covered by the Convention de Base are likely to apply to SAG, including a limitation on tax stability. The current tax regime applicable to SAG is only guaranteed until November 2018.

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

## **Mali**

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

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



### ***Applicable mining regime***

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

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

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

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

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

All mining titles mentioned above require an establishment convention (convention d 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 general provisions regarding exploration (work programme, fiscal and customs framework) and exploitation (formation of a local limited liability mining company, State interest, fiscal and customs framework governing construction and exploitation phases, exchange controls, marketing of the product, accounting regime, training programmes for local labour, protection of the environment, reclamation, safety, hygiene and dispute settlement).

AngloGold Ashanti has complied with all applicable requirements and the relevant permits have been issued. Morila, Sadiola and Yatela have 30-year permits which expire in 2024, 2020 and 2024 respectively.

## **Tanzania**

### ***Mineral rights***

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

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



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

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

Licences for Exploration:

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

Licences for Mining:

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

Licences for Ancillary Activities:

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

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

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

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

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

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

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

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

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

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

AngloGold Ashanti has concluded a development agreement with the Ministry and was issued a mining licence for a period of 25 years, which expires in 2023.

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

An increase in the royalty rate from 3% to 4% with effect from 1 May 2012;

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

With effect from 1 July 2014, GGML is liable to pay the Geita District Council Levy at a rate of 0.3% on turnover (no longer capped at US\$200,000 / year).

The Finance Act 2012 which was passed on 11 October 2012 introduced some important changes to the fiscal regime with effect from 1 July 2012 that impact upon AngloGold Ashanti, in particular:

Introduction of a 30 percent capital gains tax on the sale of shares by an off-shore parent company. Changes were also made to the procedure for payment of capital gains tax by the seller of shares. Tax at the rate of 30 percent is payable by way of an initial instalment of 20 percent on the transfer, based on the notional gain that the seller would make where after a further instalment of the remaining 10 percent is due.

Prior to 2012 budgetary changes under the VAT Act 1997, mining companies were entitled to 100 percent VAT relief. This implied that no VAT was applicable on purchases made by mining companies. Following amendments to the VAT Act through the Finance Act 2012, the provision providing VAT relief to mining companies was repealed. As a result mining companies are no longer eligible for VAT relief.

#### ***Local Government Levies***

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

#### ***Potential regulatory changes***

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

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

#### ***The listing requirement***

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

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

#### The listing rules

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

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

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

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

#### Failure to list

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

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

### **AUSTRALASIA**

#### **Australia**

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

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

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

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

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



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

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

AngloGold Ashanti has been granted 21-year term mining leases with rights of renewal to all of its mining areas in Australia, including its proportionate share of joint venture operations and accordingly it has, together with its joint venture partners where applicable, the exclusive right to mine in those areas. Both the group and its joint venture partners are fully authorised to conduct operations in accordance with relevant laws and regulations. The mining leases and rights of renewal cover the current life-of-mine at AngloGold Ashanti's operations in Australia.

## **AMERICAS**

### **Argentina**

#### ***Land ownership & mining rights***

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

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

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

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

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

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

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

#### *Recent and potential regulatory changes*

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

On 26 October 2011, Decree 1722/2011 (Repatriation Decree) was issued, which imposes on oil, gas and mining companies operating in Argentina the obligation to repatriate all the proceeds of their exports from Argentina and to exchange such proceeds for Argentinean legal currency in the domestic banking system. All exporters, other than oil, gas and mining companies, have been operating under such regime since late 2001. Mining companies, on the other hand, were entitled to two exceptions: (i) a decree of 2003 applicable to mining companies with tax, customs and foreign exchange stability certificates obtained prior to the date on which such a decree was enacted (which is the case of Cerro Vanguardia S.A.); and (ii) a decree of 2004 applicable to mining companies with tax, customs and foreign exchange stability certificates obtained after the date on which such decree was enacted. Both exceptions have not been formally superseded by the Repatriation Decree, but appear to conflict with it, and such conflict may result, in some cases, in a violation of mining companies' rights under the Mining Investment Law.

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

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



In Argentina, the current regulatory regime of royalty payments is expected to change and several different options and payment thresholds have been discussed. The Santa Cruz Province has changed the mining royalty from 1 percent to 3 percent.

## **Brazil**

### *Land ownership and mining rights*

#### *General legal aspects*

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

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

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

Mining activities in granted mines must be performed in two defined stages: (i) exploration, which entails defining and evaluating the deposit and determining the feasibility of exploitation, and (ii) exploitation, which involves coordinating operations aimed at the industrial exploitation of the mineral deposit, from the extraction of useful minerals to their processing. Exploration authorisations issued by DNPM are valid for one to three years. Extensions can be obtained if necessary. In contrast, exploitation rights, once granted, are valid for the lifetime of the deposit, provided the mining titleholder complies with all legal requirements. Pursuant to these requirements, for example, titleholders must (i) start work on mineral exploitation within six (6) months from the date of publication of the Exploitation Concession, (ii) continue their mining activities until the mineral deposit has been exhausted, in accordance with the Economic Exploitation Plan (Plano de Aproveitamento Econômico) approved by DNPM and (iii) refrain from suspending mining activities without prior notice to DNPM.

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

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

#### *Potential regulatory changes*

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

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

Legally, the proposals would change the rules governing access to mining titles. While exploration authorisations would be effective for a longer period of five (5) years, they would be renewable for only one extra year, at the discretion of authorities.



Companies would also have to demonstrate that they are investing in exploration activities on a yearly basis. Exploitation rights would be limited to 35- or 40-year grants renewable at the discretion of authorities. The granting of rights would become a more discretionary process and would result in a Formal Adhesion Contract for Exploitation rather than in an open-ended concession.

The proposals would raise CFEM rates for trade in gold ore from 1 percent on net invoicing to 2 percent on gross invoicing. They would also create new calculation methods and incidence hypotheses, notably with regard to transactions between related parties.

## **Colombia**

### ***Land ownership and mining rights***

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

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

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

### ***The concession contract***

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

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

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

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

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

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

#### ***Cannon fees and royalties***

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

0-2000 hectares, one legal daily minimum wage (approximately \$9.00) per hectare per year

2001-5000 hectares, two legal daily minimum wages (approximately \$18.00) per hectare per year

5001-10,000 hectares, three legal daily minimum wages (approximately \$27.00) per hectare per year

Once exploration is complete and the mining infrastructure is in place, the concessionaire must begin paying royalties. Royalties paid to the Colombian government consist of a percentage of the primary product and sub-products being exploited. For gold, the percentage to be paid is 4 percent.

#### ***Potential regulatory changes***

In 2013 the Federal government instituted the CONPES programme that will aid in promoting certain projects designated by the government as national projects of interest. This designation provides for greater oversight from the Federal government. The La Colosa and Gramalote projects are two such designated projects, and AngloGold Ashanti has requested that its Nuevo Chaquiro project be included in the programme as well.

#### **United States of America**

##### ***Land ownership & mining rights***

Mineral and surface rights in the United States are owned by private parties, state governments or the federal government. Although not the case at Cripple Creek & Victor Gold Mining Company's (CC&V) Cresson Project, the majority of land utilised for precious metals exploration, development and mining in the western United States is owned by the federal government. The right to mine on such land is governed by the General Mining Law of 1872, as amended (General Mining Law). The General Mining Law allows mining claims on certain federal lands upon the discovery of a valuable mineral deposit and proper compliance with claim location and maintenance requirements. Until 1993, unpatented mining claim holders could apply for patents to their claims from the federal government, and, if granted, those patented mining claims became private lands owned by the mining claimant, limited only by reservations and restrictions contained in the patent from the federal government, and subject to the same permitting, environmental and reclamation laws and regulations as other private lands.

Individual states, including Colorado, typically follow a leasing 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. CC&V's Cresson Project covers approximately 7,100 acres, the vast majority of which consists of owned, patented mining claims from former public lands, with a small percentage of private and state lands, some of which are critical to the Cresson Project, being leased. All of the Cresson Project's current reserves are within the patented claims.

##### ***Permitting and reclamation***

CC&V's Cresson Project is subject to a number of state and local permitting requirements, including permitting requirements imposed by the Colorado Mined Land Reclamation Act (MLRA) and Teller County. Under the MLRA, the Colorado Mined Land Reclamation Board (MLRB) issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal or private lands. In carrying out the statutory requirements of the MLRA, the MLRB (i) reviews mine permit applications and amendments and related matters, (ii) inspects active mine sites and prospecting sites and (iii) ensures financial warranties are posted for the actual cost of reclamation.

CC&V's Cresson Project is currently operating under a permit generally referred to as mine life extension one (MLE1) issued by the MLRB and Teller County. Amongst other things, MLE1 permits CC&V to continue active mining at the Cresson Project through 2016 and imposes reclamation and other requirements on CC&V, including requiring (i) the stabilisation and re-vegetation of disturbed lands, (ii) the control of storm water and drainage from overburden storage areas, (iii) the removal of roads and structures, (iv) the treatment and the elimination of process solutions, (v) the treatment of mine water prior to discharge into the environment and (vi) visual mitigation. In September 2012, CC&V's permit application for mine life extension two (MLE2) was approved by both the MRLB and Teller County.



### ***Potential regulatory changes***

Over the years, the U.S. Congress has considered a number of proposed amendments to the General Mining Law. Amongst the significant features contained in previously proposed legislation were a production royalty obligation, new and more stringent environmental standards and conditions, additional reclamation requirements, extensive new procedural steps which would likely result in delays in permitting, and granting counties the ability to petition the Secretary of the Interior to make certain areas unavailable for the location of unpatented mining claims. The ultimate content of future proposed legislation, if enacted, is uncertain. If any of the above-referenced provisions were imposed, CC&V's operations could be adversely affected. Although no such legislation has been adopted to date, there can be no assurance that such legislation will not be adopted in the future.

## **MINE SITE REHABILITATION AND CLOSURE**

### **Closure, an integral part of operations**

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

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

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

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

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

For many of the older mines, closure planning and the evaluation of environmental liabilities is a complex process. This is particularly so in Brazil, Ghana and South Africa, where many of the mining and other operations have taken place for more than fifty years.

A particular challenge is concurrent rehabilitation, which is carried out while a mine is still operational. This practice serves to decrease the ultimate liability and reduces the final rehabilitation and closure work that must be undertaken, but has the potential to sterilise mineral reserves, which the company might wish to exploit should conditions, such as the gold price, change.

Our closure standard stipulates that closure planning must be undertaken in consultation with the community. In the course of these consultations, different issues are raised which require site-specific solutions. Livelihood preservation and infrastructure are often key requirements. Previous employees may receive education and training so as to enable them to seek viable employment alternatives. Communities also require information on the Company's rehabilitation of the landscape and on any lasting environmental impacts.

In addition, long-term remediation obligations including decommissioning and restoration liabilities relating to past operations are based on environmental management plans and comply with current environmental and regulatory requirements.

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

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

Discounted closure liabilities (excluding joint ventures) increased from \$728 million in 2013 to \$851 million in 2014. This change relates to differing, site-specific changes, including progress in rehabilitation, changes in discount rates due to changes in global economic assumptions and application of new technologies.



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## ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

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

### Regulatory Compliance

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

### Water Management

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

Where feasible, the company operates a closed loop system which recycles the water used in its operations without discharging it to the environment. In some areas, however, such as Ghana, high levels of rainfall and surface water runoff mean that a closed loop system is not feasible and that discharges, after water treatment, must take place. During 2011, the company commissioned a reverse osmosis plant in the northern section of the Obuasi mine which functions in conjunction with complementary water treatment technologies to ensure that water released is compliant with Ghana's water quality standards. At the southern section of the mine, a 250 m<sup>3</sup>/hour water treatment plant was commissioned in early 2012 and a 500 m<sup>3</sup>/hour plant was commissioned in September 2014. At the Iduapriem mine, a water treatment plant was commissioned in 2010 to ensure that the operation can release excess water while meeting effluent discharge standards.

At AngloGold Ashanti's South African operations, ongoing upgrades of process water containment infrastructure to reduce potential environmental discharges have led to a reduction in reportable incidents since 2009.

### Waste Management

Mining and mineral processing operations generate waste rock and tailings.

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



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

### **Groundwater Impacts and Environmental Remediation**

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

As AngloGold Ashanti or its predecessors have a long history of mining operations in certain regions, issues may arise regarding historical as well as potential future environmental impacts on those areas. For example, certain parties, including Non-Governmental Organisations (NGOs), community groups and institutional investors, have raised concerns, and threatened or commenced litigation, relating to air pollution or surface and groundwater quality, among other issues, in the areas surrounding the company's Obuasi and Iduapriem mines in Ghana, including potential impacts on local rivers and wells used for water, from heavy metals, arsenic and cyanide as well as sediment and mine rock waste. Following temporary shutdowns at both mines in 2010, the company has made improvements in effluent quality management and constructed a new tailings impoundment at Iduapriem as well as three additional water treatment plants at Obuasi to reduce the risk of incidents that have the potential to degrade local water sources. AngloGold Ashanti is continuing to investigate allegations of impacts by the company's operations on water quality in mining areas and is implementing, as appropriate, additional responsive actions, such as remediation, engineering and operational changes at the mine sites and community outreach programmes.

In addition, AngloGold Ashanti has identified a flooding and future pollution risk to deep groundwater in the Klerksdorp and Far West Rand goldfields in South Africa. AngloGold Ashanti's Vaal River operations are part of the Klerksdorp goldfields and its West Wits operations are part of the Far West Rand goldfields. The premature closure of neighbouring mines owned by another mining company in both areas has led to increased pumping obligations on AngloGold Ashanti and these are anticipated to increase in future, requiring additional permits and increased costs for the group. Various studies have been undertaken by AngloGold Ashanti since 1999 to better understand groundwater conditions in mined-out workings, including potential groundwater infiltration and acidification concerns. As a result of the interconnected nature of underground mining operations in South Africa, any proposed solution needs to be a combined one supported by all the companies owning mines located in these goldfields.

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

### **Climate Change and Greenhouse Gas Regulation**

Greenhouse gases, or GHGs, are emitted directly by AngloGold Ashanti's operations, as well as by external utilities from which AngloGold Ashanti purchases power. Currently, a number of international and national measures to address or limit GHG emissions, including the Bali Action Plan and the Durban Platform, are in various phases of discussion or implementation in the countries in which the company operates.

The outcome of the climate change negotiations may, in due time, have the effect of requiring AngloGold Ashanti to reduce its direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes including through costs passed on by electricity utilities which supply the company. AngloGold Ashanti also could incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements. The most likely source of these company-level obligations is unlikely to be by operation of international law but more likely to come through domestic implementation of state obligations pursuant to evolving climate change regulatory regimes.

For example, the Australian government implemented a carbon trading scheme in July 2012, with a carbon price applying to facilities which emitted more than 25,000 t/yr, commencing at A\$23/tCO<sub>2</sub>-e (for 2012 to 2013), however this was repealed by a new government in 2013.

Also, in 2011, the South African government released a climate change response white paper and in 2013 a Carbon Tax Policy Paper. In February 2014, the South African Minister of Finance announced his intention to introduce a carbon tax in 2016. AngloGold Ashanti already pays a levy of ZAR0.035 per kilowatt hour of electricity that it purchases and is generated from fossil fuels. In February 2015, the Minister announced that the government was considering an increase in the levy to ZAR0.055 per kilowatt hour.

The 2013 Budget Review provides an indication of the expected levels of the carbon tax rate as being ZAR120 (approximately \$10) per tonne of CO<sub>2</sub>e emitted above certain thresholds. Under the proposal, the tax rate would increase by 10 percent a year, reaching ZAR193 (approximately US\$17) per tonne by 2020. The end of the decade also marks the end of the first phase of the carbon tax. Depending on the nature of the emitter, a basic tax-free threshold of up to 60 percent of the tax liability will apply.

It is probable that the tax will be levied on sectors that comprise elements of the AngloGold Ashanti supply chain. Consequently, it is likely that the costs associated with those elements of the supply chain will increase for the medium- and long-term.

In 2010, Brazil launched the National Climate Change Policy, which established a voluntary reduction target of 1.2 billion tonnes of CO<sub>2</sub> below the projected emissions in 2020. The policy required the development of sector-specific plans in order to meet the target. Amongst other plans, it is intended to reduce deforestation in the Cerrado biome, where AngloGold Ashanti operates, by 40 percent compared to the average deforestation in 1999-2008 and expand renewable energy production and energy efficiency programmes. The policy also provided for a Brazilian GHG trading scheme, which is yet to be designed. While Brazil is not yet requiring mandatory GHG emissions reporting at the national level, some state environmental agencies have requested companies to voluntarily submit GHG emissions management plans.

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

#### **Occupational and Community Safety and Health and Tropical Diseases**

AngloGold Ashanti's operations are subject to a variety of laws and regulations designed to protect and improve the safety and health of employees. In some of the jurisdictions in which AngloGold Ashanti operates, the government enforces compulsory shutdowns of operations to enable investigations into the cause of accidents at those operations. Certain of the company's operations have been temporarily suspended for safety reasons in the past. In South Africa, in particular, so-called Section 54 safety stoppages have become a significant issue for mining companies. The business has been exposed to safety stoppages which can, individually and/or in aggregate, have a material impact on operations. AngloGold Ashanti is also enhancing safety programmes, in line with the overall ONE initiative and industry Best Practice, which could result in a reduction of incidents and associated Section 54 safety stoppages.

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

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

On 23 November 2010, the Chamber of Mines of South Africa applied to the North Gauteng High Court for a declaratory order as to whether or not the Compensation Commissioner may include in the levy to be paid by any specific mine under ODMWA any amount that is intended to be used for funding benefits payable to: (1) ex-mine workers who had never worked at that mine; or (2) ex-mine workers who used to work at the mine, but no longer work at the mine. On 29 April 2011, the Honorable Judge Zondo dismissed the Chamber's application with costs. The judge concluded that the Compensation Commissioner has authority under ODMWA to address an historical or actuarial deficit in the Compensation Fund by increasing the levy payable by current mines and works to cover the shortfall in respect of all ex-mine workers. The Chamber lodged an appeal to the Supreme Court of Appeal. The appeal was dismissed with costs. The effect of the judgement is that ODMWA levies may be increased in respect of the category of former employees referred to above.

AngloGold Ashanti is subject to numerous claims, including a consolidated class action and individual claims related to silicosis and other OLD, and could be subject to similar claims in the future. AngloGold Ashanti has received notice of an application for class certification relating to silicosis in which the company is a respondent. It has also received notice of individual claims. Please refer to Item 8: Financial Information Legal Proceedings South Africa Silicosis litigation.

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

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

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

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

## ANGLOGOLD ASHANTI GLOBAL OPERATIONS: 2014

## Operations

AMERICAS	CONTINENTAL	AUSTRALASIA	EXPLORATION AND TECHNOLOGY
	<b>AFRICA</b>		
<b>1. Argentina</b> Cerro Vanguardia (92.5%)	<b>4. Guinea</b> Siguiri (85%)	<b>10. Australia</b> Sunrise Dam Tropicana (70%)	12. Australia
<b>2. Brazil</b> Serra Grande AGA Mineração	<b>5. Mali</b> Morila (40%) <sup>(1)</sup> Sadiola (41%) Yatela (40%)		13. Colombia
<b>3. United States</b> Cripple Creek & Victor (CC&V)	<b>6. Ghana</b> Iduapriem Obuasi	<b>SOUTH AFRICA</b>	14. Guinea
	<b>7. DRC</b> Kibali (45%) <sup>(1)</sup>	<b>11. South Africa</b> <b>Vaal River</b> Great Noligwa Kopanang Moab Khotsong	15. South Africa
	<b>8. Tanzania</b> Geita	<b>West Wits</b> Mponeng TauTona	
	<b>9. Namibia</b> Navachab <sup>(2)</sup>	<b>Surface Operations</b> <sup>(3)</sup>	

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

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

<sup>(2)</sup> On 30 June 2014, AngloGold Ashanti announced that it had completed the sale of Navachab.

<sup>(3)</sup> Includes MWS for purposes of this report. It is operated and managed as a separate cash generating unit.

## **OPERATING PERFORMANCE**

### **Group description**

Headquartered in Johannesburg, South Africa, AngloGold Ashanti has 20 operations in 10 countries.

AngloGold Ashanti is a global gold mining and exploration company with a diverse portfolio of mining operations and projects on four continents, with more than 97% of the company's revenue derived from the sale of gold produced at its operations located around the world. Working across the full spectrum of the mining value chain, the impact of the company's operating activities on the local communities and environments remain at the core of the business.

Following a strategic review of AngloGold Ashanti's asset portfolio at the start of 2013, the company embarked on significant restructuring in response to current challenges in the gold sector, including increasing costs of production and a fall in gold prices.

Gold production increased for the second consecutive year, boosted by the contributions of new mines, Kibali and Tropicana, which had their first full year of production in 2014. The rationalisation of corporate structures and marginal production continued with the planned restructuring of the South African operations and the transition to limited production at Obuasi in Ghana. On 30 June 2014, the sale of the Navachab mine in Namibia was completed.

AngloGold Ashanti's brownfield and greenfield exploration programmes take place in both established and new gold producing regions through managed and non-managed joint ventures, strategic alliances and wholly-owned ground holdings.

AngloGold Ashanti's operations and joint ventures employed, on average, 58,057 people (including contractors) in 2014 (2013: 66,434).

### **Performance**

In 2014, AngloGold Ashanti produced attributable 4.4 million ounces of gold (2013: 4.1 million ounces) as well as 1.3 million pounds of uranium oxide, 3.5 million ounces of silver and 192 tonnes of sulphuric acid as by-products.

Production of 4.4 Moz was achieved at a group all-in sustaining cost of \$1,026/oz compared to 4.1 Moz at \$1,174/oz the previous year.

The attributable Ore Reserve at 31 December 2014 was 57.5 Moz, down from 67.9 Moz at 2013. This decrease reflects the changes in economic assumptions, depletion and the sale of Navachab.

Capital expenditure, including equity accounted joint ventures, in 2014 amounted to \$1,209 million (2013: \$1,993 million).

### **Safety**

Regrettably, there were 6 fatalities across the group's operations in 2014. The all injury frequency rate was 7.36 per million hours worked compared to 7.48 in 2013.

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OPERATIONS AT A GLANCE for the years ended 31 December

	Attributable tonnes treated/milled (Mt)			Average grade recovered (g/t)			Attributable gold production (000oz)			Total cash costs (\$ per ounce)			All-in sustaining costs (\$/oz sold)			Attributable capital <sup>(1)</sup> expenditure (\$m)		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
<b>SOUTH AFRICA</b>																		
<i>Vaal River</i>																		
Great Noligwa	0.4	0.4	0.5	6.44	6.15	5.72	78	83	84	1,074	1,100	1,226	1,185	1,305	1,530	7	13	27
Kopanang	0.8	1.0	0.9	5.55	5.23	5.40	140	178	164	1,023	918	1,015	1,256	1,255	1,497	26	52	94
Moab Khotsong	0.7	0.7	0.6	11.04	9.47	8.16	234	212	162	685	797	1,040	903	1,223	1,634	45	117	159
<i>West Wits</i>																		
Mponeng	1.1	1.6	1.3	8.99	7.10	9.40	313	354	405	746	719	639	981	1,016	883	97	171	195
Savuka <sup>(1)</sup>			0.2			6.09			37			1,041			1,607			20
TauTona <sup>(1)</sup>	0.9	1.0	0.8	8.21	7.34	7.63	232	235	189	882	920	924	1,059	1,149	1,316	35	59	73
<i>Surface Operations</i>																		
Surface Operations <sup>(2)</sup>	34.5	34.5	17.9	0.20	0.22	0.30	223	240	172	941	883	943	1,153	969	754	46	39	15
Other <sup>(3)</sup>							3			-			-			8		
<b>CONTINENTAL AFRICA</b>																		
<i>Ghana</i>																		
Iduapriem	4.9	4.8	4.6	1.13	1.43	1.22	177	221	180	865	861	955	1,020	1,025	1,437	21	28	95
Obuasi <sup>(4)</sup>	2.2	1.7	2.1	4.67	4.94	4.79	243	239	280	1,086	1,406	1,187	1,374	2,214	2,021	82	196	185
<i>Guinea</i>																		
Siguiri (85%)	10.1	10.2	10.1	0.89	0.82	0.76	290	268	247	799	918	938	917	1,085	1,105	26	25	28
<i>Mali</i>																		
Morila (40%)	1.3	1.4	1.8	1.06	1.23	1.41	44	57	81	1,162	773	767	1,298	1,051	765	6	13	1
Sadiola (41%)	2.1	2.0	1.9	1.28	1.34	1.64	85	86	100	1,028	1,334	1,169	1,133	1,510	1,249	6	42	37
Yatela (40%)	0.9	1.0	1.1	0.59	0.93	1.06	11	27	29	1,438	1,530	1,758	1,795	1,653	1,888	-	3	2
<i>Namibia</i>																		
Navachab <sup>(5)</sup>	0.7	1.4	1.4	1.44	1.39	1.59	33	63	74	752	691	1,036	719	781	1,329	1	5	15
<i>Tanzania</i>																		
Geita	5.2	4.0	4.8	2.86	3.54	3.47	477	459	531	599	515	427	890	833	816	129	154	216
<i>DRC</i>																		
Kibali (45%) <sup>(7)</sup>	2.5	0.4		2.95	3.41		237	40		578	471		588	9,065		179	341	263
<b>AUSTRALASIA</b>																		
<i>Australia</i>																		
Sunrise Dam	3.8	3.5	3.4	2.13	2.46	2.39	262	276	258	1,105	1,110	1,126	1,214	1,321	1,470	31	39	49
Tropicana (70%) <sup>(7)</sup>	4.0	0.9		2.78	2.40		358	66		545	568		752	1,113		59	241	315
<b>AMERICAS</b>																		
<i>Argentina</i>																		
Cerro Vanguardia (92.5%)	3.0	2.3	1.7	6.08	6.58	6.48	246	241	219	692	622	576	938	912	935	54	64	88
<i>Brazil</i>																		
AGA Mineração <sup>(4)</sup>	2.5	2.3	2.2	5.65	5.70	6.07	403	391	388	644	646	696	966	1,023	1,114	127	123	162
Serra Grande <sup>(6)</sup>	1.3	1.3	0.9	3.28	3.42	3.36	136	138	98	748	719	821	1,062	970	1,168	38	40	33
<i>United States</i>																		
Cripple Creek & Victor	19.3	20.8	20.9	0.32	0.34	0.40	211	231	247	829	732	638	1,147	927	817	169	157	100

<sup>(1)</sup> In 2013, Savuka and TauTona were combined under TauTona as one cash generating unit.

<sup>(2)</sup> Includes MWS for purposes of this report. It is operated and managed as a separate cash generating unit.

<sup>(3)</sup> Gold produced by treating material from multiple mine sources in South Africa.

<sup>(4)</sup> The grades from Obuasi and AGA Mineração represent those for their underground operations.

<sup>(5)</sup> AngloGold Ashanti sold Navachab effective 30 June 2014.

<sup>(6)</sup> AngloGold Ashanti's holding increased to 100% (from 50%) from July 2012.

<sup>(7)</sup> Commenced production in the second half of 2013.

Rounding of figures may result in computational discrepancies.



**SOUTH AFRICA**

AngloGold Ashanti's South African operations comprise five deep-level mines and surface production facilities. They are:

The Vaal River operations    Great Noligwa, Kopanang and Moab Khotsong;  
 The West Wits operations    Mponeng and TauTona; and  
 Surface operations.

	Gold production (000oz)	Average number of employees
<b>Operations</b>		
<b>1. South Africa</b>		
<i><b>Vaal River</b></i>		
Great Noligwa	78	2,207
Kopanang	140	4,424
Moab Khotsong	234	4,573
<i><b>West Wits</b></i>		
Mponeng	313	6,737
TauTona	232	4,712
<i><b>Surface operations</b></i> <sup>(1)</sup>	223	3,058

<sup>(1)</sup> Includes MWS for purposes of this report. It is operated and managed as a separate cash generating unit.



**South Africa Key Statistics**

	Unit	2014	2013	2012
<b>Operation</b>				
Tonnes treated/milled	Mt	38.4	39.2	22.2
Pay limit <sup>(1)</sup>	oz/t	0.39	0.36	0.40
Recovered grade <sup>(1)</sup>	g/t	14.35	13.37	12.41
	oz/t	0.239	0.204	0.219
Gold production	g/t	8.19	7.00	7.50
	000oz	1,223	1,302	1,212
Total cash costs <sup>(2)</sup>	\$/oz	849	850	873
Total production costs <sup>(2)</sup>	\$/oz	1,087	1,070	1,097
All-in sustaining costs <sup>(2)(3)</sup>	\$/oz	1,064	1,120	1,189
Capital expenditure	\$m	264	451	583
<b>Safety</b>				
Number of fatalities		4	6	11
AIFR	Per million hours worked	11.85	12.63	13.24
<b>People</b>				
Average no of employees: Total		29,511	32,406	34,186
Permanent employees		26,056	28,526	29,740
Contractors		3,455	3,880	4,446

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

<sup>(2)</sup> Total cash costs, total production costs and all-in sustaining costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A Operating Results .

<sup>(3)</sup> Excludes stockpile impairments.

**Performance in the South Africa Region in 2014****Production**

Production declined by 6%, predominantly a consequence of safety-related stoppages, the aftermath of the earthquake experienced on 5 August 2014, and unscheduled shaft maintenance at Mponeng.

The 5.3 magnitude earthquake affected the Vaal River mines. Production was halted at these operations for five to ten days to allow the aftershocks to subside and to undertake repairs before production resumed. At Mponeng, production was suspended for seven days to allow significant repair work on damaged shaft steelwork and to return the shaft to safe levels of service.

Production from Surface Operations was negatively affected by the decreased grade of the material sourced from the marginal ore dumps. Mining flexibility has been improved so as to enable more active blending. The region's contribution to group attributable gold production moved from 32% to 28% in 2014. In addition, the Vaal River operations produced 1.3Mlb of uranium.

The focus on cost containment continued in 2014, in line with the Project 500 initiative to reduce overall group costs by \$500m in the 18 months to end 2014, cost reduction initiatives were undertaken in the region. The emphasis on the management of labour costs, reef mining-related activities, power consumption, contractors and the implementation of service optimisation strategies as well as a robust critical review of commodity- and services-related contracts all contributed to lower operating costs. Inflationary pressures, which included increases in electricity tariffs that exceeded inflation, were partially compensated for by cost savings from the Project 500 initiatives and also a weaker local currency. All-in sustaining costs for the year declined 5% to \$1,064/oz.

**Capital expenditure**

Capital expenditure declined by 41%, in line with the groupwide cost optimisation and rationalisation programme and the resultant scaling back of project investment. Capital expenditure in 2014 was again predominantly on ore reserve development across all underground operations and on the Mponeng deepening project, as well as stay-in-business items and activities across all underground operations.

**Safety**

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There were tragically four fatalities during 2014 (2013: six) – one at the Vaal River operations and three at the West Wits operations. Three of these were caused by falls of ground and one was the result of an incident involving piping and construction work.

All mines and plants in the region achieved 1 million fatality-free shifts and Kopanang, most notably, has recorded three million fatality-free shifts. This was achieved despite the impact of the 5.3 magnitude earthquake which resulted in minor injuries to 30 employees and the evacuation and safe return to surface of 3,300 people in all at the Vaal River operations.

### **People**

The South Africa region employed an average of 29,511 people in 2014 – 26,056 full-time employees and 3,455 contractors – as compared to 32,406 in 2013 and 34,186 in 2012 – a decline of 14% in two years. This decline in the number employed was a result of various cost rationalisation initiatives implemented across the group over the past two years. Productivity declined to 4.40oz/TEC in 2014 (2013: 4.47oz/TEC).

The next round of wage negotiations is due to begin in the first half of 2015 as the current wage agreement comes to an end on 30 June 2015.

In the South Africa region, 94% of the workforce is represented by four industry unions: AMCU, NUM, Solidarity and Uasa.

### **Ore Reserve**

As at 31 December 2014, the total Ore Reserve for the South Africa region is 27.45Moz (2013: 30.9Moz). This is equivalent to around 48% of the group's total attributable Ore Reserve.

### **Growth and improvement**

Project Zaaipplaats at Moab Khotson, which was temporarily halted in 2013, remains on hold. Additional geological information gathered in the interim reflected a deterioration in the grade of the project, making it economically unviable at the current gold price.

At Mponeng, phase 1 of the deepening project to access the VCR progressed well. Although safety stoppages following a shaft incident led to some delays, stoping and ledging operations have begun. The emphasis in the coming year is expected to be to increase the volume of ore reserve development so as to open up high-grade reserves. Given the slump in the gold price, phase 2 of this project to access the CLR was delayed in 2014. Critical path work continued and included the installation of ventilation and refrigeration infrastructure to enable the ramp-up to full project execution in 2015, should the capital budget be approved. This project is also expected to investigate the viability of optimised shift schedules with a view to improving productivity and speeding up access to the higher-grade areas.

The uranium plant at Mine Waste Solutions (MWS) was successfully completed with the first deliveries in the fourth quarter of the year. The recovery in the uranium price during the year was encouraging.

The Technology Innovation Consortium continued to make significant progress towards the development of the new deep-level mining technology. The aim, ultimately, is to develop a cost-efficient, safe, mining method to implement at our deep-level underground operations in South Africa to extract stability pillars and areas that might otherwise not be safe or viable to mine. In 2015, the final element of work is expected to be to compile a deep-level mining method based on this mining style. Key to maximising the efficacy of this method will be enhanced machine efficiencies. This in turn would entail increasing machine availability and a 24-hour mining cycle. While such working arrangements are still to be negotiated with labour, the company believes that they would increase the global competitiveness of the South Africa mining industry.

**CONTINENTAL AFRICA**

AngloGold Ashanti has six producing mines and processing operations (of which the group manages four) in five countries in the Continental Africa region, following much activity in 2014 with the sale of the Navachab mine in Namibia, the transition to limited mining at Obuasi in Ghana and the cessation of mining at Yatela in Mali.

	Attributable gold production (000oz)	Average number of employees
<b>Operations</b>		
<b>1. Democratic Republic of the Congo</b>		
Kibali 45%	237	2,245
<b>2. Ghana</b>		
Iduapriem	177	1,352
Obuasi	243	3,541
<b>3. Guinea</b>		
Siguiri 85%	290	3,494
<b>4. Mali</b>		
Morila 40%	44	500
Sadiola 41%	85	654
Yatela 40%	11	226
<b>5. Namibia</b>		
Navachab <sup>(1)</sup>	33	793
<b>6. Tanzania</b>		
Geita	477	3,265

<sup>(1)</sup> Sold effective 30 June 2014.

**Continental Africa - Key Statistics**

	Unit	2014	2013	2012
<b>Operation</b>				
Tonnes treated/milled	Mt	29.9	26.9	27.8
Pay limit	oz/t	0.039	0.049	0.041
	g/t	1.345	1.669	1.273
Recovered grade	oz/t	0.054	0.054	0.055
	g/t	1.66	1.69	1.70
Gold production (attributable)	000oz	1,597	1,460	1,521
Total cash costs <sup>(1)</sup>	\$/oz	783	869	830
Total production costs <sup>(1)</sup>	\$/oz	977	1,086	1,060
All-in sustaining costs <sup>(1)(2)</sup>	\$/oz	968	1,202	1,235
Capital expenditure	\$m	454	839	925
<b>Safety</b>				
Number of fatalities		0	2	5
AIFR	Per million hours worked	1.56	1.97	2.26
<b>People</b>				
Average no of employees: Total		16,070	16,625	16,621
Permanent employees		8,739	10,778	10,014
Contractors		7,331	5,847	6,607

<sup>(1)</sup> Total cash costs, total production costs and all-in sustaining costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A Operating Results.

<sup>(2)</sup> Excludes stockpile impairments.

**Production**

The ramp up and first full year of production at Kibali more than offset the decline at Yatela and the half-year contribution by Navachab which was sold in June 2014. The region's attributable production increased by 9%.

Kibali produced its first gold in 2013, ahead of schedule, and delivered 527,000oz in 2014, of which 45% is attributable to AngloGold Ashanti.

During 2014, production at Kibali came largely from the open pit, while significant development of underground workings was carried out. Underground mining began following the start of blasting of the first stope in the latter part of the year. The oxide plant was successfully ramped up in early 2014 with the sulphide plant being commissioned in the second half. Kibali's Ore Reserve is currently estimated at around 11Moz (attributable: 4.94Moz), accounting for 26% of the Continental Africa region's Ore Reserve.

Our largest operations in the region, Geita and Siguri, recorded strong performances for the year. At Geita, tonnes milled of hard sulphide ore surpassed 5Mt for the first time, a result of better mill running time and fragmentation control. This followed improvements in blast fragmentation, the installation of a secondary crusher and improved carbon management systems in the leach circuit. These improvements offset grade declines at the Star & Comet pit; the failure of the pit wall at Nyakanga Cut 7; and delays at Geita Hill East pit.

At Siguri, tonnes treated remained stable with a higher than expected improvement in recovered grades contributing to an increase in production. The grades, however, declined in the latter part of the year as higher-grade ore resources were depleted.

In Mali, production decreased overall as the mines continued to wind down in line with planned transition to closure, treating lower grade waste tonnes.

At Obuasi, while output increased marginally year-on-year, underground production was halted in the fourth quarter. Processing of tailings and aboveground stockpiles is continuing. This was in line with the initiative to downscale the operation temporarily while a feasibility study is undertaken to explore options for its long-term sustainability.

Tailings retreatment continued during the year, contributing to an improvement of close to 2% in ounces produced year-on-year, as we continued to discharge our environmental responsibilities. Development of a decline from surface to the existing mining blocks continued in 2014. The decline is expected to allow development of the appropriate infrastructure to enable mechanised operations and de-bottleneck the mine, which

was constrained by an outmoded, labour-intensive mining method and also ageing and sub-optimal vertical hoisting infrastructure.

By year-end Obuasi had successfully transitioned to limited operations and the entire work force had been retrenched. Refer Item 18 - note 7: Special Items . A limited number of employees were recruited on a one-year fixed-term contract to oversee the mine while the feasibility study is underway. The study is due to be completed in the first half of 2015.

Project 500 gained significant traction in the region, with noteworthy gains made in several areas. In looking to improve process recoveries, an initiative to optimise dissolved oxygen levels improved recoveries across all major operating sites, particularly at Geita, Siguiiri and Iduapriem. Mine plans were optimised, with low-margin or loss-making ounces removed and labour efficiencies were realised across the region, both among permanent employees and contractors. The expatriate contingent was reduced and consultant services curtailed. At Geita, mining efficiencies resulted in greater tonnages moved with no additions to the fleet, helping reduce unit mining costs. Work was done to realise benefit of a more favourable environment for buyers of contract mining services due to excess capacity across the globe. Competitive bidding processes for mining and related contracts were held at Siguiiri, Geita, Sadiola and Iduapriem, with all resulting in new contractors or more favourable contracts agreed. Considerable effort was also directed at reducing working capital through the optimisation of consumable stores across the regional portfolio, and engagement with governments in Tanzania and Guinea to reduce indirect tax lock-ups.

The region as a whole also continued to realise the benefit of more consistent operating performance with tight management of all costs and capital. The region benefited from the inclusion of the first full-year's production from the Kibali mine, which contributed production at lower-than-average cash cost. The sharply lower fuel price in the fourth quarter also aided cost control efforts, particularly for open pits mines which operate large truck and shovel fleets and generate all or part of their own power from diesel or heavy fuel oil, like the major mines in the region Geita, Kibali and Siguiiri. As with the rest of the group, the focus on strict capital allocation and more concentrated exploration programme was also a strong feature in Continental Africa. The net result of these initiatives was a 19% reduction in all-in-sustaining costs to \$968/oz, the lowest in the group.

#### **Capital expenditure**

With completion of much of the work to establish operations at Kibali, capital expenditure for Continental Africa dropped to \$454m in 2014 from 2013's \$839m and a further fall is anticipated in 2015, with the construction of the sulphide plant largely completed at Kibali. Capital expenditure was reduced almost entirely at Obuasi which was placed on limited mining.

#### **Safety**

Overall safety performance in the Continental Africa region continued to improve. There were no fatalities during the year and the all injury frequency rate improved to 1.56 per million hours worked (2013: 1.97).

#### **People**

The average number of people employed in the region declined, largely a result of the retrenchment process undertaken at Obuasi, from 16,625 in 2013 to 16,070 in 2014. Regional productivity improved significantly to 14.36oz/TEC (2013: 9.97oz/TEC). Most retrenchments were undertaken at the end of the year.

#### **Ore Reserve**

The total attributable Continental Africa Region Ore Reserve is 18.93 million ounces (2013: 24.41 million ounces). This amounts to 33 percent of the group's Ore Reserve.

#### **Growth and improvement**

Our emphasis has been on improving operational and cost efficiencies in response to gold's persistent price decline and to caution over the metal's immediate price direction. Kibali's cost-efficient production ramp up has already contributed to overall production and a containment of overall costs per ounce. The focus for 2015 is expected to be completion of the paste plant and the second hydro-power station Ambarau. The sinking of the vertical shaft remained ahead of schedule with a shaft depth of 720m at the end of the year with only 40m sinking remaining.

At Obuasi, following a two-year review of operational efficiencies, mining operations were significantly curtailed. A feasibility study investigating options to modernise and improve the life-of-mine plan is underway. The focus of the study is not only on the economic and technical aspects but also security, environmental obligations and community relations.

In Guinea, despite indications of promising new developments, greenfields exploration teams had to be withdrawn during the latter part of the year as a precaution against the outbreak of the Ebola virus disease.





## AUSTRALASIA

	Attributable gold production (000oz)	Average number of employees
<b>Operations</b>		
<b>Australia</b>		
1. Sunrise Dam	262	374
2. Tropicana 70%	358	458

AngloGold Ashanti's Australasian assets comprise the wholly owned Sunrise Dam and the 70 percent-owned Tropicana Gold mine, Australia's newest gold mine. Tropicana completed its first full year of production in 2014.

## Australasia - Key Statistics

	Unit	2014	2013	2012
<b>Operation</b>				
Tonnes treated/milled	Mt	7.8	4.3	3.4
Pay limit	oz/t	0.07	0.09	0.08
	g/t	2.29	2.82	2.42
Recovered grade	oz/t	0.072	0.072	0.070
	g/t	2.45	2.45	2.39
Gold production (attributable)	000oz	620	342	258
Total cash costs <sup>(1)</sup>	\$/oz	804	1,047	1,211
Total production costs <sup>(1)</sup>	\$/oz	1,070	1,333	1,358
All-in sustaining costs <sup>(1)(2)</sup>	\$/oz	986	1,376	1,680
Capital expenditure	\$m	91	285	369
<b>Safety</b>				
Number of fatalities		0	0	0
AIFR	Per million hours worked	10.73	7.91	6.33
<b>People</b>				
Average no of employees: Total		832	925	494
Permanent employees		194	281	110
Contractors		638	644	384

<sup>(1)</sup> Total cash costs, total production costs and all-in sustaining costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A Operating Results.

<sup>(2)</sup> Excludes stockpile impairments.

## **Production**

With the ramp up in production at Tropicana during the course of 2014, the mine's first full year of operation, and increased levels of output at Sunrise Dam, total production for the Australasia region was 81% higher than in 2013.

At Sunrise Dam, while underground mining has been providing supplementary ore since 2004, the underground mine transitioned to become the primary source of mill feed in 2014, delivering 2.43Mt of ore to the mill for the year. Stockpiled intermediate grade ore (average 1.45g/t) was blended with the underground ore to meet the processing plant capacity, which saw throughput reach 3.8Mt in 2014, a 10% improvement on 2013, despite the higher proportion of harder underground ore treated. Plant performance improved due to the focus on engineering reliability which reduced plant down time.

A two-year project on planning systems and operational efficiencies resulted in productivity improvements in the underground mine culminating in 675,503t of underground ore being mined in the December quarter equivalent to an annualised rate of 2.7Mt. This mining rate is expected to be maintained in 2015. The multi-pronged productivity improvement strategy included an innovative approach to grade control based on reverse circulation (RC) drilling that emulated the successful grade control process in the open pit. The change to RC drilling combined with productivity improvements gained in the underground mine drove mining costs down by more than 50% over the two-year period.

Tropicana completed its first full year of operation. In total, the mine produced 511,000oz of which AngloGold Ashanti's share was 358,000oz. Open pit mining focused on the Havana and Tropicana pits in 2014. During the year additional mining fleet was brought to the site to counteract a decrease in mining rates caused by structural failure that caused part of a tank wall to buckle, remediation of a wall slippage, poor equipment availability and lower-than-planned productivity. Mining productivity improved in the fourth quarter and it is anticipated that productivity rates will be back on target in early 2015. Despite these challenges, feed to the processing plant was on budget, enabling treatment of 5.7Mt for the year at a head grade of 3.06g/t and metallurgical recovery of 90%. Reconciliation of mine to mill, in terms of both tonnes and grade, aligned well.

Production decreased at Sunrise Dam, as lower grades were mined in line with the mine plan.

Total cash costs for the region declined by 23% and all-in sustaining costs by 28%. Costs for the Australasian region were positively affected by the ramp-up to full production at Tropicana, and productivity improvements at Sunrise Dam. However, at Tropicana, these were impacted by higher mining costs resulting from fleet productivity issues and increased plant maintenance costs. These cost increases however were offset by the savings in other areas resulting in the operation delivering on the cost performance anticipated in the feasibility study.

## **Capital expenditure**

Capital expenditure for Australasia reduced significantly to \$91m in 2014 (2013: \$285 million) with the completion of much of the development at Tropicana, as well as completion of the transition at Sunrise Dam from openpit to underground mining. Capital expenditure at Tropicana fell to \$59m from \$241m in 2013 while at Sunrise Dam expenditure was \$31m against \$39m in the previous year.

## **Safety**

Safety performance continued to be an area of focus with no fatalities reported. The AIFR for the region was 10.73 per million hours worked (2013: 7.91).

## **People**

A total of 832 people were employed on average by the Australia region 194 full time employees and 638 contractors. Productivity in the Australia region was 62.00oz/TEC in 2014 (2013: 49.64oz/TEC), the highest in the group.

## **Ore Reserve**

At the end of 2014, the total attributable Ore Reserve for the Australasia Region was 3.53 million ounces (2013: 3.81 million ounces). This makes up around 6 percent of the group's Ore Reserve.

## **Growth and improvement**

At Tropicana, additional maintenance and engineering work was carried out in the processing plant during the year to close out construction work following commissioning and to optimise sections of the plant with a view to lifting throughput beyond nameplate capacity in 2015. At

year-end regulatory approvals were received to complete an expansion of the process water supply borefield that provides water to the operation. By the end of the first quarter of 2015, an additional 27 bores will have been installed and commissioned to take the number of bores servicing the plant to 51 and capacity from approximately 750t of water per hour (tph) to more than 1,000 tph.

Analysis of data from a 3D seismic survey which was conducted across the Tropicana ore bodies is expected to be completed in the first half of 2015. This analysis is expected to enable more accurate and more cost effective targeting of deep drill holes to test for extensions of mineralisation beneath the current open pit. This drilling data will augment work already carried out in the Havana Deeps study to determine if the down plunge extensions to the ore bodies continue to the north below Tropicana and Boston Shaker. Ultimately, this information will determine whether these ore bodies could be mined via a large open pit or by underground methods.

In July 2014, AngloGold Ashanti signed agreements with a natural gas infrastructure company for the transportation of natural gas to Sunrise Dam and Tropicana. It is expected that this will provide continuity of fuel supply, reduce exposure to diesel price volatility and significantly reduce the number of trucks on the site access roads. This is expected to yield important safety benefits and will help in reducing road maintenance costs. Construction is scheduled to start in February 2015 with first gas expected to be available at the mines in January 2016. The power stations at both mines are expected to be modified so as to run on 100% natural gas. Backup diesel capability will be retained for emergencies. Gas power generation is expected to reduce cash operating costs.

**THE AMERICAS**

AngloGold Ashanti has four mining operations – both open pit and deep level mining – in the Americas region. In addition, there is an active greenfields exploration programme underway in Colombia.

	Attributable gold production (000oz)	Average number of employees
<b>Operations</b>		
<b>1. Argentina</b>		
Cerro Vanguardia 92.5%	246	1,640
<b>2. Brazil</b>		
AGA Mineração	403	4,398
Serra Grande	136	1,403
<b>3. United States</b>		
Cripple Creek & Victor	211	1,147

**Americas - Key Statistics**

	Unit	2014	2013	2012
<b>Operation</b>				
Tonnes treated/milled	Mt	26.1	26.7	25.7
Pay limit	oz/t	0.034	0.026	0.024
	g/t	1.156	0.897	0.822
Recovered grade	oz/t	0.035	0.036	0.034
	g/t	1.13	1.20	1.16
Gold production (Attributable)	000oz	996	1,001	953
Total cash costs <sup>(1)</sup>	\$/oz	709	671	669
Total production costs <sup>(1)</sup>	\$/oz	942	886	907
All-in sustaining costs <sup>(1)(2)</sup>	\$/oz	1,010	970	1,006
Capital expenditure <sup>(3)</sup>	\$m	388	391	387
<b>Safety</b>				
Number of fatalities		2	0	1
AIFR	Per million hours worked	3.81	4.74	5.20
<b>People</b>				
Average no of employees: Total		8,588	8,374	7,896
Permanent employees		5,944	5,979	5,509
Contractors		2,644	2,395	2,387

<sup>(1)</sup> Total cash costs, total production costs and all-in sustaining costs are non-GAAP measures. For further information on these non-GAAP measures, see Item 5A Operating Results .

<sup>(2)</sup> Excludes stockpile impairments.

<sup>(3)</sup> 100% and excludes Colombia

**Production**

The year was a challenging one overall for the Americas operations and overall production from the region declined marginally. Increased production at AGA Mineração and at Cerro Vanguardia failed to offset declines at CC&V and Serra Grande. Production was dampened by low grades for some mines as well as negative stockpile movements. Cerro Vanguardia's production for 2014 was the highest in 11 years, due mainly to improved heap-leach production.

AGA Mineração continued to deliver a strong performance with increased tonnage and feed grades at both the Cuiabá and Córrego do Sítio complexes despite operational delays in high grade areas, changes in mining plan at Cuiabá Complex, and geotechnical challenges at the new oxide pit. Development here exceeded expectations and production began from the new ore body at Córrego do Sítio (Sulphide II) and full production rates were achieved at the underground Mine I.

At CC&V, production was negatively affected by several factors including increased amounts of clay in the ore that resulted in reduced volumes and lower grade ore being supplied to the crusher. Certification delays for an exposed liner necessitated modifications to the heap-leach stacking plan leading to deferred production in the early part of 2014.

The Americas region's contribution to group attributable production declined to 22%. In addition, the region produced 3.1Moz (attributable) of silver as a by-product.

Despite the focus on limiting cost increases over the past year, regional cash costs increased by around 5%, due largely to inflationary pressures in the South American countries. The higher levels of production at AGA Mineração and Cerro Vanguardia failed to offset increased costs at Serra Grande and CC&V. Although overall costs increased at Cerro Vanguardia due to deferred stripping adjustments, the negative impact of stockpile movement and inflationary pressures and wage increases, these were partially offset by the increased production and weaker exchange rates. The depreciation of both the Brazilian real and Argentinean peso helped to limit cost increases in those countries, as did various cost management initiatives implemented. Operating challenges at CC&V also affected negatively the cost performance of the region. Taxation and royalty payments were lower at all operations, in line with subdued gold and silver prices.

In line with the group cost optimisation drive, the focus of savings initiatives in the Americas region was on labour, contractors, energy, consumables and working and stay-in-business capital. The regional all-in sustaining costs increased by 4% year on year.



These cost and cash management programmes involved productivity improvements, process optimisation, and reductions in power costs, materials pricing and in administrative expenses.

At CVSA various initiatives aimed at efficiency and production improvements (underground mine design optimisation, the prolonging of the extension operational life tyres, and the optimisation and stabilisation of CIL and regeneration circuits), continued.

Cost savings initiatives at CC&V focused on improving efficiencies derived from consumables and tyres, and better fleet time management. This enhanced crusher throughput and resulted in savings of \$4m.

In Brazil, potential savings identified in 2013 were addressed by initiatives implemented in 2014.

### **Capital expenditure**

In line with the continuing group-wide cost and strategic review, capital expenditure of \$388m in the Americas region for 2014 was approximately 1% less than the previous year. Much of this was on the mine life expansion project at CC&V (\$145m) and Ore Reserve Development at AGA Mineração of \$53m. Additional expenditure was underground expansion at CVSA and ore development and general stay-in-business activities at all operations.

### **Safety**

Two fatalities were reported in the Americas region (2013: 0). Two contractor employees lost their lives in an incident at AGA Mineração s Cuiabá mine during the renovation of the ventilation shaft when the braking mechanism for a rope holding a suspended platform in place failed. The AIFR for the region was 3.81 per million hours worked in 2014 (2013: 4.74 restated).

### **People**

A total of 8,588 people were employed on average by the Americas region in 2014 5,944 full-time employees and 2,644 contractors. Productivity for the region was 16.35oz/TEC as compared to 16.63oz/TEC in 2013.

### **Ore Reserve**

At the end of 2014, the total attributable Ore Reserve for the Americas Region, was 7.56 million ounces (2013: 8.82 million ounces). This makes up around 13 percent of the group s Ore Reserve.

### **Growth**

Various growth programmes are underway at all operations in the region, the most significant of which is CC&V s expansion project. The first part of the two-phase mine life expansion (MLE) project began production in 2011 and is expected to continue until 2016. MLE2 will expand the operation to include a second valley heap-leach facility (VLF), a CIP mill to process sulphide material and an associated gold recovery plant. The mill began commissioning at the end of 2014 and production is scheduled to begin in the first half of 2015. The second VLF is expected to start production in the second half of 2016.

At Cerro Vanguardia, an underground mining expansion project is being undertaken to improve efficiencies and productivity through underground mine design optimisation and optimisation and stabilisation of the carbon-in-pulp and regeneration circuits.

At the Brazilian operations, the focus was principally on optimisation initiatives to improve operational efficiencies. At AGA Mineração s Córrego do Sítio complex, full production rates were improved at both the sulphide and oxide mines. The brownfields drilling programme at Córrego do Sítio continued and identified satellite ore bodies close to existing infrastructure.

Colombia remains a key area of focus for the exploration programme and continues to yield promising results. A particular success was the release of the maiden Inferred Mineral Resource estimate for Nuevo Chaquiro, which is part of the Quebradona greenfields exploration programme. Studies and engagement with the local communities continue.



## EXPLORATION REVIEW

Our exploration programme covers greenfields and brownfields projects. The first steps are to identify prospective gold deposit targets, which, once identified as being worthwhile, merit intensive further evaluation.

Greenfields exploration aims to discover large, high-value gold deposits that can provide a pipeline of further high-quality and rigorously prioritised exploration projects, which in turn lead to the development of new mines.

Brownfields exploration focuses on delivering value through incremental additions to reserves in existing mines as well as new discoveries in defined areas around existing operations. Brownfields exploration actively drives the creation of value by growing our major asset, our Mineral Resource and Ore Reserve. The brownfields exploration programme is based on innovation in geological modelling and mine planning, and continual optimisation of our asset portfolio.

### Greenfields exploration

AngloGold Ashanti's greenfields exploration team has a proven track record that includes the world-class discoveries of La Colosa, Gramalote, Tropicana, and Nuevo Chaquiro. These discoveries are attributed to our team of geologists working on a portfolio of prospective and strategic ground holdings.

In 2014, the greenfields exploration business unit delivered exploration successes while, simultaneously, reducing costs aggressively. It has been successful in delivering new quality gold ounces and, now, copper tonnes into our resource inventory. The copper-gold maiden resource for Nuevo Chaquiro in Colombia exemplifies the unit's success. This is a significant copper-gold porphyry-style mineralised system, one of five known porphyry centres on the property.

During the year, greenfields activities became more focused, helped by rationalising tenures in Colombia and Australia. In 2014, realised expenditure was \$41m. AngloGold Ashanti remains committed to its core greenfields projects and has over 13,000km<sup>2</sup> of highly-prospective ground in Australia, Colombia, and Guinea along with small ground positions in Argentina and Brazil. Advanced greenfields exploration activities were conducted in four countries with the completion of over 100,000m of diamond, reverse circulation and aircore drilling. Drilling programmes aimed to test new high-priority targets in Australia and further delineate existing discoveries in Colombia, Guinea and Brazil.

**Colombia:** Exploration success continued at the Nuevo Chaquiro project, in joint venture with B2Gold (AngloGold Ashanti 89.75%). In November, AngloGold Ashanti announced a maiden Inferred Mineral Resource estimate for Nuevo Chaquiro. It represents a realistic inventory of mineralisation within a conceptual underground mine design, based on two lifts using a combination of block caving and panel caving. Results from the latest Mineral Resource drilling in December 2014 continue to return multiple consistently mineralised intersections in the high-grade (>0.6% Cu) intrusive phase within the declared Mineral Resource. Drilling is now aimed at better defining and extending the high-grade (>0.6% Cu) zone and bringing this to indicated status.

**Brazil:** Exploration progressed on the Graben project, in joint venture with Graben Mineração (AngloGold Ashanti 51%). Following the completion of high-resolution ground magnetics surveying and 3D inversion modelling, approximately 1,100m of diamond drilling were completed in December on priority targets within the highly prospective Jurueña Belt. These holes targeted de-magnetised intrusive rocks associated with alteration and possible sulphide mineralisation. The holes successfully intersected altered and mineralised rocks.

**Guinea:** Exploration work continued in Siguiri Blocks 2, 3 and 4 (AngloGold Ashanti 85%) until 20 July, after which work was suspended due to the outbreak of the Ebola virus in the immediate region. On the Kounkoun trend located within 50km of the Siguiri mine, in Block 3, 7,259m of reverse circulation drilling was completed to test the continuation of mineralisation between KK1 and KK2. This mineralisation model was confirmed and passed to the BFX evaluations department for Mineral Resource calculations. IP and drill testing of other targets in the region delivered negative results. In December, the greenfields exploration unit withdrew from Guinea and transferred responsibility for Siguiri Blocks 2-4 to the Siguiri brownfields unit.

**Australia:** In Western Australia, exploration activities on the Tropicana project, in joint venture with Independence Group NL AngloGold Ashanti (70%), progressed solidly through the year with more than 60,000m of aircore, 1,800m of reverse circulation and 500m of diamond drilling being completed. Encouraging results were returned from Madras prospect approximately 25km south of the Tropicana Gold Mine. The Strawbridge Project (AngloGold Ashanti 100%) in Western Australia was added to the portfolio late in the year. In New South Wales at the Mullion Project AngloGold Ashanti (100%), significant geophysical surveying was completed.

### **Brownfields exploration**

Brownfields exploration was carried out in 11 countries, in and around our operations. A total of 389,900m of diamond and reverse circulation drilling was completed during the year.

**South Africa:** Five surface holes were drilled during the year – four at the West Wits operations at Mponeng’s Western Ultra Deep Levels (WUDLs) and one at the Vaal River operations – achieving a total length of 6,923m.

**Argentina:** Mineral Resource expansion and exploration continued at Cerro Vanguardia with follow-up drilling for vein extensions along strike and at depth, identifying additional mill ore. Mapping, trenching and channel sampling work defined new exploration targets.

**Brazil:** Mineral Resource development drilling continued at the Cuiabá and Lamego mines to support long-term planning and Mineral Resource definition ahead of mining. Surface drilling at the Córrego do Sítio mine continued to infill and expand the oxide Mineral Resource. Regional exploration tested near-mine satellite projects. At Serra Grande, exploration drilling continued to delineate the Inga mineralised structure. Geophysical surveys and soil sampling campaigns were completed as part of the target generation programmes in the district.

**Colombia:** Exploration in the Gramalote area focused on infill drilling to support the updated Mineral Resource estimate for the Gramalote Central deposit. Drilling was also directed at expanding the nearby Monjas West target. At La Colosa, Mineral Resource development drilling continued at a slower pace compared to previous years with other drilling expanded to support geotechnical, hydrological and site infrastructure studies. The geological model was updated with expansion of the deposit to the northwest and at depth.

**USA:** Mineral Resource development drilling continued at Cripple Creek and Victor and was directed toward identifying expansion opportunities for the current open pit operations through high wall laybacks. Selective drilling also tested deeper targets below or adjacent to planned open pit designs.

**Tanzania:** Focus has largely been on infill drilling within Geita’s current open pits (Geita Hill, Nyankanga and Star & Comet) and their extensions. Limited pre-resource drilling programmes were undertaken to test the underground potential at Star & Comet Deeps. A total of 111 holes (20,220m) was completed.

**Guinea:** At Siguiri, 17,823m of reverse circulation and diamond drilling were done across six projects in Block 1. These included reconnaissance, Mineral Resource delineation, and infill projects for oxide and fresh rock mineralisation. The Ebola epidemic in West Africa led to significant disruptions, particularly with field mapping and geophysics and the work programme was suspended in the second half of the year.

**Ghana:** Underground exploration at Obuasi focused on a portion of the Red Zone 6 (Block 9) area above 50 level with the aim of upgrading the block’s Inferred Mineral Resource. At Iduapriem, the main focus in early-2014 was the logging, sampling and analysis of core from 2013’s Block 7&8 infill drilling. Several new targets were produced from the existing regional magnetic data over the Iduapriem concession. Analysis of a distinct magnetic anomaly in an area west of the Teberebie warehouse, which is also being exploited by artisanal and small-scale miners, led to the identification of hydrothermal, vein-hosted, mineralisation. Initial sampling results show some promise and a detailed follow-up is expected to begin in 2015.

**Democratic Republic of the Congo:** Drilling at Kibali totalled 19,018m, with an additional 1,666m drilled on regional projects. The aim is to add material to the Ore Reserve at above run-of-mine grade, to find gap fillers where required, or to add sufficient new material (3-5Moz) to justify a step change to the operation. At Gorumbwa, three phases of infill drilling were completed during the year.

**Mali:** A number of key oxide targets were identified at Sadiola. Research by the Centre for Exploration Targetting continued during the year and a structural framework for mineralisation was defined for Tambali and the FE complex. The most promising target, FE2S, shows potential for low-grade, wide ore zones over a 1.2km strike length. Some results remain outstanding for drilling along the Sadiola northern extension. Limited fresh rock exploration was conducted in the FE3 and FE4 pits with positive results at both. A scoping- study was done for the newly generated Tambali Mineral Resource. Drilling targets were defined for a possible infill programme. Field mapping and sampling continued over the lease area and the geological map has been refined with new information from most target area.

**Australia:** A 3D seismic survey to image the mineralised zone down dip of Tropicana was designed and completed during the year. Its dataset is high quality and is being interpreted to create a structural model that is expected to be used to help plan drill holes in 2015. At Sunrise Dam all mine exploration was focused on Mineral Resource definition and extension to support the underground mine. Drilling totalled 53,100m for the year – 67% diamond core and 33% UGRC. Drilling in 2014 targeted the Vogue/Dolly area (42%); Cosmo East (23%); Sunrise Shear (22%) and GQ South (13%). Drilling in Vogue/Dolly defined an Indicated Mineral Resource above the 1,700mRL, in line with the plan to start mining stopes in the upper part of Vogue/Dolly area in 2015. In Cosmo East, the mining area has now been upgraded to an Indicated Mineral Resource down to the ~1,500mRL, enabling planned mining below the current 1,625mRL level. The 2015 programme is on more extensional drilling and defining new areas to replenish the Inferred Mineral Resource.

## TECHNOLOGY AND INNOVATION

### Towards a new mining method for ultra-deep South African mines

The long-term future of our South African mining operations lies in extracting ore from depths never before achieved and where safety and cost considerations preclude the use of conventional mining practices. Refer Item 3D: Risk Factors – some of AngloGold Ashanti’s technologies are unproven and failure could adversely impact costs and production. Safety is paramount, and at AngloGold Ashanti our approach to addressing the challenges of depth is to design and develop innovative mechanised methods that remove miners from hazardous and unhealthy working places.

To overcome the challenges of depth we established the Technology Innovation Consortium charged with investigating and devising ways of safely mining all of the gold, all of the time and at greater depths than those at which we currently operate. The key component of the new mining method under development is the use of mechanical boring techniques targeting the gold reefs alone, thereby minimising dilution, while reducing or even eliminating seismicity risks.

An initial test site was established at TauTona mine in South Africa where reef-boring applications are being tested along with that of ultra-high strength backfill (UHSB). The success of this technology would enable the wider deployment of small-scale prototype units, initially targeting mining opportunities not currently available using conventional practices. Five additional test sites have been identified.

In 2014, the Technology Innovation Consortium, which includes a group of original-equipment manufacturers, made progress in advancing and differentiating the profiles of the individual key technology projects. Progress on developing technologies for safe, automated mining for selective use at our deep-level mines is as follows:

#### **Ore body knowledge and exploration – geological drilling**

Geological drilling is a key area of development for the new mining method. The consortium has identified that a solution for fast and accurate geological information of the complex vein structures will be required to ensure that only the gold is being mined during the reef boring process. During 2014, progress was made in achieving targeted drilling rates with no loss in accuracy. An overall 294m depth (drill string length available) was reached in line with the set target of 8m/hour and depths of between 270m-300m.

#### *Reef boring*

The developments of the reef boring technologies have progressed beyond initial trials and are in the preliminary stages of producing ore from trial sites. Reef boring machines in three different sizes have been commissioned in an attempt to address the variable reef channel widths that reside in the deep underground mining environment of AngloGold Ashanti’s assets. These machines have been commissioned and, in many cases, deployed to the operating environment for testing and further improvement. The biggest challenges were found in areas with softer footwall conditions, typically associated with the C-reef ground. The commissioning, application and development of reef boring machines is expected to continue at various prototype sites. Work teams are expected to continue to focus on improving technical and work management aspects of machine performance toward design expectations.

**Machine manufacturing:** All four of the medium-reef (width 40-80cm) machines and the two small-reef (width 0-400mm) machines were manufactured and delivered.

**TauTona test site:** 30 holes were drilled during the year, at diameters of between 660mm and 720mm, to address changing reef channel. Improvement in the drilling theory remains a focus area and different reamer cutter configurations were tested. Due to the reef channel increasing, more holes are expected to be drilled with the 660mm and 720mm reamers and the further information obtained will allow us to evaluate the extent to which the reamers can be deployed at the prototype sites.

**TauTona mine prototype site:** Three medium-reef (width 400mm-800mm) Atlantis machines were commissioned at TauTona and were progressively deployed at different prototype sites on 97 Level where 11 holes were drilled. Industrial and mechanical engineering support assisted the work teams in identifying technical and work management aspects to achieve machine performance that reach design expectations.

**Great Noligwa and Kopanang:** Testing started using the new hydro-power equipment, the narrow-reef (0-400mm) machine. Nine holes have been drilled to date. This drilling method requires a double-pass drilling sequence where an initial pilot or direction hole is drilled, followed by a larger diameter cutter that reams the initial hole to a greater width. Drilling of the 115mm pilot holes succeeded in delivering acceptable drilling rates and directions. However, reaming with 250mm and 350mm reamers remains a challenge as the softer footwall conditions associated with the C-reef ground caused the cutter head to diverge from the direction hole into the barren rock below the reef.

It was decided to test the technology in the Vaal Reef where footwall conditions are more consistent, and the machine was moved to Kopanang.

A Sandvik machine was delivered and installed underground, but was removed from underground and returned to the manufacturer for modifications.

**Site equipping:** In 2014 equipping of the prototype sites was completed and work continues on equipping sites for 2015.

**Ultra high-strength backfill (UHSB)**

The successful development of the UHSB product, together with the reef-boring technology for use in mining applications as a support medium, creates the potential for the earlier mining of shaft pillars, the pre-extraction of planned stabilising pillars, post-extraction of existing stabilising pillars and change from conventional mining to mechanical reef-boring mining.

During the year, alterations were made to the underground backfill plant at TauTona mine to enhance the efficiency of the system. All available reef-bored holes in the prototype production block and test site have been filled. As part of the process to install instrumentation a datalogging software system was installed and commissioned in the prototype production site. Data are currently being captured and analysed. A tailings dry plant has been commissioned on surface.

Surface testing to increase the mixing volume from 4m<sup>3</sup>/hour to 8m<sup>3</sup>/hour has seen positive results. Alternative mixing methodologies have been developed with a laboratory scale mixer in Germany. A full-scale prototype mixer was manufactured, delivered and commissioned. Initial trials gave positive results. Mixing trials to increase the volume per mix as well as to reduce the mixing times continued during the first quarter of 2015.

**4C. ORGANISATIONAL STRUCTURE**  
**GROUP STRUCTURE**

AngloGold Ashanti's operations are divided into the following regions:

- South Africa operations in Vaal River, West Wits and surface operations;
- Continental Africa operations in Ghana, Guinea and Tanzania and joint venture operations in the DRC and Mali;
- Australasia operations in Australia; and
- Americas operations in Argentina, Brazil and the United States.

The above four regions also correspond to AngloGold Ashanti's four business segments.

Day-to-day management of the group is entrusted to AngloGold Ashanti's executive management team, chaired by the Chief Executive Officer. See Item 6.: Directors, senior management and employees .

Support is provided to the executive management team in managing AngloGold Ashanti's corporate activities at both the central and local levels. Group support functions include planning and technical, strategy, sustainability, finance, human resources, legal and stakeholder relations, risk, insurance and information technology.

**SUBSIDIARIES**

AngloGold Ashanti Limited has investments in principal subsidiaries and joint venture interests, see Item 19.: Exhibits Exhibit 19.8 Principal subsidiaries and operating entities for details.

**4D. PROPERTY, PLANTS AND EQUIPMENT**

For more information about our mines, refer to Item 4B: Business overview.

AngloGold Ashanti's operating mines are all accessible by road.

**SOUTH AFRICA - GEOLOGY**

The Witwatersrand Basin comprises a six kilometre thick sequence of inter-bedded argillaceous and arenaceous sediments that extend laterally for some 300 kilometres north-east/south-west and 100 kilometres 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 kilometres 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 metres thick, which 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. 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.

Operations in the South Africa region are powered by electricity from Eskom Holdings Limited which supplies 95 percent of the electricity used in South Africa.

**Vaal River operations****Description**

The Vaal River operations consist of Great Noligwa, Kopanang, Moab Khotsong as well as surface operations.

**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 kilometre above the Vaal Reef.

The C Reef is a thin, small pebble conglomerate with a carbon-rich basal contact, located approximately 270 metres above the Vaal Reef. It has less than 1 percent of the estimated reserves with grades similar to the Vaal Reef, but is 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**

	<b>West Gold Plant</b>	<b>Noligwa Gold Plant</b>	<b>Mispah Gold Plant</b>	<b>Kopanang Gold Plant</b>
<b>Gold plants</b>				
Capacity (000 tonnes/month)	180	260	140	420
<b>Uranium plants</b>				
Capacity (000 tonnes/month)		260		



## **Vaal River Great Noligwa**

### **Description**

Great Noligwa, which began operations in 1972, is a mature operation which adjoins Kopanang and Moab Khotsong and is located close to the town of Orkney, near the Vaal River. The Vaal Reef, the operation's primary reef, and the Crystalkop Reef, a secondary reef, are mined from a twin-shaft system over eight main levels at an average depth of 2,400 metres. Given the geological complexity of the orebody at Great Noligwa, a pillar mining method is employed.

The mine shares a milling and treatment circuit with Moab Khotsong and Kopanang.

## **Vaal River Kopanang**

### **Description**

Kopanang is located in the Free State province, roughly 170 kilometres southwest of Johannesburg and approximately 10 kilometres southeast of the town of Orkney on a lease area of 35km<sup>2</sup>. The operation which started in 1984 is west of neighbour Great Noligwa and bound to the south by the Jersey Fault. Gold is the primary output with uranium oxide as a by-product from a single shaft system to a depth of 2,600 metres.

Kopanang almost exclusively exploits the Vaal Reef, although minor amounts of gold are also extracted from the secondary Crystalkop Reef. Given the geologically complex orebody, scattered mining is used.

## **Vaal River Moab Khotsong**

### **Description**

Moab Khotsong started operations in 2003 and is AGA's newest gold mine in South Africa. It is situated near Orkney, Klerksdorp and Viljoenskroon, about 180 kilometres southwest of Johannesburg. Given the geological complexity of the Vaal Reef, scattered mining is employed.

### **Surface Operations**

Surface Operations consists of Hard Rock Surface Sources and Mine Waste Solutions (MWS).

#### **Hard Rock Surface Sources**

##### **Description**

Hard Rock Surface Sources extract gold from marginal ore dumps at various Vaal River and West Wits operations where there is more metallurgical capacity than reef mined. Uranium is produced as a by-product at Vaal River South Uranium Plant. In addition, backfill product is produced and used as support in mining operations. The Hard Rock Surface Sources includes the rail transport infrastructure, the Vaal River and West Wits Laboratories and tailings management facilities.

#### **Mine Waste Solutions**

##### **Description**

MWS is a gold and uranium tailings recovery operation located in the western portion of the Witwatersrand Basin, some 160 kilometres from Johannesburg approximately 8 kilometres from the town of Klerksdorp near Stilfontein in the North West Province. It has been operational since 1964 and was previously owned by First Uranium Corp.

MWS consists of 14 tailings dams, which are made up of deposits from three gold and uranium mines that operated for 50 years.

The tailings dams are scattered over an area that stretches approximately 13.5 kilometres north to south and 14 kilometres east to west. The footprints of the 14 tailings dams cover an area of approximately 1,100 hectares.



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The MWS gold plants have the capacity to treat tailings of 1.93 million tonnes per month. The uranium plant has a design capacity of 100,000 tonnes per month. The uranium plant was commissioned in the fourth quarter of 2014.

The tailings dams are comprised of tailings material which originated from the processing of underground ore from the now defunct Buffelsfontein Gold Mine ( BGM ) and Stilfontein Gold Mine ( SGM ). Both BGM and SGM predominately extracted gold from conglomerate reefs of the Witwatersrand Basin. The material contained in the tailings dams is generally fine.

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**West Wits operations**

**Description**

The West Wits operations, Mponeng and TauTona, are situated southwest of Johannesburg, on the border between Gauteng and North West Province. From 1 January 2013 the Savuka mine was incorporated into the TauTona mine to access Savuka's remaining Ore Reserves via TauTona's infrastructure and Savuka and TauTona operate as a single mine.

**Geology**

Two reef horizons are exploited at the West Wits operations, the VCR located at the top of the Central Rand Group and the CLR near the base. The separation between the two reefs increases from east to west from 400 to 900 metres, due to unconformity in the VCR. TauTona exploits both reefs, whereas Mponeng only mines the VCR. Faults of greater than 70 metres are rare. The CLR consists of one or more conglomerate units and varies from several centimetres to more than three metres 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 centimetres to more than three metres in thickness.

**West Wits Mponeng**

**Description**

Mponeng, in operation since 1986, is located between the towns of Carletonville and Fochville on the border between Gauteng and the North West Province, southwest of Johannesburg. The operation, the world's deepest mine, extracts the VCR at depths between 2,400 metres and 3,900 metres through sequential-grid mining. The Mponeng lease area is constrained to the north by the TauTona mine, to the east by Sibanye's Driefontein mine and to the west by Harmony's Kusasaletu mine. Mponeng comprises a twin-shaft system housing two surface shafts and two sub-shafts. Ore is treated and smelted at the mine's gold plant. The plant has a monthly capacity of 170,000 tonnes.

**West Wits TauTona**

**Description**

TauTona lies on the West Wits Line, just south of Carletonville in Gauteng, about 70 kilometres southwest of Johannesburg. Mining takes place at depths of between 1,850 metres and 3,450 metres. The mine has a three shaft system, supported by secondary and tertiary shafts and employs mainly sequential grid mining method to mine the CLR. Savuka, which is adjacent to and shared a processing plant with TauTona, was incorporated into TauTona following a study in 2012 that concluded that the optimal, most efficient means of accessing Savuka's remaining resources would be through TauTona's infrastructure. The merging of Savuka into TauTona early in 2013 was determined as the most efficient way of mining the remainder of Savuka's lower grade reserves, while minimising operational and infrastructure maintenance costs. A link between the two mines reduces dependency on a single infrastructure system, including ore passes.

The TauTona and Mponeng reef material is processed through the Mponeng Gold Plant.

The Savuka Gold Plant has a monthly capacity of 165,000 tonnes, processing mainly material from the Mponeng marginal ore dump.

**CONTINENTAL AFRICA****GHANA - Summary of metallurgical operations**

	Obuasi			Iduapriem
	Sulphide Treatment Plant	Tailings Treatment Plant	Alternate Ore Treatment Plant	Iduapriem Plant
Capacity (000 tonnes/month)	195	180	120	392
<b>Ghana Iduapriem</b>				

**Description**

Iduapriem, wholly owned by AngloGold Ashanti since September 2007, comprises the Iduapriem and Teberebie properties on a 110km<sup>2</sup> concession. The mine, which began operations in 1992, is situated in the western region of Ghana, some 70 kilometres north of the coastal city of Takoradi and 10 kilometres southwest of Tarkwa.

Iduapriem is an open-pit mine and its processing facilities include a Carbon-in-pulp (CIP) plant.

**Geology**

The Iduapriem and Teberebie properties are located along the southern end of the Tarkwa basin. The mineralisation 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.

**Ghana Obuasi****Description**

Obuasi, wholly owned by AngloGold Ashanti since 2004, is located in the Ashanti Region of Ghana, approximately 60 kilometres south of Kumasi. Mining operations are primarily underground, to a depth of 1.5 kilometres. However, some surface mining in the form of open pit and tailings reclamation also occurs. Obuasi originally opened in 1897.

**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 kilometres in a north-east/south-west trend in south-western Ghana. Obuasi mineralisation is shear-zone related and there are three main structural trends hosting gold mineralisation: the Obuasi trend, the Gyabunsu trend and the Binsere trend.

Two main ore types are mined:

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

sulphide ore which is characterised by the inclusion of gold in the crystal structure of a sulphide 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. Sulphide ore is generally refractory.

Power is supplied to the mines by the Volta River Authority and the transmission is done by the GridCo Company.

**GUINEA****Description**

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Siguiri, a multiple open-pit oxide gold mine which opened in 1997, is AngloGold Ashanti's sole operation in the Republic of Guinea. It is located in the district of Siguiri, around 850 kilometres northeast of the country's capital Conakry. Conventional mining activities are performed by contractors in multiple open pits using conventional techniques. On surface, Siguiri's gold processing plant treats about 998,000 tonnes per month. Power to the mine is self-generated.

AngloGold Ashanti holds an 85 percent interest in Siguiri and the balance of 15 percent is held by the Government of Guinea.

## **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 mineralisation (CAP) which occurs as surficial aprons of colluvium or as palaeo-channels of alluvial lateritic gravel adjacent to, and immediately above in-situ deposits; and

in-situ quartz-vein related mineralisation hosted in meta-sediments with the better mineralisation associated with vein stockworks that occurs preferentially in the coarser, brittle siltstones and sandstones.

The mineralised rocks have been deeply weathered to below 100 metres in places to form saprolite mineralisation (SAP). With the percentage of available CAP ore decreasing, a CIP plant is used to treat predominantly SAP ore.

## **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.

### **Mali Morila**

#### **Description**

AngloGold Ashanti has an effective 40 percent stake in Morila, as does Randgold Resources Limited (which manages the mine). The state of Mali owns the remaining 20 percent.

The Morila mine has operated for 14 years and is situated 280 kilometres southeast of Bamako, the capital of Mali. The operation treats low-grade stockpiles while the plant, which incorporates a conventional CIL process with an upfront gravity section to extract the free gold, has annual throughput capacity of 3.7 million tonnes. Since mining was concluded in 2009 with the depletion of the orebody, operations at Morila currently involve processing of the stockpile which stood at 1.3 million tonnes (mineralised waste) as at year-end. In addition, a push back at the open pit provided limited amounts of ore. Power is supplied by a subcontractor.

#### **Geology**

The Morila deposit is hosted in a flat lying fold structure which rises sharply to surface in the south and west. The deposit occurs within a sequence Birimian metal-arkoses of amphibolite metamorphic grade. Mineralisation is characterised by silica-feldspar alteration and sulphide mineralisation consists of arsenopyrite, pyrrhotite, pyrite and chalcopyrite.

### **Mali Sadiola**

#### **Description**

The Sadiola mine is situated in western Mali, some 77 kilometres south-southwest of the regional capital Kayes. The mine is a joint venture between AngloGold Ashanti (41 percent) and IAMGOLD (41 percent) and the state of Mali (18 percent). The mine has been operating since 1996. Mining reduced considerably to adapt to the 2014 gold price decrease but continued predominantly in Tambali. On-site surface infrastructure includes a 4.9 million tonnes per annum CIP gold plant where the ore is eluted and smelted. Power to the Sadiola and Yatela mines is self-generated.

#### **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 mineralisation are marbles and greywackes which have been intensely weathered to a maximum depth of 200 metres. 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 mineralisation, mainly with the marble where the porosity was greatest. The Sadiola Hill deposit generally consists of two zones, an upper oxidised cap and an underlying sulphide zone. From 1996 until 2010, oxide and transitional ore from the Sadiola Hill pit was the primary ore source for the mine while being increasingly supplemented from the outlying satellite pits during the latter years. From 2011 when the Sadiola Main pit was mined out, the satellite pits became the dominant source of oxide and transitional ore.



## **Mali Yatela**

### **Description**

Yatela, operational since 2001, is 80 percent owned by the Sadiola Exploration Company Limited, a joint venture between AngloGold Ashanti and IAMGOLD, giving each a 40 percent stake in Yatela. The balance of 20 percent is owned by the state of Mali.

The Yatela mine which is a heap leach operation is situated in western Mali, some 25 kilometres north of Sadiola and approximately 50 kilometres south-southwest of the regional capital Kayes. Ore extraction ceased in September 2013 and processing is planned to end during 2015. The main activity at Yatela is the implementation of the closure plan in order to relinquish the property.

### **Geology**

Yatela mineralisation occurs as a keel-shaped body in Birimian metacarbonates. The keel is centered on a fault which was the feeder for the original mesothermal mineralisation, with an associated weakly mineralised diorite intrusion. Mineralisation 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.

## **TANZANIA**

### **Tanzania Geita**

### **Description**

The Geita gold mine is located in the Lake Victoria goldfields of the Mwanza region of Tanzania, about 120 kilometres from Mwanza and 5 kilometres west of the town of Geita. It has been in operation for 15 years.

The Geita gold mine is a multiple open pit operation with underground potential and is currently serviced by a 5.1 million tonnes per annum CIL processing plant. Power to the mine is self-generated.

### **Geology**

Geita is a multi- open pit operation with the dominant ore sources being from the Nyankanga and Geita Hill pits. Historically, other pits such as Star and Comet, Matandani and Kukuluma have also contributed to the ore feed. The terrain is Archaean in age and generally characterised by Greenschist metamorphism, although amphibolitic metamorphism occurs in places. Ore zones are usually associated with Banded Iron Formation (BIF) or other iron rich rocks and typically when they are in contact with intrusive rocks such as diorites. These contacts have been deformed and act as fluid pathways for the mineralising fluids. Gold mineralisation is associated with alteration that includes sulphides such as pyrite and arsenopyrite, whilst other minerals such as hematite, magnetite, quartz, calcite, dolomite, biotite and chlorite also occur.

## **DEMOCRATIC REPUBLIC OF THE CONGO**

### **Kibali**

### **Description**

The Kibali Gold Mine is a Joint venture between AngloGold Ashanti (45 percent), Randgold Resources Limited (45 percent) with Société Minière de Kilo-Moto (SOKIMO), a state-owned gold company owning the balance. Randgold Resources is the operator and project manager.

Kibali comprises 10 permits covering an area of 1,836 km<sup>2</sup> in the Moto goldfields of the north-east DRC.

The mine is located within 10 kilometres of the town of Watsa in the north east portion of the DRC in the Orientale Province. Access to the area is available by gravel road from the Ugandan border town of Arua over a distance of 180 kilometres. Power to the mine is self-generated.

The Kibali Gold Mine has a processing operation capable of producing an average of 600koz of gold per annum by treating 7.2Mtpa throughput. The processing plant has a capability of process oxide and sulphide material. Once the project is completed, the mine is expected to consist of:

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An open pit generating a peak run of mine capacity of 7Mtpa;  
Vertical shaft complex generating a peak run of mine capacity of 3Mtpa;  
Decline underground development providing a run of mine capacity of 1.4Mtpa;



Tailings storage facilities with a total capacity of 75Mt; and  
Associated infrastructure.

In October 2013, the oxide circuit was commissioned. During 2014 the oxide plant was successfully ramped up. The sulphide circuit has been commissioned and ramped during the second quarter of 2014.

On the mining front, the development of the decline system continued. Blasting of the first stope took place in quarter four, hence the commencement of underground mining. On the vertical shaft, the shaft depth at the end of December was 719.5 metres.

## **Geology**

The Kibali Gold Mine is located within the Moto Greenstone Belt, which consists of Archean Kibalian volcano sedimentary rocks and ironstone-chert horizons that have been metamorphosed to greenschist facies.

The combined Karagba, Chauffeur and Durba (KCD) deposit is host to the majority of the currently defined Mineral Resource and Ore Reserve, as well as the current open pit and underground mining operations. KCD is hosted within a mineralised corridor that also hosts the Sessenge, Gorumbwa and Pakaka deposits and a number of exploration prospects.

The known deposits of the Kibali project are hosted along a reactivated thrust plane that creates plunging lodes of mineralisation as exemplified by the KCD deposit. The majority of gold mineralisation identified to date is disseminated style, hosted within a sequence of coarse volcanoclastic and sedimentary rocks. The mineralisation is generally stratigraphically bound and associated with carbonate-silica-albite alteration with minor sulphide.

## **AUSTRALASIA**

### **AUSTRALIA**

#### **Australia Sunrise Dam**

##### **Description**

Sunrise Dam, which is wholly-owned, is located 220km northeast of Kalgoorlie and 55km south of Laverton in Western Australia. Mining of the Crown Pillar at the base of the 490m deep pit was completed in early 2014. By year-end, underground mining, which is conducted by a contract mining company, was the primary source of ore, with supplementary mill feed provided by stockpiles. Ore is treated via conventional gravity and carbon-in-leach (CIL) processing plant which is owner-managed.

##### **Geology**

Gold ore at Sunrise Dam is structurally and lithologically controlled within gently dipping high strain shear zones and steeply dipping brittle-ductile low strain shear zones. Host rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.

#### **Australia Tropicana**

##### **Description**

Tropicana, a joint venture between AngloGold Ashanti (70% and manager) and Independence Group NL (30%), is located 200 km east of Sunrise Dam and 330 km east-northeast of Kalgoorlie. First gold was poured ahead of schedule and on budget in September 2013, following development approval in November 2010. The open pit operation features a large scale, modern processing plant which uses conventional carbon-in-leach technology and includes high-pressure grinding rolls for energy-efficient comminution. Mining is carried out by a contract mining company and the plant is owner-managed.

The mine is a fly in fly out operation, with a mine site village and aviation services operated from Perth and Kalgoorlie. A 220km private road and the public road network provide access for the delivery of supplies to the operation.

The Tropicana JV includes approximately 3,000km<sup>2</sup> of tenure in the prospective Tropicana belt, with active exploration programmes seeking both satellite extensions to the Tropicana Gold Mine and discoveries with standalone potential.



**Geology**

Gold mineralisation at Tropicana occurs in high metamorphic grade gneissic rocks, which dip gently to the south east. Mineralisation is structurally controlled and occurs within a preferred host unit within the gneissic package. Post mineralisation faulting has separated the once continuous ore zone, with the open pits developed on each of the fault bounded blocks.

**THE AMERICAS****UNITED STATES OF AMERICA****United States of America Cripple Creek & Victor****Description**

AngloGold Ashanti holds a 100 percent interest in Cripple Creek & Victor (CC&V) Gold Mining Company's Cresson Project, located in the state of Colorado in the United States. A surface mining operation provides ore to a crusher and valley-leach facility, one of the largest in the world. Production here began in 1994. Production from the mine life extension (MLE1) project, which involved expanding capacity at the heap-leach pad, began in 2011. A further life extension and production expansion project (MLE2), approved in 2012, is in implementation phase and is expected to increase production from 2015. The power for the mine is purchased from Black Hills Energy. The mine became operational in 1976. The mine has been operated by AngloGold Ashanti since 1999.

**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 kilometres and surrounded by Precambrian rocks. The Precambrian rocks consist of biotite gneiss, granodiorite and quartz monzonite and granite.

Geologic events that created the intersection of these Precambrian units also 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 of the 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 mineralising solutions. Higher grade pods of mineralisation occur at structural intersections and/or as sheeted veins along zones of strike deflection. High-grade gold mineralisation is associated with K-feldspar + pyrite +/- carbonate alteration and occurs within the major structural and intrusive dyke zones. The broader zones of disseminated mineralisation occur primarily as micro-fractured halos around the stronger alteration zones in the more permeable Cripple Creek Breccia wall rocks.

The average depth of oxidation is 120 metres 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. Gold occurs primarily as gold tellurides, gold-silver tellurides or their oxidized equivalents. It can also occur as native gold, native gold with pyrite or native gold with iron and manganese oxides. Silver is present but is economically unimportant. Gold mineralisation can be encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and minor quartz.

**Cripple Creek & Victor Summary of metallurgical operations****Gold plants**

Capacity (000 tonnes/month)	
- crushed ore production	1,607
- total ore production	1,757
- solution processed	2,630

## ARGENTINA

### 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. Shallow underground mining began in 2010 to access high-grade material and accounts for about 23 percent of the mine's production. 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 3,150 tonnes per day and includes a cyanide recovery facility. Power for the mine is self-generated but operated by an external contractor. The mine has been operated by AngloGold Ashanti since 1998.

#### 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 kilometres. 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 mineralisation at Cerro Vanguardia occurs within a vertical range of about 150 metres to 200 metres 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 of veins 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 oxidised to limonite. The veins show sharp contacts with the surrounding ignimbrite which hosts narrow stockwork zones that are weakly mineralised and appear to have been cut by a sequence of north-east-trending faults that have southerly movement with no appreciable lateral displacement.

**BRAZIL****Brazil AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração)****Description**

AngloGold Ashanti Córrego do Sítio Mineração (AGA Mineração) comprises two operational units, namely the Cuiabá and the Córrego do Sítio complexes. The Cuiabá complex includes the Cuiabá and Lamego mines and the Cuiabá and Queiroz plants. In operation for 29 years, the Cuiabá mine is a mix of sublevel bench and cut-and-fill mine accessed by ramp and shaft. Lamego is a new mine developed to mine an underground sulphide ore. The first stage of the processing of the ore from Cuiabá and Lamego mines is in the gold plant at the Cuiabá complex, where concentrate is produced. The material is then transported 15 kilometres by aerial ropeway to the Queiroz plant where milling, flotation, roasting, leaching, precipitation and refining occur. Total capacity of the complete circuit is 1.7 million tonnes per year and recoveries of 93 percent are achieved. Power for the mine is both self-generated and supplied by Cemig a state owned company. The Cuiaba mine became operational in 1988 and the Lamego mine in 2009. However some of the older mines which are now closed have been operating since 1834.

The Córrego do Sítio operation comprises one surface (oxide) and two underground (sulphide) mines, as well as a heap leach pad and sulphide plant, the latter originally acquired from Eldorado late in 2008 was refurbished and brought into operation in January 2012.

**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 mineralisation 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 mineralisation associated with sulphides and quartz veins in Banded Ironstone Formation (BIF) and volcanic sequences. At this mine, structural control and fluids flow ascension are the most important factors for gold mineralisation with a common association between large-scale shear zones and their associated structures. Where BIF is mineralised the ore appears strongly stratiform due to the selective sulphidation 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 mineralisation 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). Mineralisation is due to the interaction of low salinity carbon dioxide rich fluids with the high-iron BIF, basalts and carbonaceous graphitic schists. Sulphide mineralisation 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 mineralisation. Wallrock alteration is typically carbonate, potassic and silicic.

**Brazil Summary of metallurgical operations**

	Córrego do Sítio		AngloGold Ashanti Mineração		Serra Grande
	Oxide	Sulphide	Cuiaba	Raposos	
Capacity					
(000 tonnes/month)	38	50	147	28	108

**Brazil Serra Grande****Description**

Serra Grande is located in central Brazil, in the state of Goiás, about 5 kilometers from the city of Crixás. Serra Grande comprises three mechanised underground mines: Mina III (which includes orebody IV), Mina Nova (which includes the Pequizão orebody) and Palmeiras and an open pit in the outcrop of Mina III orebodies. Recently a new gold bearing quartz vein was identified just beneath Pequizão Orebody and a new decline is being developed from Mina III (orebody IV) to access and expose this new orebody named Ingá, wich contains high grade content. One dedicated metallurgical plant treats ore from these different sources. The annual capacity of the processing circuit, which has grinding, leaching, filtration, precipitation and smelting facilities, is 1.3 million tonnes. The power for the mine is supplied and purchased in the open market. The mine became operational in 1989 and has been operated by AngloGold Ashanti since 1999.



## Geology

The gold ore deposits are located in the Rio Vermelho and Ribeirão das Antas Formations of the Archaean Pilar de Goiás Group which account together 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, meta volcanics and dolomites occurring in a typical greenstone belt structural setting. Gold mineralisation is associated with massive sulphides and vein quartz material associated with carbonaceous and sericitic schists and dolomites. The oreshoots plunge to the north-west with dipping between 6 and 35 degrees. The stratigraphy is overturned and thrust towards the east, being recognized different shear thrust structures that are stacked and controls the mineralization, behaving as frontal and lateral ramps and horses.

The greenstone belt lithologies are surrounded by Archaean tonalitic gneiss and granodiorites of TTG suite. The metamorphic sediments are primarily composed of quartz, chlorite, sericite, carbonaceous material 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 veins. The basalts are relatively unaltered but do show pronounced stretching with elongation of pillow structures being 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 was developed with irregular thrust ramp geometry, in part controlled by concealed early basin faults. The main Crixás orebodies are adjacent to a major north-northwest 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 northwest-southeast 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 mineralisation within the belt. The D1 thrust stack was gently folded by non-cylindrical folds. Gold mineralising fluids probably migrated during this event, with similar south-south-west to north-north-east migration, and focusing on bedding slip during folding. Gold mineralisation 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.

## ORE RESERVES

The combined Proven and Probable Ore Reserve of the group amounted to 57.5 million ounces as at 31 December 2014.

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 mining permits. See Item 4B.: Business overview The regulatory environment enabling AngloGold Ashanti to mine .

AngloGold Ashanti has standard procedures for the estimation of Ore Reserve. 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 over the full extent of the operation. Exclusions on the grounds of safety (for example, stability pillars and shaft pillars) are then also defined. Grade-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 any large mining areas that do not meet the cut-off grade criterion. This mining plan is reviewed to ensure that it satisfies the economic criteria and practical limitations of access and timing. If the review process is positive then the mineralized material (with dilution and discounts) 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 ore body using estimated 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 estimations. 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 Reserve. These blocks are scheduled with consideration being given to practical mining constraints and limitations. Scheduled ore blocks that are classified as Proven or Probable constitute the Ore Reserve.

The gold price and exchange rate used for determining the 2014 and 2013 Ore Reserve are outlined in the following table.

	<b>2014 (3 year average)</b>	<b>2014 (Business Plan)</b>	<b>2013 (3 year average)</b>	<b>Units</b>
Ore Reserve Gold Price	1,448	1,100	1,550	US\$ per ounce

As in prior years, the Ore Reserve determined from the planning process was then tested for economic viability at the three-year historical average gold price shown in the above table for determining the SEC compliant Ore Reserve. This did not result in any changes. The resultant SEC compliant Proven and Probable Ore Reserve is shown in the following pages.

In Australia and South Africa, AngloGold Ashanti is legally required to publicly report Ore Reserve and Mineral Resource according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 edition) and the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2007 edition and amended July 2009). The SEC's Industry Guide 7 does not recognize Mineral Resources. Accordingly, AngloGold Ashanti does not report estimates of Mineral Resource in this annual report on Form 20-F.

The AngloGold Ashanti Ore Reserve reduced from 67.9Moz in December 2013 to 57.5Moz in December 2014. This gross annual decrease of 10.5Moz includes depletion of 4.9Moz and the sale of Navachab 1.9Moz. The remaining reduction of 3.7Moz in Ore Reserve, results from changes in economic assumptions between 2013 and 2014 which resulted in a reduction of 3.0Moz to the Ore Reserve, whilst exploration and modelling changes resulted in a decrease of a further 0.7Moz.



The principal changes in AngloGold Ashanti's Ore Reserves as at 31 December 2014, compared with those published as at 31 December 2013 are as follows:

<b>ORE RESERVE</b>		<b>Moz</b>
<b>Ore Reserve as at 31 December 2013</b>		<b>67.9</b>
<b>Disposal - Navachab</b>		<b>(1.9)</b>
	Subtotal	<b>66.1</b>
<b>Depletion</b>		<b>(4.9)</b>
	Subtotal	<b>61.1</b>
<b>Additions</b>		
Siguri	Inclusion of fresh rock for the Kami deposit	0.6
Sunrise Dam	Exploration success at Vogue	0.4
Other	Additions less than 0.3Moz	1.0
	Subtotal	<b>63.1</b>
<b>Reductions</b>		
Obuasi	Initial results of feasibility study	(2.6)
Mponeng	Revisions to the Carbon Leader Reef (CLR) and Ventersdorp Contact Reef (VCR) models due to new exploration and development data	(1.3)
Moab Khotsonq (Including Great Noligwa)	New surface exploration data led to revision of the project Zaaiplaats models	(0.8)
CC&V	Increased costs and reduction in sub marginal ounces	(0.4)
Other	Reductions less than 0.3Moz	(0.5)
<b>Ore Reserve as at 31 December 2014</b>		<b>57.5</b>

AngloGold Ashanti strives to actively create value by growing its major asset – the Ore Reserve. This drive is based on a well-defined brownfields and greenfields exploration programme, innovation in both geological modeling and mine planning and optimization of its asset portfolio.

The Ore Reserve estimates in this document include the Ore Reserve below current infrastructure in the case of the underground mines which are in production in South Africa, Ghana, Democratic Republic of the Congo and Brazil.

#### **By-products**

Several by-products are recovered as a result of the processing of gold Ore Reserve. These include 122.58 million pounds of uranium oxide from the South African operations, 0.35 million tons of sulphur from Brazil and 25.06 million ounces of silver from Argentina.

#### **External reviews of Mineral Resource and Ore Reserve Statement**

During the course of 2014, the following AngloGold Ashanti operations were subjected to external reviews in line with the policy that each operation / project will be reviewed by an independent third party on average once every three years:

- Mineral Resource and Ore Reserve at Mponeng
- Mineral Resource and Ore Reserve at Moab Khotsonq
- Mineral Resource and Ore Reserve at Iduapriem
- Mineral Resource and Ore Reserve at Sunrise Dam
- Mineral Resource and Ore Reserve at Cerro Vanguardia
- Mineral Resource and Ore Reserve at Serra Grande
- Mineral Resource and Ore Reserve at Obuasi

The company has been informed that the external reviews identified no material shortcomings in the process by which AngloGold Ashanti's grade models were evaluated. The external reviews were conducted by the following companies: The Mineral Corporation (Mponeng and Moab Khotsoeng Mines), Coffey Mining (Iduapriem Mine), Snowden (Sunrise Dam Mine), Optiro (Cerro Vanguardia and Serra Grande Mines), AMEC (Obuasi Mineral Resource) and SRK (Obuasi Mineral Resource and Ore Reserve).

#### **Competent Persons**

The information in this report relating to Ore Reserves is based on information compiled by or under the supervision of the Competent Persons as defined in the JORC or SAMREC Codes. All Competent Persons are employed by AngloGold Ashanti, unless stated otherwise, and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking. The Competent Persons consent to the inclusion of Ore Reserve information in this report, in the form and context in which it appears.

During the past decade, the company has developed and implemented a system of internal and external reviews aimed at providing assurance in respect of Ore Reserve estimates. These were completed by suitably qualified Competent Persons from within AngloGold Ashanti. A documented chain of responsibility exists from the Competent Persons at the operations to the company's Mineral Resource and Ore Reserve Steering Committee. Accordingly, the Chairman of the AngloGold Ashanti Mineral Resource and Ore Reserve Steering Committee, VA Chamberlain, MSc (Mining Engineering), BSc (Hons) (Geology), MGSSA, FAusIMM, assumes responsibility for the Mineral Resource and Ore Reserve processes for AngloGold Ashanti and is satisfied that the Competent Persons have fulfilled their responsibilities.

Ore Reserve: Imperial	At 31 December 2014						Metallurgical Recovery  Factor percent
	Proven Ore Reserve <sup>(1)(2)</sup>			Probable Ore Reserve <sup>(1)(2)</sup>			
	Tons <sup>(5)</sup> (million)	Gold		Tons <sup>(5)</sup> (million)	Gold		
		Grade Content <sup>(1)</sup> (oz/ton)	(Moz)		Grade Content <sup>(1)</sup> (oz/ton)	(Moz)	
<b>South Africa</b>							
<b>Vaal River<sup>(6)</sup></b>							
Great Noligwa <sup>(10)</sup>	0.00	0.000	0.00	0.00	0.000	0.00	0.0
Kopanang	2.00	0.174	0.35	5.11	0.176	0.90	94.3
Moab Khotsong <sup>(2)</sup>	2.95	0.268	0.79	15.73	0.298	4.69	95.0-96.0 <sup>(4)</sup>
<b>West Wits</b>							
Mponeng <sup>(2)</sup>	2.39	0.252	0.60	44.02	0.280	12.33	97.7-98.1 <sup>(4)</sup>
TauTona	0.51	0.261	0.13	4.59	0.233	1.07	96.9
<b>Surface</b>							
Surface sources <sup>(6)(11)</sup>	139.26	0.006	0.86	717.60	0.008	5.73	30.0-88.0 <sup>(4)</sup>
<b>Continental Africa</b>							
<b>Democratic Republic of the Congo</b>							
Kibali (45 percent) <sup>(2)(3)</sup>	2.66	0.051	0.14	38.46	0.125	4.80	84.5-88.9 <sup>(9)</sup>
<b>Ghana</b>							
Iduapriem	11.23	0.034	0.38	27.10	0.049	1.32	92.0-95.0 <sup>(4)</sup>
Obuasi <sup>(2)</sup>	8.07	0.147	1.19	18.97	0.216	4.10	41.0-87.0 <sup>(4)</sup>
<b>Guinea</b>							
Siguiri (85 percent) <sup>(3)</sup>	27.59	0.018	0.49	77.24	0.023	1.75	88.0-93.1 <sup>(4)</sup>
<b>Mali</b>							
Morila (40 percent) <sup>(3)</sup>	0.00	0.000	0.00	5.43	0.018	0.10	57.0-91.0 <sup>(4)</sup>
Sadiola (41 percent) <sup>(3)</sup>	0.00	0.000	0.00	25.95	0.061	1.57	75.0-96.0 <sup>(4)</sup>
<b>Namibia</b>							
Navachab <sup>(12)</sup>	0.00	0.000	0.00	0.00	0.000	0.00	0.0
<b>Tanzania</b>							
Geita	0.00	0.000	0.00	31.54	0.098	3.10	48.1-92.7 <sup>(4)</sup>
<b>Australasia</b>							
<b>Australia</b>							
Sunrise Dam	15.18	0.031	0.47	8.46	0.096	0.81	80.0-82.5 <sup>(4)</sup>
Tropicana (70 percent) <sup>(3)</sup>	15.98	0.056	0.89	22.62	0.059	1.35	89.9
<b>Americas</b>							
<b>Argentina</b>							
Cerro Vanguardia (92.5 percent) <sup>(3)(7)</sup>	10.75	0.035	0.37	6.63	0.139	0.92	61.3-95.0 <sup>(4)</sup>
<b>Brazil</b>							
AGA Mineração <sup>(2)(8)</sup>	4.90	0.147	0.72	6.89	0.158	1.09	85.0-93.3 <sup>(4)</sup>
Serra Grande <sup>(2)</sup>	3.00	0.080	0.24	2.80	0.092	0.26	92.0-94.0 <sup>(4)</sup>
<b>United States of America</b>							
Cripple Creek & Victor	118.73	0.023	2.72	64.01	0.019	1.24	53.0-83.2 <sup>(4)</sup>
<b>Total</b>	<b>365.20</b>	<b>0.028</b>	<b>10.35</b>	<b>1,123.14</b>	<b>0.042</b>	<b>47.12</b>	

<sup>(1)</sup> Ore Reserve includes marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.

<sup>(2)</sup> Proven and/or Probable Ore Reserve includes Ore Reserve below infrastructure. See table that follows.

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- (3) *Ore Reserve 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 2000 pounds avoirdupois.*
  - (6) *The Vaal Reef Ore Reserve includes 122.58 million pounds of Uranium oxide by-products; this cannot be accounted for by individual mine as Kopanang, Moab Khotsong and Surface sources in Vaal River feed to a combination of plants.*
  - (7) *The Ore Reserve contains 25.06 million ounces of silver to be recovered as a by-product.*
  - (8) *The Ore Reserve contains 0.35 million tons of sulphur to be recovered as a by-product.*
  - (9) *Open pit and underground mining, respectively.*
  - (10) *No Ore Reserve is declared for 2014. Great Noligwa is reported under Moab Khotsong.*
  - (11) *Includes Mine Waste Solutions (MWS).*
  - (12) *Operation sold.*
- Rounding may result in computational differences.*

The 2014 Proven and Probable Ore Reserve includes Ore Reserve below infrastructure in the case of the following underground mines currently in production:

<b>Mine</b>	<b>Tons (millions)</b>	<b>Grade (ounces/ton)</b>	<b>Gold Content (million ounces)</b>
Moab Khotsong	11.74	0.285	3.34
Mponeng	30.46	0.280	8.54
Kibali	18.65	0.169	3.15
Obuasi	1.75	0.631	1.11
AGA Mineração	3.49	0.156	0.54
Serra Grande	0.71	0.098	0.07
<b>Total</b>	<b>66.81</b>	<b>0.251</b>	<b>16.75</b>

The Ore Reserve has been determined based on completed economic studies.

Ore Reserve: Imperial	At 31 December 2013						Metallurgical Recovery Factor percent
	Proven Ore Reserve <sup>(1)(2)</sup>			Probable Ore Reserve <sup>(1)(2)</sup>			
	Tons <sup>(5)</sup> (million)	Grade (oz/ton)	Gold Content <sup>(1)</sup> (Moz)	Tons <sup>(5)</sup> (million)	Grade (oz/ton)	Gold Content <sup>(1)</sup> (Moz)	
<b>South Africa</b>							
<b>Vaal River (6)</b>							
Great Noligwa	1.64	0.242	0.40	0.38	0.214	0.08	94.5
Kopanang	2.42	0.188	0.45	5.06	0.197	1.00	95.5
Moab Khotsong <sup>(2)</sup>	1.37	0.331	0.45	19.62	0.289	5.67	95.1-96.0 <sup>(4)</sup>
<b>West Wits</b>							
Mponeng <sup>(2)</sup>	3.08	0.255	0.79	46.98	0.293	13.78	97.9-98.4 <sup>(4)</sup>
Savuka <sup>(10)</sup>	0.00	0.00	0.00	0.00	0.000	0.00	0.00
TauTona	0.69	0.273	0.19	4.56	0.263	1.20	97.3
<b>Surface</b>							
Surface sources <sup>(6)(11)</sup>	157.00	0.006	1.00	730.25	0.008	5.89	57.6-90 <sup>(4)</sup>
<b>Continental Africa</b>							
<b>Democratic Republic of the Congo</b>							
Kibali (45 percent) <sup>(2)(3)</sup>	2.67	0.069	0.18	41.04	0.121	4.98	94.5-88.9 <sup>(9)</sup>
<b>Ghana</b>							
Iduapriem	15.04	0.032	0.47	30.40	0.049	1.50	95.0
Obuasi <sup>(2)</sup>	19.94	0.175	3.50	28.41	0.163	4.64	85.4
<b>Guinea</b>							
Siguiri (85 percent) <sup>(3)</sup>	37.17	0.018	0.68	57.88	0.020	1.17	88.0-90.0 <sup>(4)</sup>
<b>Mali</b>							
Morila (40 percent) <sup>(3)</sup>	0.00	0.000	0.00	0.63	0.070	0.04	88.8-91.0 <sup>(4)</sup>
Sadiola (41 percent) <sup>(3)</sup>	0.00	0.000	0.00	25.49	0.056	1.43	76.0-94.0 <sup>(4)</sup>
Yatela (40 percent) <sup>(3)(10)</sup>	0.00	0.000	0.00	0.00	0.000	0.00	0.00
<b>Namibia</b>							
Navachab*	0.00	0.000	0.00	51.08	0.038	1.92	88.6
<b>Tanzania</b>							
Geita	0.00	0.000	0.00	40.70	0.096	3.90	46.2-100.0 <sup>(4)</sup>
<b>Australasia</b>							
<b>Australia</b>							
Sunrise Dam	16.47	0.032	0.54	6.83	0.094	0.64	85.5
Tropicana (70 percent) <sup>(3)</sup>	19.21	0.066	1.27	23.10	0.059	1.36	90.0
<b>Americas</b>							
<b>Argentina</b>							
Cerro Vanguardia (92.5 percent) <sup>(3)(7)</sup>	11.32	0.030	0.34	8.05	0.153	1.23	61.3-94.3 <sup>(4)</sup>
<b>Brazil</b>							
AGA Mineração <sup>(2)(8)</sup>	5.49	0.148	0.81	8.66	0.134	1.16	88.0-93.0 <sup>(4)</sup>
Serra Grande	3.77	0.080	0.30	2.70	0.098	0.26	92.1
<b>United States of America</b>							
Cripple Creek & Victor	134.49	0.025	3.31	66.85	0.021	1.40	43.0-95.0 <sup>(4)</sup>
<b>Total</b>	<b>431.77</b>	<b>0.034</b>	<b>14.68</b>	<b>1,198.70</b>	<b>0.044</b>	<b>53.26</b>	

<sup>(1)</sup> Ore Reserve includes marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.

<sup>(2)</sup> Proven and/or Probable Ore Reserve includes Ore Reserve below infrastructure. See table that follows.

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- (3) *Ore Reserve 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 2000 pounds avoirdupois.*
  - (6) *The Vaal Reef Ore Reserve includes 127.64 million pounds of Uranium oxide by-products; this cannot be accounted for by individual mine as Great Noligwa, Kopanang, Moab Khotsong and Surface sources in Vaal River feed to a combination of plants.*
  - (7) *The Ore Reserve contains 29.58 million ounces of silver to be recovered as a by-product.*
  - (8) *The Ore Reserve contains 0.42 million tons of sulphur to be recovered as a by-product.*
  - (9) *Open pit and underground mining, respectively.*
  - (10) *No Ore Reserve is declared for 2013.*
  - (11) *Includes Mine Waste Solutions (MWS).*
- \* On 10 February 2014, AngloGold Ashanti announced that it had signed a binding agreement to sell Navachab subject to certain conditions.*

*Rounding may result in computational differences.*

The 2013 Proven and Probable Ore Reserve includes Ore Reserve below infrastructure in the case of the following underground mines currently in production:

Mine	Tons (millions)	Grade (ounces/ton)	Gold Content (million ounces)
Moab Khotsong	15.46	0.268	4.14
Mponeng	25.69	0.354	9.09
Kibali	21.70	0.165	3.58
Obuasi	3.30	0.382	1.26
AGA Mineração	3.99	0.134	0.53
Total	70.14	0.265	18.60

*The Ore Reserve has been determined based on completed economic studies.*



Ore Reserve: Metric	At 31 December 2014						Metallurgical Recovery factor percent
	Proven Ore Reserve <sup>(1)(2)</sup>			Probable Ore Reserve <sup>(1)(2)</sup>			
	Tonnes <sup>(6)</sup>	Grade	Gold Content	Tonnes <sup>(6)</sup>	Grade	Gold Content	
	(million)	(g/t)	(tonnes)	(million)	(g/t)	(tonnes)	
<b>South Africa</b>							
<b>Vaal River <sup>(5)</sup></b>							
Great Noligwa <sup>(10)</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Kopanang	1.81	5.98	10.83	4.64	6.04	28.00	94.3
Moab Khotsong <sup>(2)</sup>	2.68	9.20	24.61	14.27	10.23	145.89	95.0-96.0 <sup>(4)</sup>
<b>West Wits</b>							
Mponeng <sup>(2)</sup>	2.16	8.64	18.71	39.94	9.60	383.43	97.7-98.1 <sup>(4)</sup>
TauTona	0.47	8.93	4.16	4.16	7.99	33.26	96.9
<b>Surface</b>							
Surface sources <sup>(5)(11)</sup>	126.33	0.21	26.89	651.00	0.27	178.13	30.0-88.0 <sup>(4)</sup>
<b>Continental Africa</b>							
<b>Democratic Republic of the Congo</b>							
Kibali (45 percent) <sup>(2)(3)</sup>	2.41	1.76	4.25	34.89	4.28	149.44	84.5-88.9 <sup>(9)</sup>
<b>Ghana</b>							
Iduapriem	10.19	1.15	11.74	24.58	1.67	41.11	92.0-95.0 <sup>(4)</sup>
Obuasi <sup>(2)</sup>	7.32	5.05	36.7	17.21	7.40	127.45	41.0-87.0 <sup>(4)</sup>
<b>Guinea</b>							
Siguiri (85 percent) <sup>(3)</sup>	25.03	0.61	15.16	70.07	0.77	54.29	88.0-93.1 <sup>(4)</sup>
<b>Mali</b>							
Morila (40 percent) <sup>(3)</sup>	0.00	0.00	0.00	4.92	0.63	3.11	57.0-91.0 <sup>(4)</sup>
Sadiola (41 percent) <sup>(3)</sup>	0.00	0.00	0.00	23.55	2.08	48.98	75.0-96.0 <sup>(4)</sup>
<b>Namibia</b>							
Navachab <sup>(12)</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.0
<b>Tanzania</b>							
Geita	0.00	0.00	0.00	28.61	3.37	96.29	48.1-92.7 <sup>(4)</sup>
<b>Australasia</b>							
<b>Australia</b>							
Sunrise Dam	13.77	1.07	14.77	7.68	3.29	25.24	80.0-82.5 <sup>(4)</sup>
Tropicana (70 percent) <sup>(3)</sup>	14.50	1.92	27.79	20.52	2.04	41.85	89.9
<b>Americas</b>							
<b>Argentina</b>							
Cerro Vanguardia (92.5 percent) <sup>(3)(7)</sup>	9.76	1.18	11.55	6.01	4.78	28.73	61.3-95.0 <sup>(4)</sup>
<b>Brazil</b>							
AGA Mineração <sup>(2)(8)</sup>	4.45	5.05	22.48	6.25	5.42	33.86	85.0-93.3 <sup>(4)</sup>
Serra Grande <sup>(2)</sup>	2.72	2.75	7.47	2.54	3.15	8.00	92.0-94.0 <sup>(4)</sup>
<b>United States of America</b>							
Cripple Creek & Victor	107.71	0.79	84.64	58.07	0.66	38.44	53.0-83.2 <sup>(4)</sup>
<b>Total</b>	<b>331.30</b>	<b>0.97</b>	<b>322.03</b>	<b>1,018.90</b>	<b>1.44</b>	<b>1,465.51</b>	

(1) Ore Reserve includes marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.

(2) Proven and/or Probable Ore Reserve includes Ore Reserve below infrastructure. See table that follows.

(3) Ore Reserve attributable to AngloGold Ashanti's percentage interest shown.

(4) Recovery factor varies according to ore type.

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- (5) *The Vaal Reef Ore Reserve includes 55.6 thousand tonnes of Uranium oxide by-products; this cannot be accounted for by individual mine as Great Noligwa, Kopanang, Moab Khotsong and Surface sources in Vaal River feed to a combination of plants.*
- (6) *Tonnes refers to a metric tonne which is equivalent to 1000 kilograms.*
- (7) *The Ore Reserve contains 779.61 tonnes of silver to be recovered as a by-product.*
- (8) *The Ore Reserve contains 0.32 million tonnes of sulphur to be recovered as a by-product.*
- (9) *Open pit and underground mining, respectively.*
- (10) *No Ore Reserve is declared for 2014. Great Noligwa is reported under Moab Khotsong.*
- (11) *Includes Mine Waste Solutions (MWS).*
- (12) *Operation sold.*

*Rounding may result in computational differences.*

The 2014 Proven and Probable Ore Reserve includes Ore Reserve below infrastructure in the case of the following underground mines currently in production:

<b>Mine</b>	<b>Tonnes (millions)</b>	<b>Grade (grams/tonne)</b>	<b>Gold Content (tonnes)</b>
Moab Khotsong	10.65	9.76	103.91
Mponeng	27.63	9.61	265.57
Kibali	16.92	5.79	97.98
Obuasi	1.59	21.65	34.43
AGA Mineração	3.17	5.34	16.91
Serra Grande	0.65	3.37	2.17
<b>Total</b>	<b>60.61</b>	<b>8.60</b>	<b>520.96</b>

Ore Reserve: Metric	At 31 December 2013						Metallurgical Recovery factor percent
	Proven Ore Reserve <sup>(1)(2)</sup>			Probable Ore Reserve <sup>(1)(2)</sup>			
	Tonnes <sup>(6)</sup>	Grade	Gold Content	Tonnes <sup>(6)</sup>	Grade	Gold Content	
	(million)	(g/t)	(tonnes)	(million)	(g/t)	(tonnes)	
<b>South Africa</b>							
<b>Vaal River<sup>(5)</sup></b>							
Great Noligwa	1.48	8.31	12.33	0.35	7.35	2.56	94.5
Kopanang	2.19	6.46	14.15	4.59	6.77	31.09	95.5
Moab Khotsong <sup>(2)</sup>	1.24	11.34	14.11	17.79	9.91	176.29	95.1-96.0 <sup>(4)</sup>
<b>West Wits</b>							
Mponeng <sup>(2)</sup>	2.80	8.73	24.44	42.62	10.06	428.63	97.9-98.4 <sup>(4)</sup>
Savuka <sup>(10)</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TauTona	0.62	9.36	5.85	4.14	9.02	37.33	97.3
<b>Surface</b>							
Surface sources <sup>(5)(11)</sup>	142.43	0.22	31.18	662.48	0.28	183.18	57.6-90 <sup>(4)</sup>
<b>Continental Africa</b>							
<b>Democratic Republic of the Congo</b>							
Kibali (45 percent) <sup>(2)(3)</sup>	2.43	2.36	5.71	37.23	4.16	154.98	94.5-88.9 <sup>(9)</sup>
<b>Ghana</b>							
Iduapriem	13.64	1.08	14.75	27.58	1.69	46.54	95.0
Obuasi <sup>(2)</sup>	18.09	6.02	108.87	25.77	5.60	144.36	85.4
<b>Guinea</b>							
Siguiri (85 percent) <sup>(3)</sup>	33.72	0.62	21.03	52.51	0.69	36.26	88.0-90.0 <sup>(4)</sup>
<b>Mali</b>							
Morila (40 percent) <sup>(3)</sup>	0.00	0.00	0.00	0.57	2.40	1.38	88.8-91.0 <sup>(4)</sup>
Sadiola (41 percent) <sup>(3)</sup>	0.00	0.00	0.00	23.13	1.93	44.53	76.0-94.0 <sup>(4)</sup>
Yatela (40 percent) <sup>(3)(10)</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Namibia</b>							
Navachab*	0.00	0.00	0.00	46.34	1.29	59.65	88.6
<b>Tanzania</b>							
Geita	0.00	0.00	0.00	36.92	3.28	121.29	46.2-100.0 <sup>(4)</sup>
<b>Australasia</b>							
<b>Australia</b>							
Sunrise Dam	14.94	1.11	16.65	6.20	3.22	19.97	85.5
Tropicana (70 percent) <sup>(3)</sup>	17.43	2.26	39.43	20.96	2.02	42.36	90.0
<b>Americas</b>							
<b>Argentina</b>							
Cerro Vanguardia (92.5 percent) <sup>(3)(7)</sup>	10.27	1.04	10.63	7.30	5.23	38.20	61.3-94.3 <sup>(4)</sup>
<b>Brazil</b>							
AGA Mineração <sup>(2)(8)</sup>	4.98	5.08	25.33	7.85	4.58	35.97	88.0-93.0 <sup>(4)</sup>
Serra Grande	3.42	2.74	9.38	2.45	3.35	8.22	92.1
<b>United States of America</b>							
Cripple Creek & Victor	122.01	0.84	102.83	60.65	0.72	43.67	43.0-95.0 <sup>(4)</sup>
<b>Total</b>	<b>391.70</b>	<b>1.17</b>	<b>456.65</b>	<b>1,087.44</b>	<b>1.52</b>	<b>1,656.45</b>	

<sup>(1)</sup> Ore Reserve includes marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.

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- (2) *Proven and/or Probable Ore Reserve includes Ore Reserve below infrastructure. See table that follows.*
  - (3) *Ore Reserve attributable to AngloGold Ashanti's percentage interest shown.*
  - (4) *Recovery factor varies according to ore type.*
  - (5) *The Vaal Reef Ore Reserve includes 57.9 thousand tonnes of Uranium oxide by-products; this cannot be accounted for by individual mine as Great Noligwa, Kopanang, Moab Khotsong and Surface sources in Vaal River feed to a combination of plants.*
  - (6) *Tonnes refers to a metric tonne which is equivalent to 1000 kilograms.*
  - (7) *The Ore Reserve contains 920 tonnes of silver to be recovered as a by-product.*
  - (8) *The Ore Reserve contains 0.38 million tonnes of sulphur to be recovered as a by-product.*
  - (9) *Open pit and underground mining, respectively.*
  - (10) *No Ore Reserve is declared for 2013.*
  - (11) *Includes Mine Waste Solutions (MWS).*
- \* On 10 February 2014, AngloGold Ashanti announced that it had signed a binding agreement to sell Navachab subject to certain conditions.*

*Rounding may result in computational differences.*

The 2013 Proven and Probable Ore Reserve includes Ore Reserve below infrastructure in the case of the following underground mines currently in production:

<b>Mine</b>	<b>Tonnes (millions)</b>	<b>Grade (grams/tonne)</b>	<b>Gold Content (tonnes)</b>
Moab Khotsong	14.03	9.18	128.75
Mponeng	23.31	12.13	282.63
Kibali	19.69	5.66	111.33
Obuasi	2.99	13.11	39.23
AGA Mineração	3.62	4.58	16.57
Total	63.63	9.09	578.52

**Stockpiles: Imperial**

Stockpiles are previously mined ore scheduled for future process plant feed. The Proven and Probable Ore Reserve includes the following stockpile material:

Stockpiles	At 31 December 2014		
	Tons (million)	Grade (ounces/ton)	Gold content (million ounces)
<b>South Africa</b>			
Surface sources <sup>(2)</sup>	856.86	0.008	6.59
<b>Continental Africa</b>			
<b>Ghana</b>			
Iduapriem	4.30	0.025	0.11
Obuasi	5.37	0.057	0.31
<b>Guinea</b>			
Siguiri (85 percent) <sup>(1)(3)</sup>	62.81	0.017	1.04
<b>Mali</b>			
Morila (40 percent) <sup>(1)</sup>	5.20	0.016	0.08
Sadiola (41 percent) <sup>(1)</sup>	1.87	0.058	0.11
<b>Namibia</b>			
Navachab <sup>(4)</sup>	0.00	0.000	0.00
<b>Tanzania</b>			
Geita	7.13	0.034	0.24
<b>Australasia</b>			
<b>Australia</b>			
Sunrise Dam	15.18	0.031	0.47
Tropicana (70 percent) <sup>(1)</sup>	4.17	0.027	0.11
<b>Americas</b>			
<b>Argentina</b>			
Cerro Vanguardia (92.5 percent) <sup>(1)</sup>	12.10	0.020	0.24
<b>Brazil</b>			
Serra Grande	0.32	0.052	0.02
<b>United States of America</b>			
Cripple Creek & Victor	1.33	0.036	0.05

(1) Ore Reserve attributable to AngloGold Ashanti's percentage interest shown.

(2) Centralised operations treating material on surface that was previously generated by several underground operations.

(3) Spent heap included in Ore Reserve.

(4) Operation sold.

Rounding may result in computational differences.





**Stockpiles: Imperial**

Stockpiles are previously mined ore scheduled for future process plant feed. The Proven and Probable Ore Reserve includes the following stockpile material:

Stockpiles	At 31 December 2013		
	Tons (million)	Grade (ounces/ton)	Gold content (million ounces)
<b>South Africa</b>			
Surface sources <sup>(2)</sup>	887.26	0.008	6.89
<b>Continental Africa</b>			
<b>Ghana</b>			
Iduapriem	7.81	0.025	0.19
Obuasi	6.57	0.058	0.38
<b>Guinea</b>			
Sigiri (85 percent) <sup>(1)(3)</sup>	65.75	0.016	1.08
<b>Mali</b>			
Morila (40 percent) <sup>(1)</sup>	0.19	0.033	0.01
Sadiola (41 percent) <sup>(1)</sup>	2.91	0.032	0.09
<b>Namibia</b>			
Navachab*	14.62	0.021	0.31
<b>Tanzania</b>			
Geita	11.55	0.036	0.41
<b>Australasia</b>			
<b>Australia</b>			
Sunrise Dam	16.47	0.032	0.54
Tropicana (70 percent) <sup>(1)</sup>	2.04	0.060	0.12
<b>Americas</b>			
<b>Argentina</b>			
Cerro Vanguardia (92.5 percent) <sup>(1)</sup>	12.00	0.017	0.20
<b>Brazil</b>			
Serra Grande	0.20	0.048	0.01
<b>United States of America</b>			
Cripple Creek & Victor	0.71	0.032	0.02

<sup>(1)</sup> Ore Reserve attributable to AngloGold Ashanti's percentage interest shown.

<sup>(2)</sup> Centralised operations treating material on surface that was previously generated by several underground operations.

<sup>(3)</sup> Spent heap included in Ore Reserve.

\* On 10 February 2014, AngloGold Ashanti announced that it had signed a binding agreement to sell Navachab subject to certain conditions.

Rounding may result in computational differences.



**Stockpiles: Metric**

Stockpiles are previously mined ore scheduled for future process plant feed. The Proven and Probable Ore Reserve includes the following stockpile material:

Stockpiles	At 31 December 2014		
	Tonnes (million)	Grade (grams/tonne)	Gold content (tonnes)
<b>South Africa</b>			
Surface sources <sup>(2)</sup>	777.33	0.26	205.02
<b>Continental Africa</b>			
<b>Ghana</b>			
Iduapriem	3.90	0.87	3.40
Obuasi	4.87	1.96	9.57
<b>Guinea</b>			
Siguiri (85 percent) <sup>(1)(3)</sup>	56.98	0.57	32.45
<b>Mali</b>			
Morila (40 percent) <sup>(1)</sup>	4.72	0.53	2.52
Sadiola (41 percent) <sup>(1)</sup>	1.70	2.00	3.39
<b>Namibia</b>			
Navachab <sup>(4)</sup>	0.00	0.00	0.00
<b>Tanzania</b>			
Geita	6.47	1.16	7.52
<b>Australasia</b>			
<b>Australia</b>			
Sunrise Dam	13.77	1.07	14.77
Tropicana (70 percent) <sup>(1)</sup>	3.78	0.94	3.57
<b>Americas</b>			
<b>Argentina</b>			
Cerro Vanguardia (92.5 percent) <sup>(1)</sup>	10.98	0.67	7.37
<b>Brazil</b>			
Serra Grande	0.29	1.79	0.52
<b>United States of America</b>			
Cripple Creek & Victor	1.20	1.22	1.47

<sup>(1)</sup> Ore Reserve attributable to AngloGold Ashanti's percentage interest shown.

<sup>(2)</sup> Centralised operations treating material on surface that was previously generated by several underground operations.

<sup>(3)</sup> Spent heap included in Ore Reserve.

<sup>(4)</sup> Operation sold.

Rounding may result in computational differences.



**Stockpiles: Metric**

Stockpiles are previously mined ore scheduled for future process plant feed. The Proven and Probable Ore Reserve includes the following stockpile material:

Stockpiles	At 31 December 2013		
	Tonnes (million)	Grade (grams/tonne)	Gold content (tonnes)
<b>South Africa</b>			
Surface sources <sup>(2)</sup>	804.91	0.27	214.36
<b>Continental Africa</b>			
<b>Ghana</b>			
Iduapriem	7.08	0.86	6.06
Obuasi	5.96	1.99	11.86
<b>Guinea</b>			
Siguiri (85 percent) <sup>(1)(3)</sup>	59.65	0.56	33.49
<b>Mali</b>			
Morila (40 percent) <sup>(1)</sup>	0.17	1.14	0.20
Sadiola (41 percent) <sup>(1)</sup>	2.64	1.11	2.92
<b>Namibia</b>			
Navachab*	13.26	0.73	9.66
<b>Tanzania</b>			
Geita	10.48	1.22	12.83
<b>Australasia</b>			
<b>Australia</b>			
Sunrise Dam	14.94	1.11	16.65
Tropicana (70 percent) <sup>(1)</sup>	1.85	2.04	3.79
<b>Americas</b>			
<b>Argentina</b>			
Cerro Vanguardia (92.5 percent) <sup>(1)</sup>	10.89	0.58	6.27
<b>Brazil</b>			
Serra Grande	0.19	1.65	0.31
<b>United States of America</b>			
Cripple Creek & Victor	0.64	1.09	0.70

<sup>(1)</sup> Ore Reserve attributable to AngloGold Ashanti's percentage interest shown.

<sup>(2)</sup> Centralised operations treating material on surface that was previously generated by several underground operations.

<sup>(3)</sup> Spent heap included in Ore Reserve.

\* On 10 February 2014, AngloGold Ashanti announced that it had signed a binding agreement to sell Navachab subject to certain conditions.

Rounding may result in computational differences.



**Drill hole spacing: Imperial**

In determining the Proven and Probable Ore Reserve, AngloGold Ashanti applied the following drill hole spacing:

	<b>Drill Hole Spacing</b>	
	<b>Proven Ore Reserve</b>	<b>Probable Ore Reserve</b>
<b>South Africa</b>		
Underground sources	Ore body opened up, developed and sampled on a 7 to 10 foot spacing on raise lines and on a 16 x 16 foot grid thereafter	From a 131 x 131 foot spacing up to 3281 x 3281 foot spacing
Surface sources	164 x 164 foot auger drilling, variable sampling strategies: Belt samplers, cross stream residue samplers and bulk sampling campaigns	Variable sampling strategies: Belt samplers, cross stream residue samplers
<b>Continental Africa</b>		
<b>Democratic Republic of the Congo</b>		
Kibali	16 x 33 feet	131 x 131 feet
<b>Ghana</b>		
Iduapriem	33 x 39 feet, 33 x 49 feet, 164 x 164 feet	164 x 246 feet, 164 x 328 feet,
Obuasi	164 x 246 feet, 328 x 164 feet 33 x 33 feet, 66 x 66 feet,	328 x 246 feet 98 x 98 feet, 164 x 164 feet,
	131 x 66 feet, 164 x 164 feet	197 x 197 feet
<b>Guinea</b>		
Siguiri	16 x 33 feet, 16 x 39 feet, 33 x 33 feet	66 x 131 feet, 82 x 82 feet, 164 x 82 feet
<b>Mali</b>		
Morila	33 x 33 feet	98 x 98 feet
Sadiola	16 x 33 feet, 82 x 82 feet	82 x 82 feet, 164 x 82 feet
<b>Tanzania</b>		
Geita	16 x 33 feet	33 x 33 foot, 66 x 66 feet, 82 x 82 feet, 131 x 66 feet, 131 x 131 feet
<b>Australasia</b>		
<b>Australia</b>		
Sunrise Dam	82 x 82 feet	66 x 66 feet, 131 x 131 feet
Tropicana	33 x 39 feet, 82 x 82 feet	164 x 164 feet
<b>Americas</b>		
<b>Argentina</b>		
Cerro Vanguardia	20 x 49 feet, 39 x 16 feet, 39 x 49 feet	131 x 131 feet
<b>Brazil</b>		
AGA Mineração	66 x 33 feet, 82 x 82 feet,	82 x 131 feet, 98 x 82 feet, 164 x 98 feet, 164 x 164 feet, 98 x 197 feet, 410 x 82 feet
	98 x 197 feet	
Serra Grande	33 x 33 feet, 66 x 33 feet	33 x 66 feet, 66 x 164 feet
<b>United States of America</b>		
Cripple Creek & Victor	<98 x 98 feet	148 x 148 feet

**Drill hole spacing: Metric**

In determining the Proven and Probable Ore Reserve, AngloGold Ashanti applied the following table of drill hole spacing:

	<b>Drill Hole Spacing</b>	
	<b>Proven Ore Reserve</b>	<b>Probable Ore Reserve</b>
<b>South Africa</b>		
Underground sources	Ore body opened up, developed and sampled on a 2 to 3 metre spacing on raise lines and on a 5 x 5 metre grid thereafter	From a 40 x 40 metre spacing up to 1000 x 1000 metre spacing
Surface sources	50 x 50 metre auger drilling, variable sampling strategies: Belt samplers, cross stream residue samplers and bulk sampling campaigns	Variable sampling strategies: Belt samplers, cross stream residue samplers
<b>Continental Africa</b>		
<b>Democratic Republic of the Congo</b>		
Kibali	5 x 10 metre	40 x 40 metre
<b>Ghana</b>		
Iduapriem	10 x 12 metre, 10 x 15 metre,	50 x 75 metre, 50 x 100 metre,
Obuasi	50 x 50 metre, 50 x 75 metre, 100 x 50 metre 10 x 10 metre, 20 x 20 metre,	100 x 75 metre 30 x 30 metre, 50 x 50 metre, 60 x 60 metre
<b>Guinea</b>		
Siguiri	40 x 20 metre, 50 x 50 metre 5 x 10 metre, 5 x 12 metre,	20 x 40 metre, 25 x 25 metre, 50 x 25 metre
<b>Mali</b>		
Morila	10 x 10 metre	30 x 30 metre
Sadiola	5 x 10 metre, 25 x 25 metre	25 x 25 metre, 50 x 25 metre
<b>Tanzania</b>		
Geita	5 x 10 metre	10 x 10 metre, 20 x 20 metre, 25 x 25 metre, 40 x 20 metre, 40 x 40 metre
<b>Australasia</b>		
<b>Australia</b>		
Sunrise Dam	25 x 25 metre	20 x 20 metre, 40 x 40 metre
Tropicana	10 x 12 metre, 25 x 25 metre	50 x 50 metre
<b>Americas</b>		
<b>Argentina</b>		
Cerro Vanguardia	6 x 15 metre, 12 x 5 metre, 12 x 15 metre	40 x 40 metre
<b>Brazil</b>		
AGA Mineração	20 x 10 metre, 25 x 25 metre, 30 x 60 metre	25 x 40 metre, 30 x 25 metre, 50 x 30 metre, 50 x 50 metre, 30 x 60 metre, 125 x 25 metre
Serra Grande	10 x 10 metre, 20 x 10 metre	10 x 20 metre, 20 x 50 metre
<b>United States of America</b>		
Cripple Creek & Victor	<30 x 30 metre	45 x 45 metre



**ITEM 4A: UNRESOLVED STAFF COMMENTS**

Not applicable.

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## ITEM 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of AngloGold Ashanti Limited under IFRS for the three years ended and as at 31 December 2014, 2013 and 2012.

This item should be read in conjunction with the company's consolidated financial statements and the notes thereto which are included under Item 18 of this annual report.

The principal accountant of AngloGold Ashanti has made reference to the work of other auditors in its report on the consolidated financial statements of AngloGold Ashanti Limited for the years ended 31 December 2014, 2013 and 2012 and therefore in compliance with Regulation S-X Rule 2-05 the separate reports of the other auditors are included in Item 18.

### Overview

AngloGold Ashanti is a global gold mining company headquartered in Johannesburg, South Africa. AngloGold Ashanti's main product is gold. As part of extracting gold the company also produces silver, uranium oxide and sulphuric acid as by-products. Revenue from the sale of by-products is recognised as a reduction of cost of sales in the consolidated statement of income. By-product revenue amounted to \$132 million in 2014 (2013: \$149 million; 2012: \$206 million) out of total revenue of \$5,378 million in 2014 (2013: \$5,708 million; 2012: \$6,632 million). See Note 3 Revenue to the consolidated financial statements for additional information. The company sells its products on world markets.

AngloGold Ashanti conducts gold-mining operations in the following regions, which represent its business segments:

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

Continental Africa (comprising Ghana, Guinea, Mali, Namibia (sold June 2014), the DRC and Tanzania operations)

Australasia (comprising Australia)

Americas (comprising Argentina, Brazil and United States of America)

In particular, AngloGold Ashanti has 20 operations in the four regions comprising open-pit and underground mines and surface metallurgical plants, which are supported by extensive, yet focused exploration activities. For more information on the company's business and operations, see Item 4B.: Business Overview Products, operations and geographical locations .

As at 31 December 2014 the company had on an attributable basis, Proven and Probable Ore Reserves of approximately 57.5 million ounces (including joint ventures). For the year ended 31 December 2014, AngloGold Ashanti had an attributable gold production of approximately 4.44 million ounces (including joint ventures).

AngloGold Ashanti's costs and expenses consist primarily of production costs, amortisation, royalties, corporate administration, marketing and other expenses and exploration and evaluation costs. Production costs include salaries and wages, stores and other consumables (which include explosives, timber and other consumables), fuel, power and water, contractors' costs and costs of environmental rehabilitation. The company's mining operations consist of deep-level underground mines as well as open-pit operations, both of which are labour intensive, therefore salaries and wages is a significant component of production costs.

### Outlook

Gold production for 2015 is forecast to be between 4.0 million and 4.3 million ounces reflecting Obuasi's limited operations, the sale of Navachab and production decreases in Mali. Capital expenditure is expected to be approximately between \$1.00 billion and \$1.10 billion in 2015 (2014: \$1.21 billion) based on the following assumptions: R11.60/\$, \$0.85/A\$, BRL2.60/\$ and ARS9.50/\$; Brent crude at \$70 per barrel.

AngloGold Ashanti's results of operations, financial condition and prospects, as well as the company's ability to meet its targets, may be adversely affected by a number of factors, risks and uncertainties, some of which are beyond the company's control, including gold prices, exchange rate fluctuations, inflation, as well as political, mining and other risks. In particular, our production outlook is subject to, among other things, labour disruptions, unplanned stoppages and safety-related interventions, the stability and availability of power as well as other operational risks. Certain of these risks, uncertainties and other factors are described in Item 3D.: Risk factors . See also Note regarding forward-looking statements . Furthermore the forecast assumes no changes to the asset portfolio/operating mines.



## 5A. OPERATING RESULTS INTRODUCTION

The gold price started 2014 on a positive trajectory which was unexpected given the negative price action of the final quarter of 2013. It appeared that earlier trepidation around the tapering of the Federal Reserve's quantitative easing program had given way to a more bullish optimism on global growth.

The slow start to the year for the US economy on account of an extreme weather front, underpinned the gold price in the first quarter as many saw this slow start as a justification for the Federal Reserve to extend the tenor of its monetary stimulus. The Russian invasion of Ukraine in the first quarter of 2014 added further support to the gold price which traded up to its high of the year at \$1,391/oz in March 2014.

The second half of the year saw a turnaround of economic events and the US Dollar became the focus of attention; European growth was waning and there seemed to be no strategy or agreement amongst EU members on how to tackle it; Japan was not showing any convincing signs of extricating itself from decades of deflation and there was confirmation that China's growth was slowing too. The news out of the US on the other hand was becoming more and more positive and hence attention was once again focused on Federal Reserve meetings for confirmation around the timing of the end of the monetary stimulus and forward looking guidance on interest rates.

Against this backdrop, commodity prices suffered as the Euro increasingly reflected investor concerns around the EU member's ability to agree and implement a suitable economic strategy to deal with Europe's slowing economy. The US Dollar benefitted from this uncertainty as the market focus turned to speculation around the timing of interest rates hikes in the US.

A stronger US Dollar with rising interest rates has historically been negative for gold (other factors being equal), and the gold price traded under pressure for the balance of 2014. Nevertheless, the average gold price for the year was \$1,266/oz and it closed the year (\$1,183/oz) largely unchanged from its levels at the start of the year (\$1,205/oz). This was contrary to many analyst predictions, but these results were in line with the performance of most other precious metals and better than most commodities.

### Key factors affecting results

#### *Gold prices*

AngloGold Ashanti's operating results are directly related to the price of gold, which can fluctuate widely and is affected by numerous factors beyond its control, including investment, jewellery and industrial demand, expectations with respect to the rate of inflation, the strength of the US dollar (the currency in which the price of gold is generally quoted) and of other currencies, interest rates, actual or expected gold sales and purchases by central banks and the International Monetary Fund (IMF), global or regional political or economic events, and production and cost levels in major gold-producing regions. In addition, the price of gold is often subject to sharp, short-term changes.

The current demand for and supply of gold may affect gold prices, but not necessarily in the same manner as current supply and demand affects the prices of other commodities. The supply of gold consists of a combination of new production and fabricated gold held by governments, public and private financial institutions, industrial organisations and private individuals. As the global gold production in any single year constitutes a small portion of the total potential supply of gold, short term variations in current production do not necessarily have a significant impact on the supply of gold or on its price. The shift in gold demand from physical demand to investment and speculative demand may exacerbate the volatility of gold prices.

Yearly average spot gold prices have changed during the three years under review as follows:

2012 - \$1,668 per ounce  
2013 - \$1,411 per ounce  
2014 - \$1,266 per ounce

The average of the spot gold price from 1 January 2015 to 23 March 2015 was \$1,221 per ounce. On 23 March 2015, the afternoon price for gold on the London Bullion Market was \$1,186 per ounce.

If income from gold sales falls for an extended period below the company's production costs at its operations, AngloGold Ashanti could determine that it is not economically feasible to continue production at some or all of its operations. Declining gold prices may also force a reassessment of the feasibility of a particular exploration or development project or projects, and could lead to the curtailment or suspension of such projects. A sustained decrease in gold prices may force the company to



change its dividend payment policies, reduce expenditures and undertake measures to address its cost base. In addition, the use of lower gold prices in reserve calculations and life-of-mine plans could result in material write-downs of the company's investment in mining properties and increase amortisation, rehabilitation and closure charges.

### *Production levels*

In addition to gold prices, AngloGold Ashanti's gold income in any year is also influenced by its level of gold production. Production levels are in turn influenced by grades, tonnages mined and processed through the plant, and metallurgical recoveries. Attributable gold production (including joint ventures) improved from 4.11 million ounces in 2013 to 4.44 million ounces in 2014. The increase in production levels is due to a variety of factors, as follows:

South Africa: 6 percent decline in production in 2014 primarily due to the earthquake near the Vaal River operations on 5 August 2014, which caused infrastructure damage, as well as safety related stoppages across the regional portfolio.

Continental Africa: 9 percent increase in production primarily due to Kibali's full year of production in 2014.

Australasia: 81 percent increase in production primarily due to Tropicana's full year of production in 2014.

Americas: production declined by 5,000oz from 996,000oz in 2014 from 1,001,000oz in 2013 primarily due to low grades and negative stockpile movements.

Grades from gold ore bodies tend to decline as they mature over time. With a view to reversing the grade decline, the company embarked on the following initiatives:

Short-term: Ongoing deleveraging of the balance sheet to maintain sufficient liquidity and flexibility in a lower gold price environment, review of the asset portfolio with a view to reduce the net debt levels and balance the portfolio with more profitable ounces and maintain ongoing focus in the management of costs to deliver competitive all-in sustaining costs and all-in costs and continue to target sustainable cash generation.

Medium-term: Active exploration programmes to replenish depletion in existing ore bodies by mine life extensions and new mines.

Long-term: Technology project in South Africa with a view to using reef boring.

Concurrently, AngloGold Ashanti also embarked on ways of increasing the tonnage mined and processed, and processing improvements to enhance metallurgical recoveries.

### *Foreign exchange fluctuations*

Production costs in all business segments are largely incurred in local currency where the relevant operation is located. US dollar denominated production costs and net income tend to be adversely impacted by local currency strength and favourably impacted by local currency weakness, assuming there are no other offsetting factors. AngloGold Ashanti's financial results can be influenced significantly by the fluctuations in the South African Rand, Brazilian Real, Australian Dollar, and, to a lesser extent, the Argentinean Peso, Ghanaian Cedi and other local currencies. As set out below, during the year ended 31 December 2014, the US dollar strengthened and the South African Rand, Australian dollar, Brazilian Real and Argentinean Peso weakened, which had a favourable impact on AngloGold Ashanti's US Dollar denominated production costs.

Average annual exchange rates to the US dollar	2014	2013	2012
South African Rand	10.83	9.62	8.20
Brazilian Real	2.35	2.16	1.95
Australian Dollar	1.11	1.03	0.97
Argentinian Peso	8.12	5.48	4.55

In 2014, the company derived 64 percent (58 percent including joint ventures) of its revenues from South Africa, Brazil, Australia and Argentina, and incurred 62 percent (57 percent including joint ventures) of its production costs in these local currencies. A one percent strengthening of these local currencies against the US dollar will result in an increase in total cash costs incurred of about \$6 per ounce.

Certain exchange controls are currently in force in most emerging markets in which the company operates, including, for example, South Africa and Argentina. In the case of South Africa, although the exchange rate of the rand is primarily market determined, its value at any time may not

be considered a true reflection of the underlying value while exchange controls exist. The government has indicated its intention to relax exchange controls over time. As exchange controls are relaxed, rand exchange rates will be more closely tied to market forces. It is not possible to predict whether or when this will occur or the future value of the rand. For a detailed discussion of these exchange controls, see Item 10D.: Exchange controls .

***Production costs and effects of inflation***

Production costs include salaries and wages, stores and other consumables (which include explosives, timber and other consumables), fuel, power and water, contractors' costs and costs of environmental rehabilitation. The mining industry continues to experience price inflation for costs of inputs used in the production of gold, which leads to higher production costs reported by many gold producers.

AngloGold Ashanti is unable to control the prices at which it sells its gold. Accordingly, in the event of significant inflation in South Africa or, to a lesser extent, Brazil, Argentina or Australia, without a concurrent devaluation of the local currency or an increase in the price of gold, there could be a material adverse effect upon the company's results and financial condition.

AngloGold Ashanti employs over 58,000 people globally, most of whom are members of trade unions, particularly in South Africa, Continental Africa and the Americas. Salaries and wages account for a significant component of production costs and are impacted by annual wage increases.

Energy costs, comprising power, fuel and lubricants, are another material component of production costs. Due to the remote location of some of its mines in Continental Africa, AngloGold Ashanti uses fuel to generate power and uses fuel and lubricants at its mines to run its fleet and processing plants. The price of oil has recently been volatile, fluctuating between \$55 and \$115 per barrel of Brent crude in 2014. AngloGold Ashanti estimates that for each \$1 per barrel rise in the oil price, other factors remaining equal, the average total cash costs of all its operations increases by about \$0.78 per ounce, with the cash costs of certain of the company's mines, particularly Geita, Cripple Creek & Victor, Siguiri and Sadiola, which are more dependent on fuel, being more sensitive to changes in the price of oil. Energy costs, even in business segments which are supported by grid power, like South Africa, have increased considerably over the three year period, with price increases from Eskom (South Africa's power utility) that exceeded average inflation. These increases have adversely impacted production costs.

AngloGold Ashanti has no influence over the cost of most consumables, many of which are linked to some degree to the price of oil and steel and in a number of cases have exceeded inflation. 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. All of these cost pressures have adversely impacted net income during the period.

Total group rehabilitation obligation (excluding joint ventures) increased from \$728 million in 2013 to \$851 million in 2014. This change is attributable to changes in discount rates due to changes in global economic assumptions and changes in mine plans resulting in changes in cash flows and changes in design of tailings storage facilities and in methodology following requests from the environmental regulatory authorities.

Royalties, which are generally calculated as a percentage of revenue, varied over the past three years from \$164 million incurred in 2012 to \$129 million incurred in 2013 and \$131 million in 2014, primarily due to the variations in the spot gold prices and production.

Royalties are likely to continue to vary in the coming years as in a number of jurisdictions host governments increasingly seek to obtain a higher share of revenue by increasing the royalty rates for gold mines.

***Exploration and evaluation costs***

The company has incurred exploration expenditure during the years ended 31 December 2012, 2013 and 2014 in order to replenish depleting gold reserves and bring new ore bodies into pre-feasibility or feasibility. The exploration costs incurred over the last three fiscal years amounted to \$395 million in 2012, \$255 million in 2013 and \$144 million in 2014. Exploration expenditure was curtailed during 2014, with a significant cut back in brownfields and greenfields exploration as well as prefeasibility studies.



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***Corporate administration, marketing and other expenses***

In order to meet AngloGold Ashanti's strategic objectives, management has incurred costs to build talent, capacity and expertise globally and in particular to support its Project ONE initiatives. The corporate administration, marketing and other expenses incurred over such period amounted to \$291 million in 2012, \$201 million in 2013 and \$92 million in 2014. The costs were lower in 2014 due to reduced labour costs, consultancy and travel costs as well as increased recoveries for shared service costs, aided by the effects of the weaker Rand.

***Amortisation of tangible assets***

Amortisation of tangible assets decreased during the 2012–2014 period, from \$830 million to \$750 million, largely due to the reduction in capital expenditure at Obuasi following the impending move to limited operations; lower amortisation at Cripple Creek and Victor and Geita following the impairment of assets in June 2013 and the reset of the amortisation lives; lower production at Sunrise Dam, partly offset by higher amortisation at Tropicana since production started in the fourth quarter of 2013.

***Impairments***

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

If there are indications that 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 expenditures. Alternatively, should any of these factors reverse then AngloGold Ashanti may have to reverse previously recognised impairments.

The impairment charges AngloGold Ashanti incurred on tangible and intangible assets amounted to a charge of \$346 million in 2012, a charge of \$3,029 million in 2013 and a charge of \$10 million in 2014. See Note 7 Special Items, Note 15 Tangible assets and Note 16 Intangible assets to the consolidated financial statements for a detailed description of impairments.

When reviewing goodwill and other tangible assets for impairment, AngloGold Ashanti's assumption on gold price represents its best estimate of the future price of gold. In arriving at the estimated long-term real gold price, AngloGold Ashanti considers all available market information including current prices, historical averages, and forward pricing information and data. The long term real gold price of \$1,267 per ounce in 2014 and \$1,269 per ounce in 2013, were based on a range of economic and market conditions, which were, at that time, expected to exist over the remaining useful life of the assets.

AngloGold Ashanti considers the long-term fundamentals that provide support to the gold price assumption. These include, amongst other things, gold as a long-term store of value, hedge against inflation, safe haven status, strong physical demand from emerging markets, central bank purchases, quantitative easing and devaluation of paper currency, falling global mine production and rising costs of producing gold, all of which represent significant and enduring trends supportive of AngloGold Ashanti's gold price assumption.

The actual gold price averaged \$1,266 per ounce in 2014 and \$1,411 per ounce in 2013. The gold price in 2015 has been subject to volatile short term swings and has averaged \$1,221 per ounce from 1 January 2015 to 23 March 2015 and closed at \$1,186 per ounce on 23 March 2015.

AngloGold Ashanti will continue to monitor the underlying long-term factors driving the gold price and will review its gold price assumption, should it consider it appropriate to do so.

Furthermore, should the gold price fall and remain at such lower levels, management will consider, in addition to other mitigating factors, reviewing and amending the life of mine plans to reduce expenditures, optimise costs and increase cash flows in respect of its mining assets.

**Taxation**

Taxation decreased over the period 2012 - 2014 from an expense of \$346 million in 2012 to an expense of \$255 million in 2014. The decrease in the tax charge was mainly due to lower taxable income as a result of the lower gold price as well as tax credits on impairment of assets.

Taxation is likely to continue to be volatile in the coming years, as host governments in a number of jurisdictions increasingly seek to obtain a higher share of revenue by increasing rates of existing taxes and introducing new taxes on gold mines.

**Business combinations**

The global gold mining industry has experienced active consolidation and rationalisation in recent years. Accordingly, AngloGold Ashanti has been, and expects to continue to be, involved in assessing a number of acquisitions, dispositions and joint ventures as part of this global trend and to identify value-adding business combinations and acquisition opportunities.

Acquisitions and dispositions are described in Note 34 to the consolidated financial statements, *Business combinations and disposals*. See also Note 39 to the consolidated financial statements, *Subsequent events*. The consolidated financial statements reflect the operations and financial condition of AngloGold Ashanti, giving effect to the acquisitions and disposals on the effective date.

**South African economic and other factors**

AngloGold Ashanti is a company domiciled in South Africa with significant operations in South Africa. As a result, the company is subject to various economic, fiscal and monetary factors that affect South African companies generally.

For more information about the impact of governmental economic, fiscal, monetary or political policies or factors on our operations, see also *Item 3.D.: Risk factors* and *Item 4.B.: Business Overview - The Regulatory Environment Enabling AngloGold Ashanti to Mine*.

**Comparison of operating performance in 2014, 2013 and 2012**

The following table presents operating data for the AngloGold Ashanti group for the three year period ended 31 December 2014:

Operating data for AngloGold Ashanti	Year ended 31 December		
	2014	2013	2012
Total attributable gold production (thousand ounces)	4,436	4,105	3,944
Total attributable gold sold (thousand ounces) <sup>(1)</sup>	4,454	4,093	3,953
All-in sustaining costs (\$/oz) <sup>(2)</sup>	1,026	1,174	1,251
All-in costs (\$/oz) <sup>(2)(3)</sup>	1,148	1,466	
Total cost of sales (million US dollars) per financial statements	4,190	4,146	3,964
Total cash costs (\$/oz) <sup>(2)</sup>	787	830	829
Total production costs (\$/oz) <sup>(2)</sup>	1,014	1,054	1,054
Total cash costs (million US dollars) per financial statements	3,292	3,297	3,135
Production costs (million US dollars) per financial statements	3,410	3,384	3,212
Capital expenditure (million US dollars)	1,209	1,993	2,322
- Consolidated entities	1,018	1,582	2,019
- Associates and equity accounted joint ventures	191	411	303

<sup>(1)</sup> Ounces of gold sold used in the calculation of all-in sustaining costs per ounce.

<sup>(2)</sup> All-in sustaining costs, all-in costs, 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 all-in sustaining costs, all-in costs and total cash costs and total production costs*.

<sup>(3)</sup> All-in costs have been calculated from 2013 onwards.

*Attributable gold production*

*Production in 2014*

For the year ended 31 December 2014, AngloGold Ashanti's total attributable gold production at 4.44 million ounces was 330,000 ounces, or 8 percent, higher when compared to the 2013 production of 4.11 million ounces.

In **South Africa**, gold production decreased by 6 percent, or 79,000 ounces, in 2014 as compared to 2013. The lower production was due largely to the earthquake near the Vaal River operations on 5 August 2014, which caused infrastructure damage, as well as safety related stoppages across the regional portfolio. The decrease was partially offset by higher production at Moab Khotsong arising from higher grade due to lower declared waste to reef tonnes.

Production increased by 9 percent, or 137,000 ounces, in 2014, as compared to 2013, in **Continental Africa** mainly due to Kibali's full year of production in 2014, higher production at Siguiri in Guinea due to higher recovered grades and at Geita in Tanzania due to increased tonnage throughput. The strong results were achieved despite Navachab's sale at the end of June 2014, the continued winding down of operations in Mali and the treatment of low grade stockpile during the current year at Iduapriem in Ghana.

Production increased by 81 percent, or 278,000 ounces, in 2014, as compared with 2013, in **Australia** mainly due to Tropicana's full year of production in 2014. Lower grades were mined at Sunrise Dam, in line with the mine plan partially offsetting the increase in production in this segment.

In the **Americas** region, production decreased by 5,000 ounces in 2014, as compared with 2013. In North America at Cripple Creek & Victor production decreased due to ore being placed further from the liner. This decrease and a further decrease at Serra Grande were partially offset by increases in production in Brazil at AGA Mineração and at Cerro Vanguardia. The increase was mainly due to increased tonnage and feed grades at both the Cuiabá and Córrego do Sítio complexes. Development work improved and production began from the new orebody at Córrego do Sítio (Sulphide II) and full production rates were achieved at the underground Mine I.

*Production in 2013*

For the year ended 31 December 2013, AngloGold Ashanti's total attributable gold production at 4.11 million ounces was 160,000 ounces, or 4 percent, higher when compared to the 2012 production of 3.94 million ounces.

In **South Africa**, gold production increased by 7 percent, or 90,000 ounces, in 2013 as compared to 2012. The increase in output was mainly due to increased production from MWS (acquired effective July 2012), non-recurring strike action in South Africa, fewer safety and associated stoppages, reduced dilution owing to decrease in stoping widths and higher grades mined at Moab Khotsong during 2013. The increase was partially offset by decreased production at Mponeng due to lower grades.

Production decreased by 4 percent, or 61,000 ounces, in 2013, as compared to 2012, in **Continental Africa** mainly due to the mill shutdown at Geita in 2013, lower recovered grades at Morila, Sadiola and Navachab and lower production at Obuasi due to underground mining challenges and backfill constraints. The decrease was partially offset by higher production at Iduapriem in Ghana and Siguiri in Guinea due to higher grades and production starting ahead of schedule at Kibali.

Production increased by 33 percent, or 84,000 ounces, in 2013, as compared with 2012, in **Australia** mainly due to production starting ahead of schedule at Tropicana Gold Mine and higher grade ore from the Crown pillar in the base of the open pit at Sunrise Dam.

In the **Americas** region, production increased by 5 percent, or 48,000 ounces in 2013, as compared with 2012. In Brazil the increase was mainly due the increase of the company's ownership in of Serra Grande to 100 percent, effective July 2012. In Argentina at Cerro Vanguardia, the increase in production was mainly due to operational improvements giving rise to an increase in recoveries and grades. The increase was partially offset by lower production at Cripple Creek & Victor in North America due to lower recovered grades.

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***Total all-in sustaining costs, all-in costs and total cash costs and total production costs***

***Comparison of all-in sustaining costs in 2014 with 2013***

All-in sustaining costs per ounce (excluding stockpile impairments) in South Africa decreased in 2014 by \$56 per ounce to \$1,064 per ounce from \$1,120 per ounce in 2013. The decrease was a result of a decrease in total sustaining capital expenditure and the weakening of the rand. The decrease was partially offset by a decrease in gold sold of 79,000 ounces in 2014 over 2013.

In Continental Africa, all-in sustaining costs (excluding stockpile impairments) decreased by \$234 per ounce, or 19 percent, to \$968 per ounce in 2014 from \$1,202 per ounce in 2013. This decrease was mainly due to a decrease in cost of sales (refer comparison of total cash costs in 2014 with 2013), total sustaining capital expenditure and a 153,000 ounce increase in gold sold from 1,462,000 ounces in 2013 to 1,615,000 ounces in 2014. The decrease was partially offset by an increase in associates and equity joint ventures share of costs and a decrease in amortisation.

In the Americas, all-in sustaining costs (excluding stockpile impairments) increased by \$40 per ounce, or 4 percent, to \$1,010 per ounce in 2014 from \$970 per ounce in 2013. This increase was mainly due to an increase in costs of sales (refer comparison of total cash costs in 2014 with 2013) and a decrease of 9,000 ounces, or 1 percent, in gold sold in 2014.

In Australia, all-in sustaining costs decreased by \$390 per ounce, or 28 percent, to \$986 per ounce in 2014 from \$1,376 per ounce in 2013, mainly due to an increase in gold sold which was partially offset by an increase in costs. This was mainly due to Tropicana's ramp up for the full year of production in 2014.

***Comparison of all-in costs in 2014 with 2013***

All-in costs per ounce (excluding stockpile impairments) in South Africa decreased in 2014 by \$131 per ounce to \$1,107 per ounce from \$1,238 per ounce in 2013. The decrease was a result of a decrease in all-in sustaining costs, non-sustaining project capex and the weakening of the rand. The decrease was partially offset by a decrease in gold sold of 79,000 ounces in 2014 over 2013.

In Continental Africa, all-in costs (excluding stockpile impairments) decreased by \$433 per ounce, or 28 percent, to \$1,105 per ounce in 2014 from \$1,538 per ounce in 2013. This decrease was mainly due to a decrease in all-in sustaining costs, non-sustaining project capex, non-sustaining exploration and study costs and a 153,000 ounce increase in gold sold from 1,462,000 ounces in 2013 to 1,615,000 ounces in 2014.

In the Americas, all-in costs (excluding stockpile impairments) decreased by \$9 per ounce, or 1 percent, to \$1,262 per ounce in 2014 from \$1,271 per ounce in 2013.

In Australia, all-in costs decreased by \$1,075 per ounce, or 52 percent, to \$998 per ounce in 2014 from \$2,073 per ounce in 2013, mainly due to an increase in gold sold which was partially offset by an increase in costs.

***Comparison of total cash costs in 2014 with 2013***

The currencies of South Africa, Australia, Argentina and Brazil were, on average, weaker against the US dollar during 2014 as compared to 2013 which positively impacted total cash costs for 2014.

Total cash costs per ounce in South Africa, at Kopanang, Moab Khotsong, Great Noligwa, Tau Tona and the surface operations, decreased marginally to \$849 per ounce in 2014 from \$850 per ounce in 2013. The decrease was a result of the weakening of the rand partially offset by a decrease in production.

In Continental Africa, total cash costs decreased by \$86 per ounce, or 10 percent, to \$783 per ounce in 2014 from \$869 per ounce in 2013. The decrease was mainly due to the 137,000 ounces increase in production.

Total cash costs at Geita, in Tanzania, increased by 16 percent from \$515 per ounce in 2013 to \$599 per ounce in 2014. This was mainly due to the utilisation of higher cost ore stockpiles.

In Mali, at Morila, total cash costs increased by 50 percent in 2014 to \$1,162 per ounce compared to \$773 per ounce in 2013, mainly due to lower production and an increase in contractor costs. At Sadiola, total cash costs decreased by 23 percent from \$1,334 per ounce in 2013 to \$1,028 per ounce in 2014. This decrease was primarily due to a decrease in contractor costs. Total cash costs at Yatela decreased by 6 percent from \$1,530 per ounce in 2013 to \$1,438 per ounce in 2014 mainly due to a decrease in all the costs which was partially offset by lower

production.

In Ghana, at Obuasi, total cash costs decreased by 23 percent in 2014 to \$1,086 per ounce compared to \$1,406 per ounce in 2013 mainly due to a decrease in all the costs due to the transition to a limited operating state. At Iduapriem, in Ghana, total cash costs increased marginally to \$865 per ounce in 2014 compared to \$861 per ounce in 2013 mainly due to decreased production which was partially offset by a decrease in salaries, consumable store costs, power costs and contractor costs. At Siguiri, in Guinea, total cash costs decreased by 13 percent to \$799 per ounce in 2014 from \$918 per ounce in 2013 mainly due to an increase in production and a decrease in consumable store costs, contractor costs and service related costs.

In the DRC, at Kibali, total cash costs increased by 23 percent to \$578 per ounce in 2014 from \$471 per ounce in 2013 mainly due to an increase in all the costs partially offset by an increase in production. The increase in production and costs are due to Kibali's ramp up to the full year of production in 2014.

In the Americas, total cash costs increased to \$709 per ounce in 2014 from \$671 per ounce in 2013. The increase was mainly due to an increase in consumable store costs, contractor costs and a decrease in production.

In the United States, at Cripple Creek, total cash costs increased by 13 percent or \$97 per ounce to \$829 per ounce in 2014 from \$732 per ounce in 2013 due primarily to a decline in production. In Brazil, at AngloGold Ashanti Córrego do Sítio Mineração, total cash costs decreased marginally to \$644 per ounce in 2014 from \$646 per ounce in 2013 primarily due to higher production partially offset by an increase in consumable store costs. At Serra Grande total cash costs increased by 4 percent or \$29 per ounce to \$748 per ounce in 2014 as compared to \$719 per ounce in 2013 due to an increase in service related costs and a decrease in production. In Argentina at Cerro Vanguardia, total cash costs increased to \$692 per ounce in 2014 from \$622 per ounce in 2013 primarily due to an increase in contractor costs and service related costs partially offset by higher production.

In Australia, total cash costs decreased by \$243 per ounce, or 23 percent, to \$804 per ounce in 2014 from \$1,047 per ounce in 2013.

In Australia, at Sunrise Dam, total cash costs decreased in 2014 to \$1,105 per ounce compared to \$1,110 per ounce in 2013, mainly due to the weakening of the Australian Dollar. The decrease was partially offset by a decrease in production. At Tropicana total cash costs decreased in 2014 to \$545 per ounce compared to \$568 per ounce in 2013, mainly due to an increase in production and the weakening of the Australian Dollar. The decrease was partially offset by an increase in consumable store costs, power costs, contractor costs and service related costs. The increase in production and costs was mainly due to Tropicana's ramp up to the full year of production in 2014.

Overall the company's total cash costs in 2014 decreased to \$787 per ounce compared to \$830 per ounce in 2013. Of this decrease, weaker local currencies accounted for \$58 per ounce and acquisitions and disposals accounted for \$26 per ounce, offset by higher inflation of \$44 per ounce.

***Comparison of all-in sustaining costs in 2013 with 2012***

All-in sustaining costs per ounce in South Africa decreased in 2013 by \$69 per ounce to \$1,120 per ounce from \$1,189 per ounce in 2012. The decrease was a result of an increase in gold sold in 2013 and the weakening of the rand.

In Continental Africa, all-in sustaining costs (excluding stockpile impairments) decreased by \$33 per ounce, or 3 percent, to \$1,202 per ounce in 2013 from \$1,235 per ounce in 2012. This decrease was mainly due to a decrease in all-in sustaining costs adjusted for non-controlling interests of \$110 million or 6 percent from \$1,886 million in 2012 to \$1,776 million in 2013. This decrease was partially offset by a 65,000 ounce decrease in gold sold from 1,527,000 ounces in 2012 to 1,462,000 ounces in 2013.

In the Americas, all-in sustaining costs decreased by \$36 per ounce, or 4 percent, to \$970 per ounce in 2013 from \$1,006 per ounce in 2012. This decrease was mainly due to an increase of 48,000 ounces, or 5 percent, in gold sold in 2013.

In Australia, all-in sustaining costs decreased by \$304 per ounce, or 18 percent, to \$1,376 per ounce in 2013 from \$1,680 per ounce in 2012, mainly due to an increase in gold sold which was partially offset by an increase in costs. The increase in gold sold and costs are due to Tropicana starting production ahead of schedule.

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***Comparison of all-in costs in 2013 with 2012***

No comparison of all-in costs in 2013 with 2012 is presented as all-in costs have been calculated from 2013 onwards.

***Comparison of total cash costs in 2013 with 2012***

The currencies of South Africa, Australia, Argentina and Brazil were, on average, weaker against the US dollar during 2013 as compared to 2012 which positively impacted total cash costs for 2013.

Total cash costs per ounce in South Africa, at Kopanang, Moab Khotsong, Great Noligwa, Tau Tona and the surface operations, decreased by \$23 per ounce, or 3 percent, to \$850 per ounce in 2013 from \$873 per ounce in 2012. The decrease was a result of an increase in production in 2013 and the weakening of the rand.

In Continental Africa, total cash costs increased by \$39 per ounce, or 5 percent, to \$869 per ounce in 2013 from \$830 per ounce in 2012. The increase was mainly due to the 61,000 ounces decrease in production.

Total cash costs at Geita, in Tanzania, increased by 21 percent from \$427 per ounce in 2012 to \$515 per ounce in 2013. This was mainly as a result of decreased production and an increase in labour, consumables and contract labour costs.

In Mali, at Morila, total cash costs increased by 1 percent in 2013 to \$773 per ounce compared to \$767 per ounce in 2012, mainly due to lower production which was partially offset by a decrease in inventory adjustments. At Sadiola, total cash costs increased by 14 percent from \$1,169 per ounce in 2012 to \$1,334 per ounce in 2013. This increase was primarily due to lower production. Total cash costs at Yatela decreased by 13 percent from \$1,758 per ounce in 2012 to \$1,530 per ounce in 2013 mainly due to a decrease in contract labour which was partially offset by lower production.

In Ghana, at Obuasi, total cash costs increased by 18 percent in 2013 to \$1,406 per ounce compared to \$1,187 per ounce in 2012 mainly due to the decline in production. At Iduapriem, in Ghana, total cash costs decreased by 10 percent to \$861 per ounce in 2013 compared to \$955 per ounce in 2012 mainly due to increased production which was partially offset by an increase in contract labour costs. At Siguiri, in Guinea, total cash costs decreased by 2 percent to \$918 per ounce in 2013 from \$938 per ounce in 2012 mainly due to an increase in production which was partially offset by an increase in ore stockpile adjustments and increased costs related to labour.

In the DRC, at Kibali, total cash costs were \$471 per ounce in 2013. Kibali began commercial production in October 2013.

In the Americas, total cash costs increased marginally to \$671 per ounce in 2013 from \$669 per ounce in 2012. The increase was mainly due to an increase in commodity prices, labour costs and service related costs partially offset by an increase in production.

In the United States, at Cripple Creek, total cash costs increased by 15 percent or \$94 per ounce to \$732 per ounce in 2013 from \$638 per ounce in 2012 due primarily to a decline in production, rising commodity prices (stores, in particular) and increased labour costs. In Brazil at AngloGold Ashanti Córrego do Sítio Mineração, total cash costs decreased by 7 percent to \$646 per ounce in 2013 from \$696 per ounce in 2012 primarily due to a decrease in service related costs and higher production. At Serra Grande total cash costs decreased by 12 percent or \$102 per ounce to \$719 per ounce in 2013 as compared to \$821 per ounce in 2012 due to a decrease in service related and store costs.

In Australia, total cash costs decreased by \$164 per ounce, or 14 percent, to \$1,047 per ounce in 2013 from \$1,211 per ounce in 2012.

In Australia, at Sunrise Dam, total cash costs decreased in 2013 to \$1,110 per ounce compared to \$1,126 per ounce in 2012, mainly due to an increase in production and the weakening of the Australian Dollar. The decrease was partially offset by an increase in service related costs due to a reduction in recovery from settled insurance claims as compared with 2012 during which there was a reimbursement of costs relating to the pitwall failure at Sunrise Dam (Australia) in the amount of \$30 million. At Tropicana Gold Mine total cash costs were \$568 per ounce in 2013. Tropicana began commercial production in October 2013.

Overall the company's total cash costs in 2013 increased marginally to \$830 per ounce compared to \$829 per ounce in 2012. Of these increased costs, inflation accounted for \$51 per ounce and unfavourable inventory movements accounted for \$10 per ounce, offset by higher production and weaker local currencies.

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***Reconciliation of all-in sustaining costs and all-in costs to cost of sales per the financial statements***

During June 2013 the World Gold Council (WGC), an industry body, published a Guidance Note on all-in sustaining costs and all-in costs metrics, which gold mining companies can use to supplement their overall non-GAAP disclosure. The WGC worked closely with its members (including AngloGold Ashanti) to develop these non-GAAP measures which are intended to provide further transparency into the full cost associated with producing gold. It is expected that these new metrics, in particular the all-in sustaining cost and all-in cost metrics which AngloGold Ashanti provides in this annual report on Form 20-F, will be helpful to investors, governments, local communities and other stakeholders in understanding the economics of gold mining. All-in sustaining costs is an extension of the existing cash cost metric and incorporates all costs related to sustaining production and in particular recognises the sustaining capital expenditures associated with developing and maintaining gold mines. In addition, this metric includes the cost associated with Corporate Office structures that support these operations, the community and rehabilitation costs attendant with responsible mining and any exploration and evaluation cost associated with sustaining current operations. All-in sustaining costs per ounce is arrived at by dividing the dollar value of the sum of these cost metrics, by the ounces of gold sold. All-in cost includes additional costs which reflect the varying costs of producing gold over the life-cycle of a mine including costs incurred at new operations and costs related to major projects at existing operations, which are expected to increase production. All-in cost per ounce is arrived at by dividing the dollar value of the sum of these cost metrics, by the ounces of gold sold.

***Reconciliation of total cash costs and total production costs to financial statements***

Total cash costs and total production costs are calculated in accordance with the guidelines of the Gold Institute industry standard and industry practice and are non-GAAP measures. The Gold Institute, which has been incorporated into the National Mining Association, is a non-profit international association of miners, refiners, bullion suppliers and manufacturers of gold products, which developed a uniform format for reporting total production costs on a per ounce basis. The guidance was first adopted in 1996 and revised in November 1999.

Total cash costs, as defined in the Gold Institute industry guidelines, are production costs as recorded in the statement of operations, less offsite (i.e. central), general and administrative expenses (including head office costs charged to the mines, central training expenses, industry association fees, refinery charges and social development costs) and rehabilitation costs, plus royalties and employee termination costs.

Total cash costs as calculated and reported by AngloGold Ashanti include costs for all mining, processing, onsite administration costs, royalties and production taxes, as well as contributions from by-products, but exclusive of amortisation of tangible and intangible assets, rehabilitation costs and other non-cash costs, retrenchment costs, corporate administration, marketing and other costs, capital costs and exploration costs. Total cash costs per ounce are calculated by dividing attributable total cash costs by attributable ounces of gold produced.

Total production costs, as defined in the Gold Institute industry guidelines, are total cash costs, as calculated using the Gold Institute industry guidelines, plus amortisation, depreciation and rehabilitation costs.

Total production costs as calculated and reported by AngloGold Ashanti include total cash costs, plus amortisation of tangible and intangible assets, retrenchment costs and rehabilitation and other non-cash costs. Total production costs per ounce are calculated by dividing attributable total production costs by attributable ounces of gold produced.

All-in sustaining costs, all-in sustaining costs per ounce, all-in costs, all-in costs per ounce, total cash costs, total cash costs per ounce, total production costs and total production costs per ounce should not be considered by investors in isolation or as alternatives to production costs, profit/(loss) applicable to equity shareholders, profit/(loss) before taxation, cash flows from operating activities or any other measure of financial performance presented in accordance with IFRS or as an indicator of the company's performance. While the WGC has published guidance on how to define all-in sustaining costs and all-in costs and the Gold Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of these metrics may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies.



However, AngloGold Ashanti believes that all-in sustaining costs, all-in costs, total cash costs and total production costs in total by mine and per ounce by mine are useful indicators to investors and management as they provide:

- an indication of profitability, efficiency and cash flows;

- the trend in costs as the mining operations mature over time on a consistent basis; and

- an internal benchmark of performance to allow for comparison against other mines, both within the AngloGold Ashanti group and at other gold mining companies.

A reconciliation of both cost of sales and total cash costs as included in the company's audited financial statements to all-in sustaining costs, all-in costs, total cash costs and total production costs for each of the three years in the period ended 31 December 2014 is presented below. In addition, the company has provided below detail of the attributable ounces of gold produced and sold by mine for each of those periods.

For the year ended 31 December 2014

**Operations in South Africa**

(in \$ millions, except as otherwise noted)

<b>All-in sustaining costs</b>											
<b>Cost of sales per financial statements</b>	<b>94</b>	<b>201</b>	<b>217</b>	<b>512</b>	<b>313</b>	<b>268</b>	<b>581</b>	<b>231</b>	<b>-</b>	<b>1,324</b>	<b>1</b>
Amortisation of tangible and intangible assets	(8)	(50)	(50)	(107)	(71)	(58)	(129)	(22)	1	(258)	(8)
Adjusted for decommissioning amortisation	1	-	-	1	-	-	-	1	(2)	-	-
Corporate administration and marketing related to current operations	-	-	-	-	-	-	-	-	1	1	85
Inventory writedown to net realisable value and other stockpile adjustments	-	-	-	-	-	-	-	-	1	1	1
Total sustaining capital expenditure	7	26	44	76	65	35	100	46	7	230	5
<b>All-in sustaining costs</b>	<b>94</b>	<b>177</b>	<b>211</b>	<b>482</b>	<b>307</b>	<b>245</b>	<b>552</b>	<b>256</b>	<b>8</b>	<b>1,298</b>	<b>84</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	6
<b>All-in sustaining costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>94</b>	<b>177</b>	<b>211</b>	<b>482</b>	<b>307</b>	<b>245</b>	<b>552</b>	<b>256</b>	<b>8</b>	<b>1,298</b>	<b>90</b>
Adjusted for stockpile write-offs	-	-	-	-	-	-	-	-	(1)	(1)	(1)
<b>All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>94</b>	<b>177</b>	<b>211</b>	<b>482</b>	<b>307</b>	<b>245</b>	<b>552</b>	<b>256</b>	<b>7</b>	<b>1,297</b>	<b>89</b>
<b>All-in sustaining costs</b>	<b>94</b>	<b>177</b>	<b>211</b>	<b>482</b>	<b>307</b>	<b>245</b>	<b>552</b>	<b>256</b>	<b>8</b>	<b>1,298</b>	<b>84</b>
Non-sustaining Project Capital expenditure	-	-	2	2	32	-	32	-	-	-	34
Technology improvements	-	-	-	-	-	-	-	-	19	19	-
Non-sustaining exploration and study costs	-	-	-	-	-	-	-	-	-	-	5
Corporate and social responsibility costs not related to current operations	-	-	-	-	-	-	-	-	-	-	7
<b>All-in costs</b>	<b>94</b>	<b>177</b>	<b>213</b>	<b>484</b>	<b>339</b>	<b>245</b>	<b>584</b>	<b>256</b>	<b>27</b>	<b>1,351</b>	<b>96</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	6
<b>All-in costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>94</b>	<b>177</b>	<b>213</b>	<b>484</b>	<b>339</b>	<b>245</b>	<b>584</b>	<b>256</b>	<b>27</b>	<b>1,351</b>	<b>102</b>
Adjusted for stockpile write-offs	-	-	-	-	-	-	-	-	(1)	(1)	(1)
<b>All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>94</b>	<b>177</b>	<b>213</b>	<b>484</b>	<b>339</b>	<b>245</b>	<b>584</b>	<b>256</b>	<b>26</b>	<b>1,350</b>	<b>101</b>
<b>Gold sold oz (000<sup>3</sup>)</b>	<b>78</b>	<b>140</b>	<b>234</b>	<b>452</b>	<b>313</b>	<b>232</b>	<b>544</b>	<b>223</b>	<b>3</b>	<b>1,223</b>	<b>-</b>
<b>All-in sustaining cost (excluding stockpile write-offs) per unit \$/oz<sup>2</sup></b>	<b>1,185</b>	<b>1,256</b>	<b>903</b>	<b>1,061</b>	<b>981</b>	<b>1,059</b>	<b>1,014</b>	<b>1,153</b>	<b>-</b>	<b>1,064</b>	<b>-</b>
<b>All-in cost per unit (excluding stockpile write-offs) \$/oz<sup>2</sup></b>	<b>1,185</b>	<b>1,256</b>	<b>909</b>	<b>1,064</b>	<b>1,085</b>	<b>1,059</b>	<b>1,074</b>	<b>1,153</b>	<b>-</b>	<b>1,107</b>	<b>-</b>

<sup>(1)</sup> Adjusting for non-controlling interest of items included in calculation, to disclose the attributable portions only. Other consists of heap leach inventory.

<sup>(2)</sup> Attributable costs and related expenses of associates and equity accounted joint ventures are included in the calculation of total cash costs per ounce and total production costs per ounce.

<sup>(3)</sup> Attributable portion.

<sup>(4)</sup> In addition to the operational performances of the mines, all-in sustaining cost per ounce, all-in cost per ounce, total cash costs per ounce and total production costs per ounce are affected by fluctuations in the currency exchange rate. AngloGold Ashanti reports all-in sustaining cost per ounce and all-in cost per ounce calculated to the nearest US dollar amount and gold sold in ounces. AngloGold Ashanti reports total cash costs per ounce and total

*production costs per ounce calculated to the nearest US dollar amount and gold produced in ounces.*

*(5) Corporate includes non-gold producing subsidiaries.*

*(6) Total cash costs per ounce calculation includes heap-leach inventory change.*

For the year ended 31 December 2014

**Operations in South Africa**

(in \$ millions, except as otherwise noted)

<b>Total cash costs</b>											
<b>Total cash costs per financial statements</b>	<b>84</b>	<b>144</b>	<b>160</b>	<b>388</b>	<b>233</b>	<b>205</b>	<b>438</b>	<b>210</b>	<b>(1)</b>	<b>1,035</b>	<b>(8)</b>
Adjusted for non-controlling interests, non-gold producing companies and other <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	7
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>84</b>	<b>144</b>	<b>160</b>	<b>388</b>	<b>233</b>	<b>205</b>	<b>438</b>	<b>210</b>	<b>(1)</b>	<b>1,035</b>	<b>(1)</b>
Retrenchment costs	2	5	3	9	4	3	7	-	(1)	16	-
Rehabilitation and other non-cash costs	1	3	4	8	4	3	8	-	1	16	-
Amortisation of tangible assets	6	47	46	100	65	54	119	20	1	239	5
Amortisation of intangible assets	1	2	4	8	5	4	9	2	1	19	3
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>94</b>	<b>201</b>	<b>217</b>	<b>513</b>	<b>311</b>	<b>269</b>	<b>581</b>	<b>232</b>	<b>1</b>	<b>1,325</b>	<b>7</b>
<b>Gold produced oz (000<sup>3</sup>)</b>	<b>78</b>	<b>141</b>	<b>234</b>	<b>453</b>	<b>313</b>	<b>232</b>	<b>544</b>	<b>223</b>	<b>3</b>	<b>1,223</b>	<b>-</b>
<b>Total cash costs per unit \$/oz<sup>2</sup></b>	<b>1,074</b>	<b>1,023</b>	<b>685</b>	<b>857</b>	<b>746</b>	<b>882</b>	<b>804</b>	<b>941</b>	<b>-</b>	<b>849</b>	<b>-</b>
<b>Total production costs per unit \$/oz<sup>2</sup></b>	<b>1,208</b>	<b>1,431</b>	<b>928</b>	<b>1,132</b>	<b>1,001</b>	<b>1,159</b>	<b>1,068</b>	<b>1,040</b>	<b>-</b>	<b>1,087</b>	<b>-</b>

For the year ended 31 December 2014

**Operations in DRC, Ghana, Guinea, Mali, Namibia and Tanzania**

(in \$ millions, except as otherwise noted)

<b>All-in sustaining costs</b>											
<b>Cost of sales per financial statements</b>	-	192	303	314	-	-	-	26	403	5	1,243
Amortisation of tangible and intangible assets	-	(24)	(19)	(32)	-	-	-	-	(99)	(4)	(178)
Adjusted for decommissioning amortisation	-	-	1	4	-	-	-	-	2	(1)	6
Corporate administration and marketing related to current operations	-	-	-	-	-	-	-	-	-	1	1
Associates and equity accounted joint ventures share of costs <sup>(2)</sup>	133	-	-	-	51	89	20	-	-	1	294
Inventory writedown to net realisable value and other stockpile adjustments	-	-	-	-	-	-	8	-	-	-	8
Sustaining exploration and study costs	-	-	13	2	-	1	-	-	2	(1)	17
Total sustaining capital expenditure	3	21	43	30	6	6	-	1	129	1	240
<b>All-in sustaining costs</b>	<b>136</b>	<b>189</b>	<b>341</b>	<b>318</b>	<b>57</b>	<b>96</b>	<b>28</b>	<b>27</b>	<b>437</b>	<b>2</b>	<b>1,631</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	(48)	-	-	-	-	-	-	(48)
<b>All-in sustaining costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>136</b>	<b>189</b>	<b>341</b>	<b>270</b>	<b>57</b>	<b>96</b>	<b>28</b>	<b>27</b>	<b>437</b>	<b>2</b>	<b>1,583</b>
Adjusted for stockpile write-offs	-	-	-	-	-	-	(8)	(2)	(9)	-	(19)
<b>All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>136</b>	<b>189</b>	<b>341</b>	<b>270</b>	<b>57</b>	<b>96</b>	<b>20</b>	<b>25</b>	<b>428</b>	<b>2</b>	<b>1,564</b>
<b>All-in sustaining costs</b>	<b>136</b>	<b>189</b>	<b>341</b>	<b>318</b>	<b>57</b>	<b>96</b>	<b>28</b>	<b>27</b>	<b>437</b>	<b>2</b>	<b>1,631</b>
Non-sustaining Project Capital expenditure	176	-	38	-	-	-	-	-	-	-	214
Non-sustaining exploration and study costs	2	-	-	5	-	-	-	-	-	-	7
<b>All-in costs</b>	<b>314</b>	<b>189</b>	<b>379</b>	<b>323</b>	<b>57</b>	<b>96</b>	<b>28</b>	<b>27</b>	<b>437</b>	<b>2</b>	<b>1,852</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	(48)	-	-	-	-	-	-	(48)
<b>All-in costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>314</b>	<b>189</b>	<b>379</b>	<b>275</b>	<b>57</b>	<b>96</b>	<b>28</b>	<b>27</b>	<b>437</b>	<b>2</b>	<b>1,804</b>
Adjusted for stockpile write-offs	-	-	-	-	-	-	(8)	(2)	(9)	-	(19)
<b>All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>314</b>	<b>189</b>	<b>379</b>	<b>275</b>	<b>57</b>	<b>96</b>	<b>20</b>	<b>25</b>	<b>428</b>	<b>2</b>	<b>1,785</b>
<b>Gold sold oz (000<sup>3</sup>)</b>	<b>233</b>	<b>185</b>	<b>248</b>	<b>294</b>	<b>44</b>	<b>85</b>	<b>11</b>	<b>34</b>	<b>481</b>	<b>-</b>	<b>1,615</b>
<b>All-in sustaining cost (excluding stockpile write-offs) per unit \$/oz<sup>2</sup></b>	<b>588</b>	<b>1,020</b>	<b>1,374</b>	<b>917</b>	<b>1,298</b>	<b>1,133</b>	<b>1,795</b>	<b>719</b>	<b>890</b>	<b>-</b>	<b>968</b>
<b>All-in cost per unit (excluding stockpile write-offs) \$/oz<sup>2</sup></b>	<b>1,351</b>	<b>1,020</b>	<b>1,530</b>	<b>933</b>	<b>1,298</b>	<b>1,133</b>	<b>1,795</b>	<b>719</b>	<b>890</b>	<b>-</b>	<b>1,105</b>

For the year ended 31 December 2014

**Operations in DRC, Ghana, Guinea, Mali, Namibia and Tanzania**

(in \$ millions, except as otherwise noted)

<b>Total cash costs</b>											
<b>Total cash costs per financial statements</b>	-	153	264	273	-	-	-	25	286	-	1,001
Adjusted for non-controlling interests and non-gold producing companies and other <sup>(1)</sup>	-	-	-	(41)	-	-	-	-	-	-	(41)
Associates and equity accounted joint ventures share of total cash costs <sup>(2)</sup>	137	-	-	-	51	87	16	-	-	-	291
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>137</b>	<b>153</b>	<b>264</b>	<b>232</b>	<b>51</b>	<b>87</b>	<b>16</b>	<b>25</b>	<b>286</b>	<b>-</b>	<b>1,251</b>
Retrenchment costs	-	-	-	-	-	-	-	-	1	-	1
Rehabilitation and other non-cash costs	-	6	15	5	-	-	-	-	7	-	33
Amortisation of tangible assets	-	24	19	32	-	-	-	-	99	-	174
Amortisation of intangible assets	-	-	-	-	-	-	-	-	-	4	4
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	(6)	-	-	-	-	-	-	(6)
Associates and equity accounted joint ventures share of production costs <sup>(2)</sup>	67	-	-	-	8	25	4	-	-	-	104
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>204</b>	<b>183</b>	<b>298</b>	<b>263</b>	<b>59</b>	<b>112</b>	<b>20</b>	<b>25</b>	<b>393</b>	<b>4</b>	<b>1,561</b>
<b>Gold produced - oz (000)<sup>(3)</sup></b>	<b>237</b>	<b>177</b>	<b>243</b>	<b>290</b>	<b>44</b>	<b>85</b>	<b>11</b>	<b>33</b>	<b>477</b>	<b>-</b>	<b>1,597</b>
<b>Total cash costs per unit \$/oz<sup>2</sup></b>	<b>578</b>	<b>865</b>	<b>1,086</b>	<b>799</b>	<b>1,162</b>	<b>1,028</b>	<b>1,438</b>	<b>752</b>	<b>599</b>	<b>-</b>	<b>783</b>
<b>Total production costs per unit \$/oz<sup>2</sup></b>	<b>860</b>	<b>1,035</b>	<b>1,223</b>	<b>909</b>	<b>1,343</b>	<b>1,329</b>	<b>1,760</b>	<b>756</b>	<b>821</b>	<b>-</b>	<b>977</b>

For the year ended 31 December 2014

**Operations in Australia, United States of America, Argentina and Brazil**

(in \$ millions, except as otherwise noted)

<b>All-in sustaining costs</b>										
<b>Cost of sales per financial statements</b>	<b>344</b>	<b>296</b>	<b>20</b>	<b>660</b>	<b>218</b>	<b>222</b>	<b>362</b>	<b>156</b>	<b>4</b>	<b>962</b>
Amortisation of tangible and intangible assets	(47)	(98)	(5)	(150)	(3)	(33)	(107)	(49)	-	(192)
Adjusted for decommissioning amortisation	-	3	-	3	-	-	-	-	1	1
Corporate administration and marketing related to current operations	-	-	-	-	-	-	1	-	-	1
Inventory writedown to net realisable value and other stockpile adjustments	-	-	-	-	-	-	1	-	-	1
Sustaining exploration and study costs	-	3	6	9	2	2	8	1	10	23
Total sustaining capital expenditure	31	59	1	91	24	58	127	38	1	248
<b>All-in sustaining costs</b>	<b>328</b>	<b>263</b>	<b>22</b>	<b>613</b>	<b>241</b>	<b>249</b>	<b>392</b>	<b>146</b>	<b>16</b>	<b>1,044</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	-	(19)	-	-	(16)	(35)
<b>All-in sustaining costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>328</b>	<b>263</b>	<b>22</b>	<b>613</b>	<b>241</b>	<b>230</b>	<b>392</b>	<b>146</b>	<b>-</b>	<b>1,009</b>
Adjusted for stockpile write-offs	-	-	-	-	-	-	(1)	-	-	(1)
<b>All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>328</b>	<b>263</b>	<b>22</b>	<b>613</b>	<b>241</b>	<b>230</b>	<b>391</b>	<b>146</b>	<b>-</b>	<b>1,008</b>
<b>All-in sustaining costs</b>	<b>328</b>	<b>263</b>	<b>22</b>	<b>613</b>	<b>241</b>	<b>249</b>	<b>392</b>	<b>146</b>	<b>16</b>	<b>1,044</b>
Non-sustaining Project Capital expenditure	-	-	-	-	145	-	-	-	1	146
Non-sustaining exploration and study costs	-	-	7	7	-	-	1	-	71	72
Corporate and social responsibility costs not related to current operations	-	-	-	-	-	-	14	2	1	17
<b>All-in costs</b>	<b>328</b>	<b>263</b>	<b>29</b>	<b>620</b>	<b>386</b>	<b>249</b>	<b>407</b>	<b>148</b>	<b>89</b>	<b>1,279</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	-	(19)	-	-	(1)	(20)
<b>All-in costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>328</b>	<b>263</b>	<b>29</b>	<b>620</b>	<b>386</b>	<b>230</b>	<b>407</b>	<b>148</b>	<b>88</b>	<b>1,259</b>
Adjusted for stockpile write-offs	-	-	-	-	-	-	(1)	-	-	(1)
<b>All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>328</b>	<b>263</b>	<b>29</b>	<b>620</b>	<b>386</b>	<b>230</b>	<b>406</b>	<b>148</b>	<b>88</b>	<b>1,258</b>
<b>Gold sold oz (000<sup>3</sup>)</b>	<b>271</b>	<b>350</b>	<b>-</b>	<b>622</b>	<b>210</b>	<b>246</b>	<b>404</b>	<b>138</b>	<b>-</b>	<b>998</b>
<b>All-in sustaining cost (excluding stockpile write-offs) per unit \$/oz<sup>2</sup></b>	<b>1,214</b>	<b>752</b>	<b>-</b>	<b>986</b>	<b>1,147</b>	<b>938</b>	<b>966</b>	<b>1,062</b>	<b>-</b>	<b>1,010</b>
<b>All-in cost per unit (excluding stockpile write-offs) \$/oz<sup>2</sup></b>	<b>1,214</b>	<b>752</b>	<b>-</b>	<b>998</b>	<b>1,837</b>	<b>938</b>	<b>1,004</b>	<b>1,078</b>	<b>-</b>	<b>1,262</b>

For the year ended 31 December 2014

**Operations in Australia, United States of America, Argentina and Brazil**

(in \$ millions, except as otherwise noted)

<b>Total cash costs</b>										
<b>Total cash costs per financial statements</b>	<b>289</b>	<b>195</b>	<b>14</b>	<b>498</b>	<b>222</b>	<b>184</b>	<b>260</b>	<b>102</b>	<b>(2)</b>	<b>766</b>
Adjusted for non-controlling interests and non-gold producing companies and other <sup>(1)</sup>	-	-	-	-	(47)	(14)	-	-	-	(61)
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>289</b>	<b>195</b>	<b>14</b>	<b>498</b>	<b>175</b>	<b>170</b>	<b>260</b>	<b>102</b>	<b>(2)</b>	<b>705</b>
Retrenchment costs	-	-	1	1	-	2	3	-	1	6
Rehabilitation and other non-cash costs	4	9	-	13	28	5	(7)	-	6	32
Amortisation of tangible assets	47	98	4	149	1	32	101	48	1	183
Amortisation of intangible assets	-	-	1	1	1	-	6	1	1	9
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	12	(3)	-	-	(6)	3
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>340</b>	<b>302</b>	<b>20</b>	<b>662</b>	<b>217</b>	<b>206</b>	<b>363</b>	<b>151</b>	<b>1</b>	<b>938</b>
<b>Gold produced oz (000<sup>3</sup>)</b>	<b>262</b>	<b>358</b>	<b>-</b>	<b>619</b>	<b>211</b>	<b>246</b>	<b>403</b>	<b>136</b>	<b>-</b>	<b>996</b>
<b>Total cash costs per unit \$/oz<sup>2</sup></b>	<b>1,105</b>	<b>545</b>	<b>-</b>	<b>804</b>	<b>829<sup>(6)</sup></b>	<b>692</b>	<b>644</b>	<b>748</b>	<b>-</b>	<b>709</b>
<b>Total production costs per unit \$/oz<sup>2</sup></b>	<b>1,301</b>	<b>845</b>	<b>-</b>	<b>1,070</b>	<b>1,031</b>	<b>842</b>	<b>902</b>	<b>1,113</b>	<b>-</b>	<b>942</b>



For the year ended 31 December 2014

**AngloGold Ashanti operations Total**

(in \$ millions, except as otherwise noted)

	Year ended
	December 2014 US Dollar million
<b>All-in sustaining costs</b>	
<b>Cost of sales per financial statements (refer Item 18 Financial Statements, Note 4)</b>	<b>4,190</b>
Amortisation of tangible and intangible assets	(786)
Adjusted for decommissioning amortisation	10
Corporate administration and marketing related to current operations	88
Associates and equity accounted joint ventures share of costs	294
Inventory writedown to net realisable value and other stockpile adjustments	11
Sustaining exploration and study costs	49
Total sustaining capital expenditure	814
<b>All-in sustaining costs</b>	<b>4,670</b>
Adjusted for non-controlling interests and non-gold producing companies	(77)
<b>All-in sustaining costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>4,593</b>
Adjusted for stockpile write-offs	(22)
<b>All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>4,571</b>
<b>All-in sustaining costs</b>	<b>4,670</b>
Non-sustaining Project Capital expenditure	394
Technology improvements	19
Non-sustaining exploration and study costs	91
Corporate and social responsibility costs not related to current operations	24
<b>All-in costs</b>	<b>5,198</b>
Adjusted for non-controlling interests and non-gold producing companies	(62)
<b>All-in costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>5,136</b>
Adjusted for stockpile write-offs	(22)
<b>All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>5,114</b>
<b>Gold sold oz (000)</b>	<b>4,454</b>
<b>All-in sustaining cost (excluding stockpile write-offs) per unit \$/oz</b>	<b>1,026</b>
<b>All-in cost per unit (excluding stockpile write-offs) \$/oz</b>	<b>1,148</b>

For the year ended 31 December 2014

**AngloGold Ashanti operations Total**

(in \$ millions, except as otherwise noted)

	Year ended
	December 2014 US Dollar million
<b>Total cash costs</b>	
<b>Total cash costs per financial statements (refer Item 18 Financial Statements, Note 4)</b>	<b>3,292</b>
Adjusted for non-controlling interests and non-gold producing companies and other	(94)
Associates and equity accounted joint ventures share of total cash costs	291
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>3,489</b>
Retrenchment costs	24
Rehabilitation and other non-cash costs	94
Amortisation of tangible assets	750
Amortisation of intangible assets	36
Adjusted for non-controlling interests and non-gold producing companies	(4)
Associates and equity accounted joint ventures share of production costs	104
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>4,493</b>
<b>Gold produced oz (000)</b>	<b>4,432</b>
<b>Total cash cost per unit - \$/oz</b>	<b>787</b>
<b>Total production cost per unit - \$/oz</b>	<b>1,014</b>

For the year ended 31 December 2013

**Operations in South Africa**

(in \$ millions, except as otherwise noted)

<b>All-in sustaining costs</b>												
<b>Cost of sales per financial statements</b>	<b>103</b>	<b>215</b>	<b>240</b>	<b>558</b>	<b>347</b>	<b>-</b>	<b>262</b>	<b>609</b>	<b>226</b>	<b>-</b>	<b>1,393</b>	<b>1</b>
Amortisation of tangible and intangible assets	(8)	(43)	(60)	(111)	(82)	-	(51)	(133)	(9)	-	(253)	(9)
Adjusted for decommissioning amortisation	(1)	1	1	1	-	-	-	-	-	-	1	(1)
Corporate administration and marketing related to current operations	-	-	-	-	-	-	-	-	-	5	5	168
Associates and equity accounted joint ventures share of costs <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	2
Inventory writedown to net realisable value and other stockpile adjustments	-	-	-	-	-	-	-	-	-	1	1	(1)
Sustaining exploration and study costs	-	-	-	-	-	-	-	-	-	-	-	(1)
Total sustaining capital expenditure	14	50	78	142	95	-	59	154	16	-	312	9
<b>All-in sustaining costs</b>	<b>108</b>	<b>223</b>	<b>259</b>	<b>590</b>	<b>360</b>	<b>-</b>	<b>270</b>	<b>630</b>	<b>233</b>	<b>6</b>	<b>1,459</b>	<b>168</b>
<b>All-in sustaining costs adjusted for non-controlling interests and non-gold producing companies</b>												
	<b>108</b>	<b>223</b>	<b>259</b>	<b>590</b>	<b>360</b>	<b>-</b>	<b>270</b>	<b>630</b>	<b>233</b>	<b>6</b>	<b>1,459</b>	<b>168</b>
Adjusted for stockpile write-offs	-	-	-	-	-	-	-	-	-	(1)	(1)	1
<b>All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>												
	<b>108</b>	<b>223</b>	<b>259</b>	<b>590</b>	<b>360</b>	<b>-</b>	<b>270</b>	<b>630</b>	<b>233</b>	<b>5</b>	<b>1,458</b>	<b>169</b>
<b>All-in sustaining costs</b>	<b>108</b>	<b>223</b>	<b>259</b>	<b>590</b>	<b>360</b>	<b>-</b>	<b>270</b>	<b>630</b>	<b>233</b>	<b>6</b>	<b>1,459</b>	<b>168</b>
Non-sustaining Project Capital expenditure	-	1	39	40	76	-	1	77	23	(1)	139	(1)
Technology improvements	-	-	-	-	-	-	-	-	-	14	14	-
Non-sustaining exploration and study costs	-	-	-	-	-	-	-	-	-	-	-	6
Corporate and social responsibility costs not related to current operations	-	-	-	-	-	-	-	-	-	-	-	16
<b>All-in costs</b>	<b>108</b>	<b>224</b>	<b>298</b>	<b>630</b>	<b>436</b>	<b>-</b>	<b>271</b>	<b>707</b>	<b>256</b>	<b>19</b>	<b>1,612</b>	<b>189</b>
<b>All-in costs adjusted for non-controlling interests and non-gold producing companies</b>												
	<b>108</b>	<b>224</b>	<b>298</b>	<b>630</b>	<b>436</b>	<b>-</b>	<b>271</b>	<b>707</b>	<b>256</b>	<b>19</b>	<b>1,612</b>	<b>189</b>
Adjusted for stockpile write-offs	-	-	-	-	-	-	-	-	-	(1)	(1)	1
<b>All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>												
	<b>108</b>	<b>224</b>	<b>298</b>	<b>630</b>	<b>436</b>	<b>-</b>	<b>271</b>	<b>707</b>	<b>256</b>	<b>18</b>	<b>1,611</b>	<b>190</b>
<b>Gold sold oz (000<sup>3</sup>)</b>	<b>83</b>	<b>178</b>	<b>212</b>	<b>472</b>	<b>354</b>	<b>-</b>	<b>235</b>	<b>589</b>	<b>240</b>	<b>-</b>	<b>1,302</b>	<b>-</b>
<b>All-in sustaining cost (excluding stockpile write-offs) per unit \$/oz<sup>4</sup></b>	<b>1,305</b>	<b>1,255</b>	<b>1,223</b>	<b>1,249</b>	<b>1,016</b>	<b>-</b>	<b>1,149</b>	<b>1,069</b>	<b>969</b>	<b>-</b>	<b>1,120</b>	<b>-</b>
<b>All-in cost per unit (excluding stockpile write-offs) \$/oz<sup>4</sup></b>	<b>1,305</b>	<b>1,262</b>	<b>1,406</b>	<b>1,334</b>	<b>1,230</b>	<b>-</b>	<b>1,152</b>	<b>1,199</b>	<b>1,064</b>	<b>-</b>	<b>1,238</b>	<b>-</b>

<sup>(1)</sup> Adjusting for non-controlling interest of items included in calculation, to disclose the attributable portions only. Other consists of heap leach inventory.

<sup>(2)</sup> Attributable costs and related expenses of associates and equity accounted joint ventures are included in the calculation of total cash costs per ounce and total production costs per ounce.

<sup>(3)</sup> Attributable portion.

<sup>(4)</sup> In addition to the operational performances of the mines, all-in sustaining cost per ounce, all-in cost per ounce, total cash costs per ounce and total production costs per ounce are affected by fluctuations in the currency exchange rate. AngloGold Ashanti reports all-in sustaining cost per ounce and all-in cost per ounce calculated to the nearest US dollar amount and gold sold in ounces. AngloGold Ashanti reports total cash costs per ounce and total production costs per ounce calculated to the nearest US dollar amount and gold produced in ounces.

*(5) Corporate includes non-gold producing subsidiaries.*

*(6) Total cash costs per ounce calculation includes heap-leach inventory change.*

*(7) As from 1 January 2013, Tau Tona and Savuka were mined as one operation.*

For the year ended 31 December 2013

**Operations in South Africa**

(in \$ millions, except as otherwise noted)

<b>Total cash costs</b>											
<b>Total cash costs per financial statements</b>	<b>91</b>	<b>163</b>	<b>169</b>	<b>423</b>	<b>255</b>	<b>216</b>	<b>471</b>	<b>213</b>	<b>-</b>	<b>1,107</b>	<b>(7)</b>
Adjusted for non-controlling interests, non-gold producing companies and other <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	6
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>91</b>	<b>163</b>	<b>169</b>	<b>423</b>	<b>255</b>	<b>216</b>	<b>471</b>	<b>213</b>	<b>-</b>	<b>1,107</b>	<b>(1)</b>
Retrenchment costs	3	5	6	14	7	6	13	-	-	27	-
Rehabilitation and other non-cash costs	1	4	6	11	3	(10)	(7)	3	-	7	1
Amortisation of tangible assets	7	41	57	105	77	47	124	8	-	237	5
Amortisation of intangible assets	1	3	3	7	5	3	8	-	-	15	2
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	(4)
Associates and equity accounted joint ventures share of production costs <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	1
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>103</b>	<b>216</b>	<b>241</b>	<b>560</b>	<b>347</b>	<b>262</b>	<b>609</b>	<b>224</b>	<b>-</b>	<b>1,393</b>	<b>4</b>
<b>Gold produced oz (000<sup>3</sup>)</b>	<b>83</b>	<b>178</b>	<b>212</b>	<b>472</b>	<b>354</b>	<b>235</b>	<b>589</b>	<b>240</b>	<b>-</b>	<b>1,302</b>	<b>-</b>
<b>Total cash costs per unit \$/oz<sup>4</sup></b>	<b>1,100</b>	<b>918</b>	<b>797</b>	<b>895</b>	<b>719</b>	<b>920</b>	<b>800</b>	<b>883</b>	<b>-</b>	<b>850</b>	<b>-</b>
<b>Total production costs per unit \$/oz<sup>4</sup></b>	<b>1,252</b>	<b>1,210</b>	<b>1,138</b>	<b>1,185</b>	<b>978</b>	<b>1,117</b>	<b>1,034</b>	<b>933</b>	<b>-</b>	<b>1,070</b>	<b>-</b>

For the year ended 31 December 2013

**Operations in DRC, Ghana, Guinea, Mali, Namibia and Tanzania**

(in \$ millions, except as otherwise noted)

<b>All-in sustaining costs</b>											
<b>Cost of sales per financial statements</b>	-	226	425	324	-	-	-	49	346	23	1,393
Amortisation of tangible and intangible assets	-	(30)	(50)	(27)	-	-	-	(6)	(120)	(6)	(239)
Adjusted for decommissioning amortisation	-	1	1	3	-	-	-	-	1	-	6
Corporate administration and marketing related to current operations	-	-	1	-	-	-	-	-	-	2	3
Associates and equity accounted joint ventures share of costs <sup>(2)</sup>	21	-	-	-	47	118	46	-	-	-	232
Inventory writedown to net realisable value and other stockpile adjustments	-	83	4	-	-	16	-	24	89	-	216
Sustaining exploration and study costs	-	1	6	18	-	2	-	1	11	-	39
Total sustaining capital expenditure	-	22	154	27	13	11	-	5	146	1	379
<b>All-in sustaining costs</b>	<b>21</b>	<b>303</b>	<b>541</b>	<b>345</b>	<b>60</b>	<b>147</b>	<b>46</b>	<b>73</b>	<b>473</b>	<b>20</b>	<b>2,029</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	(52)	-	-	-	-	-	(1)	(53)
<b>All-in sustaining costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>21</b>	<b>303</b>	<b>541</b>	<b>293</b>	<b>60</b>	<b>147</b>	<b>46</b>	<b>73</b>	<b>473</b>	<b>19</b>	<b>1,976</b>
Adjusted for stockpile write-offs	-	(83)	(4)	-	-	(16)	-	(24)	(89)	-	(216)
<b>All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>21</b>	<b>220</b>	<b>537</b>	<b>293</b>	<b>60</b>	<b>131</b>	<b>46</b>	<b>49</b>	<b>384</b>	<b>19</b>	<b>1,760</b>
<b>All-in sustaining costs</b>	<b>21</b>	<b>303</b>	<b>541</b>	<b>345</b>	<b>60</b>	<b>147</b>	<b>46</b>	<b>73</b>	<b>473</b>	<b>20</b>	<b>2,029</b>
Non-sustaining Project Capital expenditure	341	5	42	3	-	31	2	-	8	28	460
Non-sustaining exploration and study costs	1	-	-	9	-	-	-	-	-	30	40
<b>All-in costs</b>	<b>363</b>	<b>308</b>	<b>583</b>	<b>357</b>	<b>60</b>	<b>178</b>	<b>48</b>	<b>73</b>	<b>481</b>	<b>78</b>	<b>2,529</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	(54)	-	-	-	-	-	(9)	(63)
<b>All-in costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>363</b>	<b>308</b>	<b>583</b>	<b>303</b>	<b>60</b>	<b>178</b>	<b>48</b>	<b>73</b>	<b>481</b>	<b>69</b>	<b>2,466</b>
Adjusted for stockpile write-offs	-	(83)	(4)	-	-	(16)	-	(24)	(89)	-	(216)
<b>All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>363</b>	<b>225</b>	<b>579</b>	<b>303</b>	<b>60</b>	<b>162</b>	<b>48</b>	<b>49</b>	<b>392</b>	<b>69</b>	<b>2,250</b>
<b>Gold sold oz (000<sup>3</sup>)</b>	<b>40</b>	<b>215</b>	<b>242</b>	<b>272</b>	<b>57</b>	<b>86</b>	<b>28</b>	<b>63</b>	<b>461</b>	<b>-</b>	<b>1,462</b>
<b>All-in sustaining cost (excluding stockpile write-offs) per unit \$/oz<sup>2</sup></b>	<b>9,065</b>	<b>1,025</b>	<b>2,214</b>	<b>1,085</b>	<b>1,051</b>	<b>1,510</b>	<b>1,653</b>	<b>781</b>	<b>833</b>	<b>-</b>	<b>1,202</b>
<b>All-in cost per unit (excluding stockpile write-offs) \$/oz<sup>(4)</sup></b>	<b>9,168</b>	<b>1,049</b>	<b>2,388</b>	<b>1,122</b>	<b>1,051</b>	<b>1,875</b>	<b>1,734</b>	<b>781</b>	<b>851</b>	<b>-</b>	<b>1,538</b>

For the year ended 31 December 2013

**Operations in DRC, Ghana, Guinea, Mali, Namibia and Tanzania**

(in \$ millions, except as otherwise noted)

<b>Total cash costs</b>											
<b>Total cash costs per financial statements</b>	-	190	336	290	-	-	-	44	237	(3)	1,094
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	(43)	-	-	-	-	-	-	(43)
Associates and equity accounted joint ventures share of total cash costs <sup>(2)</sup>	19	-	-	-	44	114	42	-	-	-	219
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>19</b>	<b>190</b>	<b>336</b>	<b>247</b>	<b>44</b>	<b>114</b>	<b>42</b>	<b>44</b>	<b>237</b>	<b>(3)</b>	<b>1,270</b>
Retrenchment costs	-	5	30	-	-	-	-	-	-	-	38
Rehabilitation and other non-cash costs	-	7	4	4	-	-	-	(1)	-	-	21
Amortisation of tangible assets	-	30	50	27	-	-	-	6	105	18	236
Amortisation of intangible assets	-	-	-	-	-	-	-	-	-	-	4
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	(5)	-	-	-	-	-	-	(5)
Associates and equity accounted joint ventures share of production costs <sup>(2)</sup>	9	-	-	-	4	5	4	-	-	-	22
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>28</b>	<b>231</b>	<b>420</b>	<b>273</b>	<b>48</b>	<b>119</b>	<b>46</b>	<b>49</b>	<b>342</b>	<b>29</b>	<b>1,586</b>
<b>Gold produced oz (000<sup>3</sup>)</b>	<b>40</b>	<b>221</b>	<b>239</b>	<b>268</b>	<b>57</b>	<b>86</b>	<b>27</b>	<b>63</b>	<b>459</b>	<b>-</b>	<b>1,460</b>
<b>Total cash costs per unit \$/oz<sup>1</sup></b>	<b>471</b>	<b>861</b>	<b>1,406</b>	<b>918</b>	<b>773</b>	<b>1,334</b>	<b>1,530</b>	<b>691</b>	<b>515</b>	<b>-</b>	<b>869</b>
<b>Total production costs per unit \$/oz<sup>2</sup></b>	<b>701</b>	<b>1,047</b>	<b>1,758</b>	<b>1,018</b>	<b>838</b>	<b>1,389</b>	<b>1,702</b>	<b>771</b>	<b>778</b>	<b>-</b>	<b>1,086</b>

For the year ended 31 December 2013

**Operations in Australia, United States of America, Argentina and Brazil**

(in \$ millions, except as otherwise noted)

<b>All-in sustaining costs</b>										
<b>Cost of sales per financial statements</b>	<b>366</b>	<b>64</b>	<b>19</b>	<b>449</b>	<b>201</b>	<b>199</b>	<b>374</b>	<b>133</b>	<b>3</b>	<b>910</b>
Amortisation of tangible and intangible assets	(67)	(27)	(3)	(97)	(21)	(35)	(103)	(41)	(1)	(201)
Corporate administration and marketing related to current operations	-	-	1	1	15	-	6	-	1	22
Sustaining exploration and study costs	12	3	8	23	4	7	14	8	-	33
Total sustaining capital expenditure	39	25	5	69	15	61	118	36	-	230
<b>All-in sustaining costs</b>	<b>350</b>	<b>65</b>	<b>30</b>	<b>445</b>	<b>214</b>	<b>232</b>	<b>409</b>	<b>136</b>	<b>3</b>	<b>994</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	-	(18)	-	-	-	(18)
<b>All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>										
<b>All-in sustaining costs</b>	<b>350</b>	<b>65</b>	<b>30</b>	<b>445</b>	<b>214</b>	<b>214</b>	<b>409</b>	<b>136</b>	<b>3</b>	<b>976</b>
<b>All-in sustaining costs</b>	<b>350</b>	<b>65</b>	<b>30</b>	<b>445</b>	<b>214</b>	<b>232</b>	<b>409</b>	<b>136</b>	<b>3</b>	<b>994</b>
Non-sustaining Project Capital expenditure	-	216	-	216	148	8	5	4	15	180
Non-sustaining exploration and study costs	-	-	9	9	-	-	6	-	114	120
Corporate and social responsibility costs not related to current operations	-	-	-	-	-	1	7	(3)	-	5
<b>All-in costs</b>	<b>350</b>	<b>281</b>	<b>39</b>	<b>670</b>	<b>362</b>	<b>241</b>	<b>427</b>	<b>137</b>	<b>132</b>	<b>1,299</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	-	(18)	-	-	-	(18)
<b>All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>										
<b>All-in costs</b>	<b>350</b>	<b>281</b>	<b>39</b>	<b>670</b>	<b>362</b>	<b>223</b>	<b>427</b>	<b>137</b>	<b>132</b>	<b>1,281</b>
<b>Gold sold oz (000<sup>3</sup>)</b>	<b>265</b>	<b>58</b>	<b>-</b>	<b>323</b>	<b>231</b>	<b>236</b>	<b>399</b>	<b>141</b>	<b>-</b>	<b>1,007</b>
<b>All-in sustaining cost (excluding stockpile write-offs) per unit \$/oz<sup>2</sup></b>	<b>1,321</b>	<b>1,113</b>	<b>-</b>	<b>1,376</b>	<b>927</b>	<b>912</b>	<b>1,023</b>	<b>970</b>	<b>-</b>	<b>970</b>
<b>All-in cost per unit (excluding stockpile write-offs) \$/oz<sup>2</sup></b>	<b>1,321</b>	<b>4,850</b>	<b>-</b>	<b>2,073</b>	<b>1,567</b>	<b>947</b>	<b>1,069</b>	<b>971</b>	<b>-</b>	<b>1,271</b>



For the year ended 31 December 2013

**Operations in Australia, United States of America, Argentina and Brazil**

(in \$ millions, except as otherwise noted)

<b>Total cash costs</b>										
<i>Total cash costs per financial statements</i>	<b>306</b>	<b>38</b>	<b>14</b>	<b>358</b>	<b>230</b>	<b>162</b>	<b>253</b>	<b>99</b>	<b>1</b>	<b>745</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	(61)	(12)	-	-	-	(73)
<i>Total cash costs adjusted for non-controlling interests and non-gold producing companies</i>	<b>306</b>	<b>38</b>	<b>14</b>	<b>358</b>	<b>169</b>	<b>150</b>	<b>253</b>	<b>99</b>	<b>1</b>	<b>672</b>
Retrenchment costs	-	-	1	1	-	1	2	-	-	3
Rehabilitation and other non-cash costs	(4)	2	1	(1)	(15)	1	7	(4)	1	(10)
Amortisation of tangible assets	67	27	4	98	21	35	101	40	1	198
Amortisation of intangible assets	-	-	-	-	-	-	2	-	1	3
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	25	(3)	-	-	-	22
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>369</b>	<b>67</b>	<b>20</b>	<b>456</b>	<b>199</b>	<b>185</b>	<b>364</b>	<b>136</b>	<b>4</b>	<b>888</b>
<b>Gold produced oz (000<del>3</del>)</b>	<b>276</b>	<b>66</b>	<b>-</b>	<b>342</b>	<b>231</b>	<b>241</b>	<b>391</b>	<b>138</b>	<b>-</b>	<b>1,001</b>
<b>Total cash costs per unit \$/oz<del>2</del></b>	<b>1,110</b>	<b>568</b>	<b>-</b>	<b>1,047</b>	<b>732<sup>(6)</sup></b>	<b>622</b>	<b>646</b>	<b>719</b>	<b>-</b>	<b>671</b>
<b>Total production costs per unit \$/oz<del>2</del></b>	<b>1,341</b>	<b>1,018</b>	<b>-</b>	<b>1,333</b>	<b>864</b>	<b>767</b>	<b>931</b>	<b>991</b>	<b>-</b>	<b>886</b>

For the year ended 31 December 2013

**AngloGold Ashanti operations Total**

(in \$ millions, except as otherwise noted)

	Year ended
	December 2013 US Dollar million
<b>All-in sustaining costs</b>	
<b>Cost of sales per financial statements (refer Item 18 Financial Statements, Note 4)</b>	<b>4,146</b>
Amortisation of tangible and intangible assets	(799)
Adjusted for decommissioning amortisation	6
Corporate administration and marketing related to current operations	199
Associates and equity accounted joint ventures share of costs	234
Inventory writedown to net realisable value and other stockpile adjustments	216
Sustaining exploration and study costs	94
Total sustaining capital expenditure	999
<b>All-in sustaining costs</b>	<b>5,095</b>
Adjusted for non-controlling interests and non-gold producing companies	(71)
<b>All-in sustaining costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>5,024</b>
Adjusted for stockpile write-offs	(216)
<b>All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>4,808</b>
<b>All-in sustaining costs</b>	<b>5,095</b>
Non-sustaining Project Capital expenditure	994
Technology improvements	14
Non-sustaining exploration and study costs	175
Corporate and social responsibility costs not related to current operations	21
<b>All-in costs</b>	<b>6,299</b>
Adjusted for non-controlling interests and non-gold producing companies	(81)
<b>All-in costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>6,218</b>
Adjusted for stockpile write-offs	(216)
<b>All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs</b>	<b>6,002</b>
<b>Gold sold oz (000)</b>	<b>4,093</b>
<b>All-in sustaining cost (excluding stockpile write-offs) per unit - \$/oz</b>	<b>1,174</b>
<b>All-in cost per unit (excluding stockpile write-offs) - \$/oz</b>	<b>1,466</b>

For the year ended 31 December 2013

**AngloGold Ashanti operations Total**

(in \$ millions, except as otherwise noted)

	Year ended
	December 2013
	US Dollar million
<b>Total cash costs</b>	
<b>Total cash costs per financial statements (refer Item 18 Financial Statements, Note 4)</b>	<b>3,297</b>
Adjusted for non-controlling interests and non-gold producing companies and other	(110)
Associates and equity accounted joint ventures share of total cash costs	219
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>3,406</b>
Retrenchment costs	69
Rehabilitation and other non-cash costs	18
Amortisation of tangible assets	775
Amortisation of intangible assets	24
Adjusted for non-controlling interests and non-gold producing companies	14
Associates and equity accounted joint ventures share of production costs	23
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>4,329</b>
<b>Gold produced oz (000)</b>	<b>4,105</b>
<b>Total cash cost per unit - \$/oz</b>	<b>830</b>
<b>Total production cost per unit - \$/oz</b>	<b>1,054</b>

For the year ended 31 December 2012

**Operations in South Africa**

(in \$ millions, except as otherwise noted)

<b>All-in sustaining costs</b>										
<b>Cost of sales per financial statements</b>	<b>123</b>	<b>208</b>	<b>246</b>	<b>330</b>	<b>50</b>	<b>238</b>	<b>131</b>	<b>-</b>	<b>1,326</b>	<b>(41)</b>
Amortisation of tangible and intangible assets	(21)	(41)	(89)	(68)	(11)	(61)	(11)	-	(302)	(8)
Adjusted for decommissioning amortisation	-	-	-	-	-	-	-	1	1	-
Corporate administration and marketing related to current operations	-	-	-	-	-	-	-	9	9	240
Associates and equity accounted joint ventures share of cost <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-
Sustaining exploration and study costs	-	-	-	-	-	-	-	-	-	-
Total sustaining capital expenditure	26	79	107	96	20	71	11	-	410	34
<b>All-in sustaining costs</b>	<b>128</b>	<b>246</b>	<b>264</b>	<b>358</b>	<b>59</b>	<b>248</b>	<b>131</b>	<b>10</b>	<b>1,444</b>	<b>225</b>
Adjusted for non-controlling interests <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	(1)
<b>All-in sustaining costs adjusted for non-controlling interests</b>	<b>128</b>	<b>246</b>	<b>264</b>	<b>358</b>	<b>59</b>	<b>248</b>	<b>131</b>	<b>10</b>	<b>1,444</b>	<b>224</b>
<b>Gold sold oz (000<sup>3</sup>)</b>	<b>84</b>	<b>164</b>	<b>162</b>	<b>405</b>	<b>37</b>	<b>189</b>	<b>174</b>	<b>-</b>	<b>1,214</b>	<b>-</b>
<b>All-in sustaining cost (excluding stockpile impairments) per unit \$/oz<sup>2</sup></b>	<b>1,530</b>	<b>1,497</b>	<b>1,634</b>	<b>883</b>	<b>1,607</b>	<b>1,316</b>	<b>754</b>	<b>-</b>	<b>1,189</b>	<b>-</b>

<b>Total cash costs</b>										
<b>Total cash costs per financial statements</b>	<b>103</b>	<b>167</b>	<b>168</b>	<b>259</b>	<b>38</b>	<b>175</b>	<b>149</b>	<b>-</b>	<b>1,059</b>	<b>(50)</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	50
Associates and equity accounted joint ventures share of total cash costs <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>103</b>	<b>167</b>	<b>168</b>	<b>259</b>	<b>38</b>	<b>175</b>	<b>149</b>	<b>-</b>	<b>1,059</b>	<b>-</b>
Retrenchment costs	1	2	1	1	-	1	-	-	6	1
Rehabilitation and other non-cash costs	(1)	(1)	(12)	2	-	2	(29)	-	(39)	3
Amortisation of tangible assets	21	41	89	68	11	61	11	-	302	12
Amortisation of intangible assets	-	-	-	-	-	-	-	-	-	-
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	(6)
Associates and equity accounted joint ventures share of production costs <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	(1)
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>124</b>	<b>209</b>	<b>246</b>	<b>330</b>	<b>49</b>	<b>239</b>	<b>131</b>	<b>-</b>	<b>1,328</b>	<b>9</b>
<b>Gold produced oz (000<sup>3</sup>)</b>	<b>84</b>	<b>164</b>	<b>162</b>	<b>405</b>	<b>37</b>	<b>189</b>	<b>172</b>	<b>-</b>	<b>1,212</b>	<b>-</b>
<b>Total cash costs per unit \$/oz<sup>2</sup></b>	<b>1,226</b>	<b>1,015</b>	<b>1,040</b>	<b>639</b>	<b>1,041</b>	<b>924</b>	<b>943</b>	<b>-</b>	<b>873</b>	<b>-</b>
<b>Total production costs per unit \$/oz<sup>2</sup></b>	<b>1,475</b>	<b>1,267</b>	<b>1,522</b>	<b>816</b>	<b>1,352</b>	<b>1,262</b>	<b>1,277</b>	<b>-</b>	<b>1,095</b>	<b>-</b>

(1) Adjusting for non-controlling interest of items included in calculation, to disclose the attributable portions.

(2) Attributable costs and related expenses of associates and equity accounted joint ventures are included in the calculation of total cash costs per ounce and total production costs per ounce.

(3) Attributable portion.

(4) In addition to the operational performances of the mines, all-in sustaining cost per ounce, total cash costs per ounce and total production costs per ounce are affected by fluctuations in the currency exchange rate. AngloGold Ashanti all-in sustaining cost per ounce reports calculated to the nearest US dollar amount

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*and gold sold in ounces. AngloGold Ashanti reports total cash costs per ounce and total production costs per ounce calculated to the nearest US dollar amount and gold produced in ounces.*

*(5) Corporate includes non-gold producing subsidiaries.*

*(6) Total cash costs per ounce calculation includes heap-leach inventory change.*

For the year ended 31 December 2012

**Operations in DRC, Ghana, Guinea, Mali, Namibia and Tanzania**

(in \$ millions, except as otherwise noted)

<b>All-in sustaining costs</b>										
<b>Cost of sales per financial statements</b>	<b>207</b>	<b>446</b>	<b>292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93</b>	<b>366</b>	<b>7</b>	<b>1,411</b>
Amortisation of tangible and intangible assets	(24)	(71)	(24)	-	-	-	(15)	(134)	(8)	(276)
Adjusted for decommissioning amortisation	1	1	2	-	-	-	-	1	1	6
Corporate administration and marketing related to current operations	-	-	1	-	-	-	-	-	10	11
Associates and equity accounted joint ventures share of cost <sup>(3)</sup>	-	-	-	61	118	51	-	-	-	230
Sustaining exploration and study costs	4	12	13	-	3	2	5	16	-	55
Total sustaining capital expenditure	75	181	19	1	6	1	15	195	2	495
<b>All-in sustaining costs</b>	<b>263</b>	<b>569</b>	<b>303</b>	<b>62</b>	<b>127</b>	<b>54</b>	<b>98</b>	<b>444</b>	<b>12</b>	<b>1,932</b>
Adjusted for non-controlling interests <sup>(1)</sup>	-	-	(45)	-	-	-	-	-	(1)	(46)
<b>All-in sustaining costs adjusted for non-controlling interests</b>	<b>263</b>	<b>569</b>	<b>258</b>	<b>62</b>	<b>127</b>	<b>54</b>	<b>98</b>	<b>444</b>	<b>11</b>	<b>1,886</b>
<b>Gold sold oz (000<sup>3</sup>)</b>	<b>183</b>	<b>281</b>	<b>233</b>	<b>81</b>	<b>101</b>	<b>28</b>	<b>73</b>	<b>546</b>	<b>-</b>	<b>1,527</b>
<b>All-in sustaining cost (excluding stockpile impairments) per unit \$/oz<sup>2</sup></b>	<b>1,437</b>	<b>2,021</b>	<b>1,105</b>	<b>765</b>	<b>1,249</b>	<b>1,888</b>	<b>1,329</b>	<b>816</b>	<b>-</b>	<b>1,235</b>
<b>Total cash costs</b>										
<b>Total cash costs per financial statements</b>	<b>172</b>	<b>332</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>227</b>	<b>(7)</b>	<b>1,072</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	(41)	-	-	-	-	-	-	(41)
Associates and equity accounted joint ventures share of total cash costs <sup>(2)</sup>	-	-	-	62	117	51	-	-	-	230
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>172</b>	<b>332</b>	<b>231</b>	<b>62</b>	<b>117</b>	<b>51</b>	<b>76</b>	<b>227</b>	<b>(7)</b>	<b>1,261</b>
Retrenchment costs	-	-	-	-	-	-	-	-	-	-
Rehabilitation and other non-cash costs	8	41	12	-	-	-	2	7	-	70
Amortisation of tangible assets	24	71	24	-	-	-	15	90	44	268
Amortisation of intangible assets	-	-	-	-	-	-	-	-	4	4
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	(5)	-	-	-	-	-	-	(5)
Associates and equity accounted joint ventures share of production costs <sup>(2)</sup>	-	-	-	3	2	3	-	-	-	8
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>204</b>	<b>444</b>	<b>262</b>	<b>65</b>	<b>119</b>	<b>54</b>	<b>93</b>	<b>324</b>	<b>41</b>	<b>1,606</b>
<b>Gold produced oz (000<sup>3</sup>)</b>	<b>180</b>	<b>280</b>	<b>247</b>	<b>81</b>	<b>100</b>	<b>29</b>	<b>74</b>	<b>531</b>	<b>-</b>	<b>1,521</b>
<b>Total cash costs per unit \$/oz<sup>2</sup></b>	<b>955</b>	<b>1,187</b>	<b>938</b>	<b>767</b>	<b>1,169</b>	<b>1,758</b>	<b>1,036</b>	<b>427</b>	<b>-</b>	<b>830</b>
<b>Total production costs per unit \$/oz<sup>2</sup></b>	<b>1,134</b>	<b>1,590</b>	<b>1,065</b>	<b>798</b>	<b>1,185</b>	<b>1,874</b>	<b>1,262</b>	<b>694</b>	<b>-</b>	<b>1,060</b>

For the year ended 31 December 2012

**Operations in Australia, United States of America, Argentina and Brazil**

(in \$ millions, except as otherwise noted)

<b>All-in sustaining costs</b>									
<b>Cost of sales per financial statements</b>	<b>324</b>	<b>24</b>	<b>348</b>	<b>201</b>	<b>183</b>	<b>401</b>	<b>133</b>	<b>2</b>	<b>920</b>
Amortisation of tangible and intangible assets	(34)	(2)	(36)	(41)	(35)	(113)	(24)	-	(213)
Adjusted for decommissioning amortisation	-	-	-	-	1	(1)	-	-	-
Corporate administration and marketing related to current operations	-	1	1	18	-	11	-	1	30
Associates and equity accounted joint ventures share of cost <sup>(3)</sup>	-	-	-	-	-	-	-	-	-
Sustaining exploration and study costs	37	26	63	4	6	20	4	-	34
Total sustaining capital expenditure	49	5	54	20	77	107	36	2	242
<b>All-in sustaining costs</b>	<b>376</b>	<b>54</b>	<b>430</b>	<b>202</b>	<b>232</b>	<b>425</b>	<b>149</b>	<b>5</b>	<b>1,013</b>
Adjusted for non-controlling interests <sup>(1)</sup>	-	-	-	-	(17)	-	(35)	-	(52)
<b>All-in sustaining costs adjusted for non-controlling interests</b>	<b>376</b>	<b>54</b>	<b>430</b>	<b>202</b>	<b>215</b>	<b>425</b>	<b>114</b>	<b>5</b>	<b>961</b>
<b>Gold sold oz (000<sup>3</sup>)</b>	<b>257</b>	<b>-</b>	<b>257</b>	<b>247</b>	<b>229</b>	<b>382</b>	<b>97</b>	<b>-</b>	<b>955</b>
<b>All-in sustaining cost (excluding stockpile impairments) per unit \$/oz<sup>2</sup></b>	<b>1,470</b>	<b>-</b>	<b>1,680</b>	<b>817</b>	<b>935</b>	<b>1,114</b>	<b>1,168</b>	<b>-</b>	<b>1,006</b>

<b>Total cash costs</b>									
<b>Total cash costs per financial statements</b>	<b>290</b>	<b>22</b>	<b>312</b>	<b>225</b>	<b>136</b>	<b>270</b>	<b>108</b>	<b>3</b>	<b>742</b>
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	(67)	(10)	-	(27)	-	(104)
Associates and equity accounted joint ventures share of total cash cost <sup>(3)</sup>	-	-	-	-	-	-	-	-	-
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>290</b>	<b>22</b>	<b>312</b>	<b>158</b>	<b>126</b>	<b>270</b>	<b>81</b>	<b>3</b>	<b>638</b>
Retrenchment costs	-	-	-	-	1	2	-	-	3
Rehabilitation and other non-cash costs	2	-	2	9	7	17	(4)	2	31
Amortisation of tangible assets	34	2	36	41	35	112	24	-	212
Amortisation of intangible assets	-	-	-	-	-	1	-	-	1
Adjusted for non-controlling interests and non-gold producing companies <sup>(1)</sup>	-	-	-	(9)	(3)	-	(8)	-	(20)
Associates and equity accounted joint ventures share of production cost <sup>(3)</sup>	-	-	-	-	-	-	-	-	-
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>326</b>	<b>24</b>	<b>350</b>	<b>199</b>	<b>166</b>	<b>402</b>	<b>93</b>	<b>5</b>	<b>865</b>
<b>Gold produced oz (000<sup>3</sup>)</b>	<b>258</b>	<b>-</b>	<b>258</b>	<b>247</b>	<b>219</b>	<b>388</b>	<b>98</b>	<b>-</b>	<b>953</b>
<b>Total cash costs per unit \$/oz<sup>2</sup></b>	<b>1,126</b>	<b>-</b>	<b>1,211</b>	<b>638<sup>(6)</sup></b>	<b>576</b>	<b>696</b>	<b>821</b>	<b>-</b>	<b>669</b>
<b>Total production costs per unit \$/oz<sup>2</sup></b>	<b>1,264</b>	<b>-</b>	<b>1,358</b>	<b>804</b>	<b>759</b>	<b>1,037</b>	<b>958</b>	<b>-</b>	<b>907</b>

For the year ended 31 December 2012

**AngloGold Ashanti operations Total**

(in \$ millions, except as otherwise noted)

	Year ended
	December 2012
	US Dollar million
<b>All-in sustaining costs</b>	
<b>Cost of sales per financial statements (refer Item 18 Financial Statements, Note 4)</b>	<b>3,964</b>
Amortisation of tangible and intangible assets	(835)
Adjusted for decommissioning amortisation	7
Corporate administration and marketing related to current operations	290
Associates and equity accounted joint ventures share of costs	229
Inventory writedown to net realisable value and stockpile adjustments	-
Sustaining exploration and study costs	152
Total sustaining capital expenditure	1,236
<b>All-in sustaining costs</b>	<b>5,043</b>
Adjusted for non-controlling interests and non-gold producing companies	(99)
<b>All-in sustaining costs adjusted for non-controlling interests and stockpile write-offs</b>	<b>4,944</b>
<b>Gold sold - oz (000)</b>	<b>3,953</b>
<b>All-in sustaining costs (excluding stockpile write-offs) per unit - \$/oz</b>	<b>1,251</b>
<b>Total cash costs</b>	
<b>Total cash costs per financial statements (refer Item 18 Financial Statements, Note 4)</b>	<b>3,135</b>
Adjusted for non-controlling interests and non-gold producing companies and other	(95)
Associates and equity accounted joint ventures share of total cash costs	230
<b>Total cash costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>3,270</b>
Retrenchment costs	10
Rehabilitation and other non-cash costs	67
Amortisation of tangible assets	830
Amortisation of intangible assets	5
Adjusted for non-controlling interests and non-gold producing companies	(31)
Associates and equity accounted joint ventures share of production costs	7
<b>Total production costs adjusted for non-controlling interests and non-gold producing companies</b>	<b>4,158</b>
<b>Gold produced oz (000)</b>	<b>3,944</b>
<b>Total cash cost per unit - \$/oz</b>	<b>829</b>
<b>Total production cost per unit - \$/oz</b>	<b>1,054</b>



**Capital expenditure**

Total capital expenditure was \$1,209 million in 2014 compared to \$1,993 million in 2013. This represents a \$784 million, or 39 percent, decrease from 2013. The decreased capital expenditure during 2014 relates to reduced capital expenditure on existing operations of \$184 million and decreased capital expenditure of \$600 million for growth related projects. Capital expenditure decreased at Tropicana by \$182 million with the project being completed during 2013, South Africa region by \$187 million due to timing of actual project spend and at Mponeng, a scheduled slippage occurred in the secondary support installation and consequent movement of construction activities and at Moab Khotsoeng, the Zaaiploats Phase 2 project was halted and the development contract was terminated. Capital expenditure also decreased at Kibali by \$162 million with the completion of the initial phase of the project during 2013, at the Mongbwalu project by \$26 million with the operation being in closure mode, at Sadiola and Geita by \$36 million and \$25 million, respectively, due to the timing of the expenditure and \$114 million at Obuasi due to the revised strategy where the decline is completed while the current operations are reduced to limited operation status.

Total capital expenditure was \$1,993 million in 2013 compared to \$2,322 million in 2012. This represents a \$329 million, or 14 percent, decrease from 2012. The decreased capital expenditure during 2013 relates to reduced capital expenditure on existing operations of \$237 million and decreased capital expenditure of \$91 million for growth related projects. Capital expenditure decreased at Tropicana by \$74 million, South Africa region by \$132 million following the scaling back of project investment as part of the cost-cutting initiatives across the South African asset portfolio, at the Mongbwalu project by \$77 million, at Iduapriem by \$67 million, Geita by \$62 million, AngloGold Ashanti Mineração by \$39 million and Cerro Vanguardia by \$24 million. The decrease was partially offset by increased capital expenditure of \$78 million at the Kibali joint venture and \$57 million at Cripple Creek & Victor.

**Comparison of financial performance on a segment basis for 2014, 2013 and 2012**

The company produces gold as its primary product and does not have distinct divisional segments in terms of principal business activity, but manages its business on the basis of different geographic segments. Therefore, information regarding separate geographic segments is provided.

**Gold income**

(in millions)	Year ended 31 December					
	2014		2013		2012	
	\$	percent	\$	percent	\$	percent
Geographical analysis of gold income by origin is as follows:						
South Africa	1,527	29	1,810	33	2,013	32
Continental Africa	2,105	40	2,111	38	2,609	41
Australasia	785	15	441	8	426	7
Americas	1,270	24	1,425	26	1,656	25
	<b>5,687</b>		<b>5,787</b>		<b>6,704</b>	
Less : Associates and equity accounted joint ventures included above	(469)	(8)	(290)	(5)	(351)	(5)
<b>Gold income</b>	<b>5,218</b>	<b>100</b>	<b>5,497</b>	<b>100</b>	<b>6,353</b>	<b>100</b>
<i>Assets</i>						

(in millions)	Year ended 31 December					
	2014		2013		2012	
	\$	percent	\$	percent	\$	percent
Geographical analysis of assets by origin is as follows:						
South Africa	2,124	23	2,325	24	3,082	24
Continental Africa	3,239	36	3,391	35	4,846	38
Australasia	906	10	1,108	11	1,045	8
Americas	2,409	26	2,203	23	2,878	23
Other, including non-gold producing subsidiaries	456	5	647	7	888	7
<b>Total assets</b>	<b>9,134</b>	<b>100</b>	<b>9,674</b>	<b>100</b>	<b>12,739</b>	<b>100</b>

At 31 December 2014, 23 percent of AngloGold Ashanti's total assets were located in South Africa compared with 24 percent at the end of 2013. The remaining operations collectively accounted for approximately 77 percent of AngloGold Ashanti's total assets at 31 December 2014 compared to 76 percent at the end of the same period in 2013.

At 31 December 2013, 24 percent of AngloGold Ashanti's total assets were located in South Africa compared with 24 percent at the end of 2012. The remaining operations collectively accounted for approximately 76 percent of AngloGold Ashanti's total assets at 31 December 2013 compared to 76 percent at the end of the same period in 2012.

#### Comparison of financial performance in 2014, 2013 and 2012

Financial performance of AngloGold Ashanti (in millions)	Year ended 31 December		
	2014	2013	2012
Gold income	5,218	5,497	6,353
Cost and expenses	(4,977)	(7,868)	(5,062)
Share of associates and joint ventures' loss	(25)	(162)	(30)
Taxation (expense) benefit	(255)	333	(346)
Net profit attributable to non-controlling interests	19	30	18
Net (loss) profit attributable to equity shareholders	(58)	(2,230)	897

#### Comparison of financial performance in 2014 with 2013

##### Gold income

Gold income decreased by \$279 million from \$5,497 million in 2013 to \$5,218 million in 2014, representing a 5 percent decrease over the period. This decrease was mainly due to the decrease in the average gold price received. The average spot price of gold was \$1,266 per ounce during 2014, \$145 per ounce, or 10 percent, lower than the average spot price of gold of \$1,411 per ounce in 2013, which resulted in a decrease in gold income of approximately \$595 million. The decrease was partially offset by the increase in production volume of 330,000 ounces, which resulted in an increase in gold income of approximately \$418 million, mainly as a result of the production at Tropicana and Kibali.

Gold income from the South African operations in 2014 decreased by \$283 million to \$1,527 million from \$1,810 million in 2013, mainly as a result of the decrease in the average spot price of gold, which resulted in a decrease in gold income of approximately \$189 million. Gold income further decreased as a result of a decrease in production of 79,000 attributable ounces, primarily as a result of the earthquake near the Vaal River operations on 5 August 2014 and safety related stoppages across the regional portfolio, which resulted in a decrease of gold income of approximately \$100 million.

Gold income from the Continental Africa operations (including associates and equity accounted joint ventures) in 2014 decreased by \$6 million to \$2,105 million from \$2,111 million in 2013, mainly as a result of the decrease in the average spot price of gold, which resulted in a decrease in gold income of approximately \$212 million. This decrease was partially offset by the increase in production of 137,000 attributable ounces, which resulted in an increase of gold income of approximately \$173 million. The increase in production is mainly due to Kibali's full year of production in 2014, higher production at Sigui in Guinea due to higher recovered grades and at Geita in Tanzania due to increased tonnage throughput.

Gold income from Australia increased from \$441 million in 2013 to \$785 million in 2014. The increase was mainly due to the increase in production of 277,000 ounces, of which 291,000 ounces were at Tropicana Gold Mine due to the operations' full year of production in 2014, which resulted in an increase in gold income of approximately \$351 million. This increase was partially offset by the decrease in the average spot price of gold, which resulted in a decrease in gold income of approximately \$50 million.

Gold income from the Americas operations decreased from \$1,425 million in 2013 to \$1,270 million in 2014 mainly as a result of the decrease in the average spot price of gold, which resulted in a decrease in gold income of approximately \$145 million. Gold income further decreased as a result of a decrease in production of 5,000 attributable ounces, which resulted in a decrease in gold income of approximately \$6 million.

**Cost and expenses**

***Production costs***

Production costs increased from \$3,384 million in 2013 to \$3,410 million in 2014, which represents a \$26 million, or 1 percent increase. The increase was primarily due to an increase in rehabilitation costs, power costs and service related costs. The increase was partially offset by a decrease in retrenchment costs, labour costs, consumable stores and contractor costs.

Rehabilitation costs increased from \$18 million in 2013 to \$94 million in 2014, which represents a \$76 million increase. The increase was due to changes in cash flows, inflation rates and lower discount rates.

Power costs increased from \$641 million in 2013 to \$659 million in 2014. The increase was primarily in Australia due to increased production.

Service related costs increased by \$247 million to \$243 million in 2014 from a credit of \$4 million in 2013. This increase was mainly due to Capital Ore Reserve Development credits reducing by \$104 million at the South African operations and ore stockpile adjustments of \$124 million in Continental Africa at Geita in Tanzania, Iduapriem in Ghana and Navachab in Namibia (sold June 2014).

Retrenchment costs included in the production costs decreased to \$24 million in 2014 from \$69 million in 2013. Retrenchment costs recorded for the year ended 31 December 2014 resulted from the rationalisation of operations in South African, Americas, Australia and Continental Africa regions.

Labour costs decreased from \$1,231 million in 2013 to \$1,105 million in 2014, which represents \$126 million, or 10 percent, decrease. In particular, labour costs at Obuasi in Ghana decreased by \$43 million following the move to limited operations and by \$75 million at the South African operations due to rationalisation and restructuring.

Consumable stores decreased from \$747 million in 2013 to \$702 million in 2014, which represents a \$45 million, or 6 percent decrease. The decrease was due to the sale of Navachab in Namibia, the scaling down of operations at Obuasi in Ghana, lower stores usage at Geita in Tanzania and cost saving initiatives.

Contractor costs for the group decreased from \$632 million in 2013 to \$531 million in 2014, which represents a \$101 million, or 16 percent decrease. The decrease in contractor costs was primarily a result of the scaling down of operations at Obuasi in Ghana, completion of open pit mining at Sunrise Dam in Australia, new contractor rates at Iduapriem in Ghana and termination of contractor from May 2014 at Geita in Tanzania.

The weakening of local currencies against the US dollar and further attributed to a decrease in production costs.

***Exploration and evaluation costs***

Exploration and evaluation costs decreased from \$255 million in 2013 to \$144 million in 2014 mainly due to lower prefeasibility expenditure at La Colosa in Colombia as well as at Sunrise Dam in Australia, together with a decrease in exploration expenditure at Tropicana in Australia, the Colombian Region, Brazil, Mongbwalu in the Democratic Republic of the Congo, Solomon Islands, Siguiiri and Geita in Tanzania. For a discussion of AngloGold Ashanti's exploration activities in 2014, see Item 4B.: Business overview Exploration review .

***Amortisation of tangible and intangible assets***

Amortisation of tangible and intangible assets expense decreased by \$13 million or 2 percent, to \$786 million in 2014 from \$799 million in 2013, largely due to the reduction in capital expenditure at Obuasi following the impending winding down of operations; lower amortisation at Cripple Creek and Victor and Geita following the impairment of assets in June 2013 and the reset of the amortisation lives; lower production at Sunrise Dam, partly offset by higher amortisation at Tropicana since production started in the fourth quarter of 2013. Amortisation of intangible assets is \$12 million higher than 2013 due to the amortisation of software and licenses across South African and Americas operations.

***Impairment and derecognition of assets***

In 2014, AngloGold Ashanti recorded impairments and derecognition of goodwill, tangible and intangible assets amounting to \$10 million, compared to net impairments amounting to \$3,029 million in 2013. The \$10 million related to the derecognition of assets not expected to generate cash flows at Obuasi (\$3 million) and at South African operations (\$1 million). As part of the stability agreement entered into in 2004, the Government of Ghana agreed to a corporate tax rate concession which was granted at a rate of 30 percent for the Ashanti business combination for 15 years from 2004. The 2014 business plan indicates that no tax payments are expected to be paid to the Government until 2019. As a result the tax rate concession of \$6 million was fully impaired during 2014. See Note 7 Special items , Note 15 Tangible assets and Note 16 Intangible assets to the consolidated financial statements for additional information.

***Finance costs and unwinding of obligations***

Finance costs (net of amounts capitalised) increased by \$4 million to \$251 million in 2014, compared to \$247 million in 2013. The increase is mainly due to the \$1.25 billion 8.500 percent notes issued in July 2013, Australian dollar syndicated revolving credit facility related to the Tropicana project which went into production during September 2013, and a net increase in the South Africa borrowings comprising finance costs on commercial papers and revolving credit facilities. The increases were offset by a decrease in the mandatory notes which were settled in September 2013, a decrease in the convertible bond settled in August 2013 and November 2013. Unwinding of obligations expense of \$27 million was recorded in 2014 compared with \$49 million in 2013 and relates mainly to the unwinding of the convertible bond settled in August 2013 and November 2013. See Note 8 Finance costs and unwinding of obligations to the consolidated financial statements for additional information.

***Share of associates and joint ventures loss***

Share of associates and joint ventures loss decreased from \$162 million in 2013 to \$25 million in 2014, mainly as a result of the decrease in net impairments from \$164 million in 2013 to \$5 million in 2014.

During the year, Rand Refinery (Pty) Limited ( Rand Refinery ) identified a shortfall in the commodities that it warehouses for third parties and recognised the consequential expense in fulfilling its obligations to its depositors resulting in Rand Refinery financial results reporting a negative balance on shareholder s equity. As a result AngloGold Ashanti recognised its equity portion of this reported loss of \$51 million, reducing its equity investment to nil. In order to fund the fulfilment of Rand Refinery s obligation to its depositors, the shareholders entered into a loan agreement. AngloGold Ashanti s share was \$44 million and this was assessed for recoverability given the negative shareholders balance in the reported results of Rand Refinery. An impairment loss of \$21 million was recorded on the loan. External audit procedures performed subsequent to year end confirmed the gold gap at Rand Refinery has not increased. Therefore any additional loan funding requirements from shareholders is not envisaged at this stage. Refer Note 18 Investments in associates and joint ventures to the consolidated financial statements.

***Taxation***

A taxation expense of \$255 million was recorded in 2014, compared to a benefit of \$333 million in 2013. Charges for current tax in 2014 amounted to \$165 million, compared to \$134 million in 2013. The increase in the current tax charge in 2014 was mainly due to the higher profit to revenue ratio in South Africa as a result of lower capital spend in 2014. Charges for deferred tax in 2014 amounted to a net deferred tax expense of \$90 million compared to a net deferred tax benefit of \$467 million in 2013. The increase in the deferred tax charge in 2014 is mainly due to the write off of deferred tax assets in North America and utilisation of tax losses in Australia as well as tax credits from impairment of assets in 2013 not repeated in 2014. Refer Note 12 Taxation of the consolidated financial statements for additional information.

**Comparison of financial performance in 2013 with 2012*****Gold income***

Gold income decreased by \$856 million from \$6,353 million in 2012 to \$5,497 million in 2013, representing a 13 percent decrease over the period. This decrease was mainly due to the decrease in the average gold price received. The average spot price of gold was \$1,411 per ounce during 2013, \$257 per ounce, or 15 percent, lower than the average spot price of gold of \$1,668 per ounce in 2012, which resulted in a decrease in gold income of approximately \$1,014 million. The decrease was partially offset by the increase in production volume of 160,000 ounces, which resulted in an increase in gold income of approximately \$226 million, mainly as a result of the production at Tropicana.

Gold income from the South African operations in 2013 decreased by \$203 million to \$1,810 million from \$2,013 million in 2012, mainly as a result of the decrease in the average spot price of gold, which resulted in a decrease in gold income of approximately \$312 million. This decrease was partially offset by the increase in production (1,302,000 ounces in 2013 compared to 1,212,000 ounces in 2012), which resulted in an increase of gold income of approximately \$126 million. The increase in production was primarily due to production from MWS (acquired effective 20 July 2012) and the non-occurrence of the strike in South Africa.

Gold income from the Continental Africa operations in 2013 decreased by \$498 million to \$2,111 million from \$2,609 million in 2012, mainly as a result of the decrease in the average spot price of gold, which resulted in a decrease in gold income of approximately \$391 million. Gold income also decreased as a result of a decrease in production of 61,000 attributable ounces, primarily as a result of the mill shutdown at Geita, which resulted in a decrease in gold income of approximately \$85 million.

Gold income from Australia increased from \$426 million in 2012 to \$441 million in 2013. The increase was mainly due to the increase in production of 84,000 ounces, of which 67,000 ounces were at Tropicana Gold Mine where operations started ahead of schedule, which resulted in an increase in gold income of approximately \$118 million. This increase was partially offset by the decrease in the average spot price of gold, which resulted in a decrease in gold income of approximately \$66 million.

Gold income from the Americas operations decreased from \$1,656 million in 2012 to \$1,425 million in 2013 mainly as a result of the decrease in the average spot price of gold, which resulted in a decrease in gold income of approximately \$245 million. The decrease was partially offset by an increase in gold production from 953,000 attributable ounces in 2012 to 1,001,000 attributable ounces in 2013, which resulted in an increase in gold income of approximately \$67 million. The increase in gold production was due to the increase in the company's ownership in Serra Grande to 100 percent, effective July 2012 and higher grades recovered.

### **Cost and expenses**

#### ***Production costs***

Production costs increased from \$3,212 million in 2012 to \$3,384 million in 2013, which represents a \$172 million, or 5 percent increase. The increase was primarily due to an increase in operational costs including labour, contractor costs and retrenchment costs.

Labour costs increased from \$1,186 million in 2012 to \$1,231 million in 2013, which represents \$45 million, or 4 percent, increase. In particular, labour costs in Obuasi in Ghana, Siguiri in Guinea and Tropicana in Australia contributed to higher production costs. The increase in labour costs was primarily a result of annual salary increases and also an increase in employees in Australia due to Tropicana coming into production.

Contractor costs for the Group increased from \$560 million in 2012 to \$632 million in 2013, which represents a \$72 million, or 13 percent increase. In particular, contractor costs in Australia and Iduapriem in Ghana contributed to higher production costs. The increase in contractor costs was primarily a result of annual salary increases.

Retrenchment costs increased to \$69 million in 2013 from \$10 million in 2012. Retrenchment costs recorded for the year ended 31 December 2013 resulted from the rationalisation of operations in South African, Americas and Continental Africa regions.

Production costs further increased by \$30 million because of a reduction in recovery from settled insurance claims as compared with 2012 during which there was a reimbursement of costs relating to the pitwall failure at Sunrise Dam (Australia) in the amount of \$30 million.

The increase in production costs was partially offset by the weakening of local currencies against the US dollar and a decrease in royalties paid by AngloGold Ashanti. Royalties decreased from \$164 million in 2012 to \$129 million in 2013, mainly due to the decrease in the average spot price of gold. Royalties recorded in South Africa decreased from \$25 million in 2012 to \$13 million in 2013. Royalties paid in Tanzania decreased from \$33 million in 2012 to \$25 million in 2013. Royalties paid in North America decreased from \$11 million in 2012 to \$5 million in 2013. Royalties in Argentina decreased from \$33 million in 2012 to \$29 million in 2013. In Argentina, royalties are payable to Formicruz, a state owned company in the Santa Cruz Province, being the minority shareholder of the Cerro Vanguardia operation and are calculated as a percentage of revenues.

***Exploration and evaluation costs***

Exploration and evaluation costs decreased from \$395 million in 2012 to \$255 million in 2013 mainly due to lower prefeasibility expenditure at La Colosa in Colombia as well as at Sunrise Dam in Australia, together with a decrease in exploration expenditure at Tropicana in Australia, Mongbwalu in the Democratic Republic of the Congo, Solomon Islands and Geita in Tanzania. For a discussion of AngloGold Ashanti's exploration activities in 2013, see Item 4B.: Business overview Exploration review .

***Amortisation of tangible and intangible assets***

Amortisation of tangible and intangible assets expense decreased by \$36 million or 4 percent, to \$799 million in 2013 from \$835 million in 2012, largely due to the impact on amortisation as a result of the impairment and derecognition of assets during 2013.

***Impairment and derecognition of assets***

In 2013, AngloGold Ashanti recorded impairments and derecognition of goodwill, tangible and intangible assets amounting to \$3,029 million, compared to net impairments amounting to \$346 million in 2012. This was partly due to the cash generating unit impairment of Moab Khotsonq, in South Africa, of \$293 million as a result of changes to the mine plan following revision of capital expenditure and from factors such as declining gold price and an increasing discount rate. Furthermore, as a result of declining gold price and an increasing discount rate, cash generating units were impaired at Iduapriem and Obuasi, in Ghana, in the amount of \$74 million and \$993 million, respectively, at Siguiri, in Guinea, in the amount of \$25 million, at Geita, in Tanzania, in the amount of \$555 million, in the Americas at Cripple Creek & Victor in the amount of \$445 million, AngloGold Ashanti Mineração in the amount of \$332 million and Cerro Vanguardia in the amount of \$132 million. Assets not expected to generate future cash flows were derecognised at Vaal River Surface Operations, in South Africa, in the amount of \$14 million and at Mongbwalu, in the Democratic Republic of the Congo, in the amount of \$105 million See Note 7 Special items , Note 15 Tangible assets and Note 16 Intangible assets to the consolidated financial statements for additional information.

***Finance costs and unwinding of obligations***

Finance costs (net of amounts capitalised) increased by \$80 million to \$247 million in 2013, compared to \$167 million in 2012. The increase is mainly due to the new \$1.25 billion 8.500 percent notes issued in July 2013, Australian dollar syndicated revolving credit facility related to the Tropicana project, increase related to the \$750 million 5.125 percent notes issued in July 2012. The increases were offset by a decrease in the mandatory notes which were settled in September 2013 and a decrease in the convertible bond settled in August 2013 and November 2013. Unwinding of obligations expense of \$49 million was recorded in 2013 compared with \$64 million in 2012 and relates mainly to the unwinding of discounted future rehabilitation obligations to present values. See Note 8 Finance costs and unwinding of obligations to the consolidated financial statements for additional information.

***Share of associates and joint ventures loss***

Share of associates and joint ventures loss increased from \$30 million in 2012 to \$162 million in 2013, mainly as a result of reduced operating profits due to lower production and the lower average spot price of gold in 2013. Net impairments recorded in 2013 were \$164 million compared to \$59 million in 2012. The impairments in 2013 mainly related to the carrying value of the investments in Sadiola, Morila and Trans-Siberian Gold as discussed in Note 18 Investments in associates and joint ventures to the consolidated financial statements.

***Taxation***

A taxation benefit of \$333 million was recorded in 2013, compared to an expense of \$346 million in 2012. Charges for current tax in 2013 amounted to \$134 million, compared to \$414 million in 2012. The decrease in the current tax charge in 2013 was mainly due to lower taxable income as a result of the lower gold price. Charges for deferred tax in 2013 amounted to a net deferred tax benefit of \$467 million compared to a net deferred tax benefit of \$68 million in 2012. The decrease in the deferred tax charge in 2013 is mainly due to tax credits on impairments of assets and inventory write-downs offset by derecognitions of deferred taxation assets in Obuasi and Cripple Creek & Victor. Refer to Note 12 Taxation of the consolidated financial statements for additional information.

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**5B. LIQUIDITY AND CAPITAL RESOURCES**

In the board's opinion, AngloGold Ashanti's working capital is sufficient to meet the company's present requirements.

*Operating activities*

**2014**

Cash flows from operating activities were \$1,220 million in 2014, lower than the 2013 amount of \$1,246 million. The decrease in cash flows provided by operations was mainly as a result of lower revenues from a lower gold price which more than offset the increase of 8 percent in production.

Net cash outflow from operating working capital items amounted to \$43 million in 2014, compared with an outflow of \$250 million in 2013.

**2013**

Cash flows from operating activities were \$1,246 million in 2013, lower than the 2012 amount of \$1,969 million. The decrease in cash flows provided by operations was mainly as a result of higher costs and lower revenues.

Net cash outflow from operating working capital items amounted to \$250 million in 2013, compared with an outflow of \$218 million in 2012.

*Investing activities*

**2014**

Investing activities in 2014 resulted in a net cash outflow of \$943 million, a decrease of \$1,097 million from an outflow of \$2,040 million in 2013. Capital expenditure decreased to \$1,013 million in 2014 compared to \$1,501 million in 2013. Capital expenditure decreased at Tropicana by \$189 million with the project being completed during 2013, South Africa region by \$168 million due to timing of actual project spend and at Mponeng, a scheduled slippage occurred in the secondary support installation and consequent movement of construction activities and at Moab Khotsong, the Zaaipplaats Phase 2 project was halted and the development contract was terminated. Capital expenditure also decreased by \$111 million at Obuasi due to the revised strategy where the decline is completed and the mine transitioned to limited operations. Funding provided to associates and joint ventures decreased to \$65 million in 2014 from \$472 million in 2013 largely due to the completion of the work to establish operations at the Kibali joint venture operation.

**2013**

Investing activities in 2013 resulted in a net cash outflow of \$2,040 million, a decrease of \$735 million from an outflow of \$2,775 million in 2012. Capital expenditure decreased to \$1,501 million in 2013 compared to \$1,925 million in 2012.

*Financing activities*

**2014**

Cash flows from financing activities in the year ended 31 December 2014 amounted to an outflow of \$421 million, which is a decrease of \$981 million from an inflow of \$560 million in the year ended 31 December 2013. Cash inflows from proceeds from borrowings in 2014 amounted to \$611 million and included \$157 million proceeds on the local borrowings facility and commercial paper in South Africa, \$100 million draw down on the \$1.0 billion syndicated loan facility, \$315 million draw down on the A\$500 million syndicated loan for general corporate purposes, \$10 million proceeds from short-term borrowings in Argentina and \$9 million normal proceeds from various short term borrowings.

Cash outflows from repayment of borrowings of \$761 million during the year ended 31 December 2014 included the repayment of \$547 million on the A\$600 million syndicated loan, \$171 million on the local borrowings facility, commercial paper and finance leases in South Africa, \$25 million on short-term borrowings in Argentina and normal loan payments of \$18 million.

Dividends paid to non-controlling interests decreased from \$62 million in 2013 to \$17 million in 2014. Dividends are proposed and approved by the board of directors of AngloGold Ashanti, based on the company's financial performance.





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**2013**

Cash flows from financing activities in the year ended 31 December 2013 amounted to an inflow of \$560 million, which is a decrease of \$31 million from an inflow of \$591 million in the year ended 31 December 2012. Cash inflows from proceeds from borrowings in 2013 amounted to \$2,344 million and included \$1.25 billion 8.500 percent notes due 2020 issued during July 2013, \$432 million proceeds on the local borrowings facility and commercial paper in South Africa, \$250 million draw down on the \$1.0 billion four-year syndicated loan facility, \$323 million drawn down on the A\$600 million syndicated loan for general corporate purposes, principally on the Tropicana project, \$72 million proceeds on the ZAR 750 million bonds issued during December 2013 and \$15 million proceeds from short-term borrowings in Argentina.

Cash outflows from repayment of borrowings of \$1,486 million during the year ended 31 December 2013 included the repayment of \$250 million on the \$1.0 billion four-year syndicated loan facility, \$733 million on the early settlement of the convertible bonds due 2014, \$27 million on the A\$600 million syndicated loan, \$458 million on local borrowings facility, commercial paper and finance leases in South Africa and normal scheduled loan repayments of \$16 million.

Dividends paid decreased from \$236 million in 2012 to \$62 million in 2013. Dividends are proposed and approved by the board of directors of AngloGold Ashanti, based on the company's financial performance.

**Liquidity**

AngloGold Ashanti's revenues are derived primarily from the sale of gold produced at its mines. Cash flows from operating activities are therefore the function of gold produced sold at a specific price. The market price of gold can fluctuate widely, which impacts the profitability of the company's operations and the cash flows generated by these operations.

There are no significant restrictions on the ability of the group to obtain funds from its subsidiaries by dividend or loan. As at 31 December 2014 the group had \$8 million in bank accounts in Argentina subject to regulatory approvals before such funds could be transmitted in the form of dividends or loan repayments. During 2014 the group obtained various approvals to remit funds but has not received any approvals since October 2014.

As at 31 December 2014, the group had \$8 million in bank accounts in Argentina that was subject to regulatory approval before such funds could be transmitted in the form of dividends or loan repayments. During 2014 the group obtained various approvals to remit funds but have not received any approvals since October 2014.

AngloGold Ashanti's cash and cash equivalents decreased to \$468 million at 31 December 2014 compared with \$628 million, net of a bank overdraft of \$20 million, at 31 December 2013. In accordance with South African Reserve Bank regulations, cash generated by South African operations is held in rands and is therefore subject to exchange controls. At 31 December 2014, 76 percent of the company's cash and cash equivalents was held in US dollars, 13 percent was held in South African rands and 11 percent was held in other currencies.

During July 2014, AngloGold Ashanti Australia Limited settled an existing A\$600 million four-year revolving credit facility and entered into a new A\$500 million five year revolving credit facility with a syndication of banks. Interest is currently charged at BBSP plus 2 percent per annum. Each of AngloGold Ashanti Limited and AngloGold Ashanti Holdings plc has guaranteed all payments and other obligations of AngloGold Ashanti Australia Limited under the facility. Amounts may be repaid and redrawn under the facility during its four year term. A commitment fee of 1 percent of the applicable margin is payable quarterly in arrears on the undrawn portion of the facility. An amount of \$255 million was drawn down as at 31 December 2014. This facility will be used to fund general working capital requirements.

During July 2014, AngloGold Ashanti Holdings plc entered into a \$1.0 billion five-year revolving credit facility with a syndicate of lenders which replaced its existing \$1.0 billion revolving credit facility entered into in July 2012. Amounts repaid and reborrowed under the facility during its five-year term and the facility bears interest at LIBOR plus an initial margin of 1.5 percent per annum. The margin will subsequently be calculated by reference to the long term debt rating of the Parent. If the current status of BB+/Baa3 improves the interest margin will reduce and if the current rating worsens then the interest margin will increase. During December 2014 the Company drew down \$100 million. AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc. and AngloGold Ashanti USA Inc. each guaranteed the obligations of the borrowers under the facility. A commitment fee of 0.525 percent is payable quarterly in arrears on the undrawn portion of the facility.

On 30 July 2012, the company completed an offering of \$750 million aggregate principal amount of 5.125 percent notes due 2022. The notes were issued by AngloGold Ashanti Holdings plc, a wholly-owned subsidiary of the company. The notes are unsecured and fully and unconditionally guaranteed by AngloGold Ashanti Limited.



During July 2013, the company issued \$1.25 billion aggregate principal amount of 8.500 percent notes at an issue price of 100 percent of the principal amount of the notes. The notes are unsecured and fully and unconditionally guaranteed by the group. The net proceeds from the offering of the notes were used for general corporate purposes, which included the repurchase of the 3.5 percent convertible bonds and the repayment of other indebtedness.

During December 2013, the group entered into a five-year unsecured syndicated revolving credit facility (ZAR RCF) of R1.5 billion (\$144 million) with Nedbank and ABSA Bank which is currently charged at JIBAR plus 1.2 percent per annum. It is anticipated that this facility will be used to fund the working capital and development costs associated with the group's mining operations within South Africa without eroding the group's headroom under its other facilities and exposing the group to foreign exchange gains/losses each quarter. The facility matures in December 2018.

During December 2013, R750 million (\$65 million) aggregate principal amount, unsecured notes were issued, due 2016 at JIBAR plus 1.75 percent. The objective of the ZAR RCF in conjunction with the issue of R750 million (\$65 million) bonds was to provide a more permanent and reliable source of funds for AngloGold Ashanti's South African operations and mitigate refinancing risk.

AngloGold Ashanti intends to finance its capital expenditure and debt repayment requirements in 2015 from cash on hand, cash flow from operations, existing credit facilities and, potentially, if deemed appropriate, long-term debt financing, the issuance of equity and equity linked instruments.

#### ***Current borrowings***

AngloGold Ashanti's current borrowings decreased to \$223 million at 31 December 2014 from \$258 million at 31 December 2013. Included in the current borrowings at 31 December 2014, were:

- \$15 million payable under the Senior Floating Rate Notes (DMTNP) (interest charged at 6.963 percent per annum);
- \$16 million in interest payable under the \$750 million 10-year bond (interest charged at 5.125 percent per annum; the bonds mature in August 2022 and are US dollar-based);
- \$12 million in interest payable under the \$700 million 10-year and \$300 million 30-year rated bonds issued April 2010 (interest charged at 5.375 percent and 6.50 percent, respectively, per annum; the bonds mature in April 2020 and April 2040, respectively, and are US dollar-based); and
- \$49 million under the \$1.25 billion bonds issued on 30 July 2013 (interest charged at 8.50 percent per annum; the bonds mature on 30 July 2020 are US dollar-based).

#### ***Non-current borrowings***

AngloGold Ashanti's non-current borrowings decreased to \$3,498 million at 31 December 2014 compared to \$3,633 million at 31 December 2013. As at 31 December 2014, the company's non-current borrowings included:

#### ***Unsecured loans:***

- \$986 million outstanding under the \$700 million 10-year and \$300 million 30-year rated bonds issued April 2010 (interest charged at 5.375 percent and 6.50 percent, respectively, per annum; the bonds mature in April 2020 and April 2040, respectively, and are US dollar-based);
- \$740 million outstanding under the rated bonds issued July 2012 (interest charged at 5.125 percent per annum; the bonds mature in August 2022 and are US dollar-based);
- \$1,325 million outstanding under the \$1.25 billion bonds issued on 30 July 2013 (interest charged at 8.50 percent per annum; the bonds mature on 30 July 2020 and are US dollar-based);
- \$65 million outstanding under the R750 million bonds issued on 9 December 2013 (interest charged at JIBAR plus 1.75 percent per annum; the bonds mature on 9 December 2016 and are ZAR-based);
- \$255 million outstanding under the A\$500 million syndicated revolving credit facility (interest charged at BBSY plus 2.6 percent per annum; the loan matures in July 2019 and is Australian dollar-based); and
- \$92 million outstanding under the \$1 billion syndicated loan facility (interest charged at LIBOR plus 1.5 percent per annum; the facility matures on 17 July 2019 and is US dollar-based).



*Secured capital leases:*

\$21 million is repayable to Turbine Square Two (Proprietary) Limited for buildings financed (interest charged at an implied rate of 9.8 percent per annum, lease payments are payable in monthly installments terminating in March 2022, are rand-based and the buildings financed are used as security for these loans);

\$14 million is repayable to California First National Bank (Interest charged at an average rate of 2.4 percent per annum. Loans are repayable in monthly installments terminating in December 2019 and are US dollar-based. The equipment financed is used as security for these loans); and

\$1 million is repayable to Caterpillar Financial Services Corporation (Interest charged at an average rate of 5.46 percent per annum. Loans are repayable in monthly installments terminating in January 2015 and are US dollar-based. The equipment financed is used as security for these loans).

As at 31 December 2014, AngloGold Ashanti's total non-current borrowings including the short-term portion maturing within 2014, was made up as follows:

	<b>\$ (million)</b>
Unsecured borrowings	3,682
Secured finance leases	39
<b>Total borrowings</b>	<b>3,721</b>
Less: Short-term maturities	223
<b>Total non-current borrowings</b>	<b>3,498</b>

Amounts falling due are scheduled as follows:

	<b>\$ (million)</b>
Within one year	223
Between one and two years	281
Between two and five years	154
After five years	3,063
<b>Total</b>	<b>3,721</b>

At 31 December 2014, the currencies in which the borrowings were denominated were as follows:

	<b>\$ (million)</b>
United States dollars	3,187
Australian dollars	255
South African rand	277
Brazilian real	2
<b>Total</b>	<b>3,721</b>

At 31 December 2014, AngloGold Ashanti had the following undrawn amounts available under its borrowing facilities:

	<b>\$ (million)</b>
Syndicated revolving credit facility (\$1.0 billion) US dollar (entered into in July 2014)	900
Syndicated revolving credit facility (A\$500 million) Australian dollar (entered into in July 2014)	153
Syndicated revolving credit facility (R1.5 billion) SA rand	87
FirstRand Bank Limited SA rand	4
<b>Total undrawn facilities</b>	<b>1,144</b>

AngloGold Ashanti had no other committed lines of credit as of 31 December 2014.

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As of 31 December 2014, the company was in compliance with all debt covenants and provisions related to potential defaults.

See Item 18 Note 38 Capital Management and Item 10C Material Contracts .

AngloGold Ashanti, through its executive committee, reviews its short-, medium- and long-term funding, treasury and liquidity requirements and positions monthly. The Audit Committee also reviews these on a quarterly basis at its meetings.

**Contractual commitments and contingencies**

For a detailed discussion of commitments and contingencies, see note 36 to the consolidated financial statements Contractual commitments and contingencies .

As at 31 December 2014, capital commitments<sup>(1)</sup> can be summarised over the periods shown below as follows:

Commitment	Total	Expiration per period				Over 5 years
		Less than 1 year	1 to 3 years	4 years	5 years	
(in millions)	Amount					
Capital expenditure	\$	\$	\$	\$	\$	\$
(contracted and not yet contracted) <sup>(1)</sup>	946	611	335	-	-	-
Guarantees	9	9	-	-	-	-
Other commercial commitments <sup>(2)</sup>	508	295	166	41	6	6
<b>Total</b>	<b>1,463</b>	<b>915</b>	<b>501</b>	<b>41</b>	<b>6</b>	<b>6</b>

<sup>(1)</sup> Including commitments through contractual arrangements with equity accounted joint ventures of \$49 million.

<sup>(2)</sup> Excludes commitments through contractual arrangements with equity accounted joint ventures.

**Recent developments**

Subsequent events disclosed in Item 18 Note 39 Subsequent events include the following details:

The company has initiated a plan to identify a joint venture partner or a purchaser in respect of its interests in the Cripple Creek & Victor mine in Colorado in the United States for full value. The CC&V gold mine is a surface mining operation which provides oxidised ore to a crusher and valley leach facility, one of the largest in the world. It is included in the Americas reporting segment and was acquired by AngloGold Ashanti in 1999. The mine produced 211,000 ounces of gold in 2014. There can be no assurance, however, that a sale and purchase agreement for this transaction will be entered into or that any sales transaction will be completed.

The company currently intends to dispose of its 41% stake in Sadiola and its 40% stake in Yatela. The mines are both situated in western Mali and are included in the Continental Africa reporting segment. The Sadiola and Yatela mines produced 85,000 and 11,000 attributable ounces of gold, respectively, in 2014.

Management was approached by a potential buyer for both mines who meets management's qualifying criteria and has asked for a binding bid. There can be no assurance, however, that a sale and purchase agreement for these transactions will be entered into or that any sales transactions will be completed.

**Related party transactions**

For a detailed discussion of related party transactions, see Item 7B.: Related party transactions .

**Recently adopted accounting policies and pending adoption of new accounting standards**

AngloGold Ashanti's accounting policies are described in note 1 to the consolidated financial statements Accounting policies .

**Critical accounting policies**

AngloGold Ashanti's accounting policies are described in note 1 to the consolidated financial statements Accounting policies . The preparation of the company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The following are considered to be the accounting policies that are most critical to the company's results of operations,

financial condition and cash flows.



### *Use of estimates and making of assumptions*

The most critical accounting estimates upon which AngloGold Ashanti's financial reporting depends are those requiring estimates of Proven and Probable Reserves, recoverable ounces therefrom, and/or assumptions of future gold prices. Such estimates and assumptions affect the value of inventories (which are stated at the lower of average cost or net realisable value) and the potential impairment of long-lived assets and intangibles as detailed below. These estimates and assumptions also affect the rate at which depreciation and amortisation are charged to earnings. On an ongoing basis, management evaluates its estimates and assumptions; however, actual amounts could differ significantly due to the ultimate conclusion of uncertainties.

### *Ore Reserve and life-of-mines*

AngloGold Ashanti estimates on an annual basis its Ore Reserve at its mining operations. There are a number of uncertainties inherent in estimating quantities of reserves, including many factors beyond the company's control. Estimates of Ore Reserve are based upon engineering evaluations of assay values derived from samplings of drill holes and other openings. Additionally, declines in the market price of gold may render certain reserves containing relatively lower grades of mineralisation uneconomic to mine. Further, availability of permits, changes in operating and capital costs, and other factors could materially and adversely affect the Ore Reserve. The company uses its estimates of Ore Reserve to determine the unit basis for mine depreciation and closure rates, and to evaluate mine asset impairments. Changes in estimates of Ore Reserve could significantly affect these items. At least annually, the company reviews mining schedules, production levels and asset lives in the company's life-of-mine planning for all of the company's operating and development properties. Significant changes in the life-of-mine plans may occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology and gold prices. Based on the life-of-mine analysis the company reviews its accounting estimates and adjusts depreciation, amortisation, reclamation costs and evaluation of each mine for impairment where necessary. Accordingly, this analysis and the estimates made therein have a significant impact on the company's results of operations and financial condition.

### *Contingencies*

Accounting for contingencies requires the recording of an estimated loss for a loss contingency when information available indicates that it is probable that an asset has been impaired or a liability has been incurred, and the amount of the loss can be reasonably estimated. Accounting for contingencies such as legal and income tax matters requires the use of judgements to determine the amount to be recorded in the financial statements. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur, and typically, those events will occur a number of years into the future. The company assesses such contingent liabilities, which inherently involves the exercise of significant management judgement and estimates of the outcome of future events.

### *Impairment of tangible and intangible assets*

AngloGold Ashanti's long-lived assets include property, plant and equipment, goodwill and other intangible assets. In assessing the potential impairment of its long-lived assets held for use, the company must make assumptions regarding estimated future cash flows and other factors relating to the respective assets. To the extent that the carrying value of the long-lived asset as recorded in the consolidated financial statements exceeds the discounted cash flows associated with these assets, an impairment charge is recognised in the consolidated financial statements. The company performs impairment tests for goodwill at least annually during the fourth quarter and whenever certain indicators of impairment exist. Impairment calculation assumptions are included in notes to the consolidated financial statements - Note 15 - Tangible assets .

### *Taxation*

AngloGold Ashanti follows the liability method of accounting for deferred taxation whereby the company recognises the tax consequences of temporary differences by applying current statutory tax rates applicable to future years to differences between financial statement amounts and the tax bases of certain assets and liabilities. Changes in deferred tax assets and liabilities include the impact of any tax rate changes enacted during the year. Deferred tax is estimated at the future average anticipated taxation rates at which temporary differences are expected to reverse. Future average anticipated taxation rates are determined from revenue and expenditure outlined in life-of-mine business plans that are revised annually. Deferred tax assets are only recognised to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date.

Management classifies taxes payable based on the likelihood of the amount required to be settled within twelve months, which are then reported within current liabilities. All other taxes payable are recorded within non-current liabilities.

#### *Provision for environmental rehabilitation*

AngloGold Ashanti's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The company recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Changes in Mineral Reserves could similarly affect the useful lives of assets depreciated on a straight-line-basis, where those lives are limited to the life of mine.

Discounted closure liabilities (excluding joint ventures) increased from \$728 million in 2013 to \$851 million in 2014. This change relates to changes in discount rates due to changes in global economic assumptions and changes in mine plans resulting in a change in cash flows and changes in design of tailings storage facilities and in methodology following requests from the environmental regulatory authorities. The increase is partially offset by the impact of weaker local currencies.

#### *Heap leach inventory*

The recovery of gold from certain oxide ores is achieved through the heap-leaching process. Under this method, ore is placed on leach pads where it is permeated with a chemical solution, which dissolves the gold contained in the ore. The resulting pregnant solution is further processed in a process plant where the gold is recovered. For accounting purposes, costs are added to leach pads based on current mining costs, including applicable depreciation, depletion and amortisation relating to mining operations. Costs are removed from the leach pad as ounces are recovered in circuit at the leach plant based on the average cost per recoverable ounce of gold on the leach pad.

The engineering estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads (measured tons added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on metallurgical testing and ore type). Leach pad production cycles vary from several months to multiple years dependent on the height of the heap leach pad. The increased height of the pad and the resultant associated lengthy transport time of the solution to the internal collection ponds from which the pregnant solution is pumped significantly increase the time from placement of ore to the ultimate gold recovery.

Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. Historically, AngloGold Ashanti's operating results have not been materially impacted by variations between the estimated and actual recoverable quantities of gold on its leach pads. For operations with long-term leach production cycles, variations in recovery estimates from new metallurgical data or production variances would be accounted for as an adjustment to the recoverable ounces and the average cost per recoverable ounce of gold on the leach pad. Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realisable value are accounted for on a prospective basis. The ultimate recovery of gold from a pad will not be known until the leaching process has been concluded.

As at 31 December 2014 and 2013, \$104 million and \$111 million, respectively, of heap-leach inventory was classified as current as the company expects the related gold to be recovered within twelve months. The current portion of materials on the leach pad is determined by multiplying the average cost per ounce in inventory by the expected production ounces for the next twelve months. Heap-leach pad inventory occurs in two forms: (1) gold recoverable but yet to be dissolved (i.e. gold still in the ore), and (2) gold recoverable from gold dissolved in solution within the leach pad (i.e. pore water). This estimate calculation was used in determining the current portion of materials on the leach pad as at 31 December 2014. As at 31 December 2014, \$521 million was classified as non-current compared with \$479 million as at 31 December 2013.

**5C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.**

Research and development expenditure included in the income statement amounted to \$21 million, \$4 million and \$9 million during 2014, 2013 and 2012, respectively.

**5D. TREND INFORMATION**

For a discussion of trends affecting AngloGold Ashanti's business and operations, see Item 5A.: Operating Results. Key factors affecting results.

**5E. OFF-BALANCE SHEET ARRANGEMENTS**

AngloGold Ashanti does not engage in off-balance sheet financing activities, and does not have any off-balance sheet debt obligations, special purpose entities or unconsolidated associates. The most significant off-balance sheet item is the unaccrued future rehabilitation obligations.

See note 28 to the consolidated financial statements. Environmental rehabilitation and other provisions.

**5F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS**

As at 31 December 2014 AngloGold Ashanti had the following known contractual obligations:

	Less than	1 - 3	3 - 5	More than	
Total	1 year	Years	Years	5 years	
	\$	\$	\$	\$	
Long-term debt obligations including interest <sup>(1)</sup>	5,339	374	748	536	3,681
Capital lease obligations	73	8	14	15	36
Operating lease obligations	14	8	2	4	-
Purchase obligations					
- Contracted capital expenditure <sup>(2)</sup>	178	150	28	-	-
- Other purchase obligations <sup>(3)</sup>	508	295	166	41	6
Environmental rehabilitation costs <sup>(4)</sup>	3,616	85	76	204	3,251
Pensions and other post-retirement medical obligations <sup>(5)</sup>	148	11	23	24	90
<b>Total</b>	<b>9,876</b>	<b>931</b>	<b>1,057</b>	<b>824</b>	<b>7,064</b>

(1) Interest calculations are at the rate existing at the year end. Actual rates are set at floating rates for some of the borrowings (Refer Note 27 of the consolidated financial statements).

(2) Represents contracted capital expenditure for which contractual obligations exist. Amounts stated include commitments of equity accounted joint ventures.

(3) Other purchase obligations represent contractual obligations for mining contract services, purchase of power, supplies, consumables, inventories, explosives and activated carbon. Amounts stated exclude purchase obligations of equity accounted joint ventures.

(4) Operations of gold mining companies are subject to extensive environmental regulations in the various jurisdictions in which they operate. These regulations establish certain conditions on the conduct of operations by AngloGold Ashanti. Pursuant to environmental regulations, AngloGold Ashanti is also obligated to close its operations and reclaim and rehabilitate the lands upon which it conducted its mining and gold recovery operations. The present estimated closure costs at existing operating mines and mines in various stages of closure are reflected in this table. For more information of environmental rehabilitation obligations, see Item 4B.: Business overview - Mine site rehabilitation and closure and Item 4B.: Business overview - Environmental, health and safety matters. Amounts stated include a total estimated liability of \$55 million in respect of equity accounted joint ventures.

(5) Represents payments for unfunded plans or plans with insufficient funding.

**ITEM 6: DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****6A. DIRECTORS AND SENIOR MANAGEMENT****Directors**

As at 23 March 2015, AngloGold Ashanti has a unitary board comprising 11 directors – nine independent non-executive directors; and two executive directors. Certain information with respect to AngloGold Ashanti's directors is set forth below:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Year first appointed <sup>(1)</sup></b>
Srinivasan Venkatakrishnan	49	Executive director and chief executive officer	2005
Christine Ramon	47	Executive director and chief financial officer	2014
Sipho Pityana <sup>(2)</sup>	55	Independent non-executive director and chairman	2007
Rhidwaan Gasant	55	Independent non-executive director	2010
Dave Hodgson	67	Independent non-executive director	2014
Nozipho January-Bardill	64	Independent non-executive director	2011
Michael J. Kirkwood	67	Independent non-executive director	2012
Lumkile W (Wiseman) Nkuhlu	70	Independent non-executive director	2006/2009
Rodney J. Ruston	64	Independent non-executive director	2012
<b>Appointed 1 January 2015</b>			
Albert Garner <sup>(3)</sup>	59	Independent non-executive director	2015
Maria Richter <sup>(3)</sup>	60	Independent non-executive director	2015

<sup>(1)</sup> Directors serve for a period of three years unless re-elected. At each annual general meeting, directors appointed since the previous annual general meeting are required to retire, but are eligible for re-election. In addition, one-third of the directors (rounded down to the next whole number), must retire according to seniority or by lot but may be re-elected.

<sup>(2)</sup> Appointed as Chairman with effect from 17 February 2014.

<sup>(3)</sup> To be elected at the Annual General Meeting on 6 May 2015.

**NON-EXECUTIVE CHAIRMAN:****Sipho Pityana (55)****BA (Hons), MSc, Dtech (Honoris)**

*Initially appointed a non-executive director on 13 February 2007. Appointed Chairman on 17 February 2014.*

**Chairman:** Nominations Committee  
**Member:** Remuneration and Human Resources Committee  
 Social, Ethics and Sustainability Committee

Sipho Mila Pityana is the Chairman of the Board of Directors, having assumed this role in February 2014. Sipho has extensive business experience having served in both an executive and non-executive capacity on several JSE listed boards of companies as well as running his own company, Izingwe Capital Proprietary Limited, which he chairs. He is chairman of the JSE-listed Onelogix and of Munich Reinsurance of Africa and a director of a number of manufacturing companies including Aberdare Cables. He also served on the boards of Bytes Technology Group, Afrox, SPESCOM the Old Mutual Leadership Group and Scaw Metals. He previously worked as an executive director of Nedcor Investment Bank and managing director of Nedbank.

In addition to his private sector track record, Sipho has extensive public sector experience and international exposure. He was the first Director General of Department of Labour in a democratic South Africa. As the Foreign Affairs Director General he represented South Africa in various international fora including the United Nations, African Union, Commonwealth and the International Labour Organization. He was one of the founding members of the governing body of the Commission for Conciliation, Mediation and Arbitration (CCMA) and Convenor of the South

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African government delegation to the National Economic Development and Labour Council (Nedlac). He is a member of the Advisory Council of the Council for the Advancement of the South African Constitution (CASAC).

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**DEPUTY CHAIRMAN AND LEAD INDEPENDENT DIRECTOR**

**Wiseman Nkuhlu (70)**

**BCom, CA (SA), MBA**

*Appointed to the board on 4 August 2006, resigned on 30 April 2009 and re-appointed on 1 June 2009.*

**Member:**            Audit and Risk Committee  
                          Investment Committee  
                          Nominations Committee  
                          Remuneration and Human Resources Committee

Wiseman Nkuhlu was first appointed to the board on 4 August 2006 and resigned on 30 April 2009. He was re-appointed to the board on 1 June 2009, appointed Lead Independent Director from February 2014 and Deputy Chairman from March 2014.

Prof Nkuhlu, a respected South African academic, educationist, professional and business leader, served as Economic Adviser to the former President of South Africa, Mr Thabo Mbeki, and as Chief Executive of the Secretariat of the New Partnership for Africa's Development (Nepad) from 2000 to 2005. From 1989 to 2000, he served as a director on a number of major South African companies or subsidiaries, including Standard Bank, South African Breweries, Old Mutual, Tongaat, Hulett, BMW and JCI. Prof Nkuhlu was president of the South African Institute of Chartered Accountants from 1998 to 2000 and principal and vice chancellor of the University of Transkei from 1987 to 1991. He is currently a member of the Board of the Ethics Institute of South Africa, Datatec Limited, the Nepad Business Foundation and the Chartered Director Governing body of the Institute of Directors in South Africa. He was elected president of the Geneva-based International Organisation of Employees (IOE) in May 2008 and served for two years. Lastly, he is a trustee of the International Financial Reporting Standards Foundation which provides oversight of the accounting standard setting operations of the International Accounting Standards Board (IASB).

**EXECUTIVE DIRECTORS:**

**Srinivasan Venkatakrishnan (Venkat) (49)**

**BCom, ACA (ICAI)**

*Chief Executive Officer*

*First appointed to the board on 1 August 2005 and as CEO on 8 May 2013.*

**Member:**            Social, Ethics and Sustainability Committee

Venkat was appointed CEO on 8 May 2013, after holding the position of joint acting CEO from April of that year. He was previously Chief Financial Officer (CFO) at Ashanti Goldfields until its merger with AngloGold in May 2004, creating what is now AngloGold Ashanti. Venkat became CFO of the combined entity shortly after the merger and joined the board on 1 August 2005. He is chairman of the Executive Committee and also a member of the Social, Ethics and Sustainability Committee.

In his role as CFO, he oversaw funding for all of AngloGold Ashanti's operating activities, giving him a detailed knowledge of all of our mines and operating jurisdictions. He is a member of the Financial Reporting Investigation Panel, an advisory panel of the JSE. He was the executive responsible for eliminating a 12Moz hedge book, generating significant value for the company, and was the key executive behind rebuilding the balance sheet through a series of successful debt financings that introduced long-term tenor and more favourable funding terms to the company's credit profile. During Venkat's first year as CEO of AngloGold Ashanti, two new mines were commissioned on time and ahead of budget, the company achieved its best ever safety performance and a significant restructuring was undertaken of operating and overhead costs in order to focus the business on delivery of sustainable free cash flow and returns. Venkat was also previously a director of corporate reorganisation services at Deloitte & Touche in London.

**Christine Ramon (47)**

**BCompt (Hons), CA (SA), Senior Executive Programme**

*Chief Financial Officer*

*Appointed to the board as CFO on 1 October 2014.*

**Member:** Investment Committee

Christine joined AngloGold Ashanti as CFO and executive director with effect from 1 October 2014, in compliance with the JSE Listings Requirements. Christine has held senior financial management and executive positions in various companies, in particular as CFO and executive director of Sasol Limited from 2006 to 2013. Prior to this, she was CEO of Johnnic Holdings Limited, having previously served as its financial director. Currently, she is a non-executive director on the boards of MTN Group Limited and Lafarge (France). She previously served on the boards of Transnet SOC Limited and Johnnic Communications Limited.

Christine is a member of the South African Institute of Chartered Accountants and the Association for the Advancement of Black Accountants of South Africa. She served previously as a member of the Standing Advisory Committee to the International Accounting Standards Board and currently serves as Deputy Chair of the Financial Reporting Standards Council of South Africa.

Christine's current portfolio includes finance and treasury, insurance services, internal audit, taxation and information technology.

**NON-EXECUTIVE DIRECTORS:**

**Albert Garner (59)**

**BSE, Aerospace and Mechanical Sciences**

*Appointed to the board on 1 January 2015*

**Member:** Audit and Risk Committee  
Investment Committee

Albert Garner has extensive experience in capital markets, corporate finance and mergers and acquisitions having worked with Lazard Frères & Co., LLC for 35 years in various leadership positions. He is one of the most senior bankers at Lazard, currently leading their special committee practice and chairing their fairness opinion committee. He formerly led Lazard's corporate finance practice. Albert became a general partner in 1989 and is now Vice Chair - US Investment Banking. Over the past 10 years he has advised and acted as lead advisor to more than 50 companies and their boards of directors on transformative transactions.

**Rhidwaan Gasant (55)**

**CA (SA)**

*Appointed to the board on 12 August 2010*

**Chairman:** Audit and Risk Committee

**Member:** Investment Committee

Rhidwaan Gasant is the former Chief Executive Officer of Energy Africa Limited, and sits on the boards of international companies and chairs the Audit and Risk Committees of international companies in the MTN Group. He is currently Chief Executive Officer of Rapid African Energy Holdings, a start-up oil and gas exploration company, focused on Africa.

**Dave Hodgson (67)**

**MSc (Civil Engineering), MSc (Mining) (Hons), BComm, Advanced Management Programme**

*Appointed to the board on 25 April 2014*

**Member:** Investment Committee  
Social, Ethics and Sustainability Committee

Dave Hodgson formerly held a series of senior and executive positions over three decades with the Anglo American and De Beers group of companies, and also held the post of Chief Operating Officer of AngloGold Ashanti from November 2001 through to his retirement in April 2005. In addition, he has held non-executive directorships at Moto Gold Mines Limited, Uranium One Inc, Goliath Gold Mining Limited, Auryx Gold Corporation and Montero Mining and Exploration Limited, and Acacia Mining.



**Nozipho January-Bardill (64)**

**BA, MA Applied Linguistics, Dipl Human Resources Development**

*Appointed to the board on 1 October 2011*

**Chairman:** Social, Ethics and Sustainability Committee  
**Member:** Remuneration and Human Resources Committee

Nozipho January-Bardill was an Executive Director, Corporate Affairs and spokesperson of the MTN Group where she also served on the boards of a number of operations in the MTN footprint. She is a former South African Ambassador to Switzerland, Lichtenstein and the Holy See, and former Deputy Director General, Human Capital Management and Head of the Foreign Service Institute in the then Department of Foreign Affairs (now DIRCO). She is currently the founder and executive director of Bardill & Associates, a consulting company focusing on strategic communications, high-level government relations, stakeholder management and gender equality in the workplace. She serves on the board of Credit Suisse Securities, Johannesburg and is also a member of the United Nations Expert Committee on the Elimination of Racial Discrimination and was recently appointed Interim Chief of Staff of UN Women in New York.

**Michael Kirkwood (67)**

**AB, Economics & Industrial Engineering**

*Appointed to the board on 1 June 2012*

**Chairman:** Remuneration and Human Resources Committee  
**Member:** Audit and Risk Committee  
Nominations Committee

Michael Kirkwood is a highly experienced and respected former international banker, having worked at the highest levels of Citigroup during his 30-year career with the bank. He is currently chairman of Circle Holdings PLC and a senior advisor (former chairman) of Ondra Partners LLP. He formerly served on the boards of Kidde plc, UK Financial Investments Ltd, Eros International plc and as deputy chairman on PwC's Advisory Board. He also previously served as chairman of British American Business Inc., as president and a fellow of The Chartered Institute of Bankers and as deputy chairman of the British Bankers Association.

**Maria Richter (60)**

**BA, Juris Doctor**

*Appointed to the board on 1 January 2015*

**Member:** Audit and Risk Committee  
Remuneration and Human Resources Committee

Maria Richter is an experienced FTSE 100 non-executive director who has served on a diverse range of UK and International boards. She previously served on the board of National Grid plc in the UK from 2003 to July 2014 where she was the chairperson of the finance committee and member of the audit and nominations committees. She currently sits on the boards of Rexel Group, France, a global leader in the professional distribution of energy products and services, and Bessemer Trust, a US wealth management company, and is a member of the audit and compensation committees of Rexel and the remuneration committee of Bessemer Trust. She also serves on the board of Pro Mujer International, a women's microfinance network and is chairman of the board of trustees of Pro Mujer UK. Maria's professional career spanned 1980 to 2002 during which time she served in various positions at the former Dewey Ballantine, Prudential, Salomon Brothers Inc and Morgan Stanley & Co.

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**Rodney Ruston (64)**

**MBA Business, BE (Mining)**

*Appointed to the board on 1 January 2012*

**Chairman:** Investment Committee

**Member:** Audit and Risk Committee

Rodney Ruston holds a degree in mining engineer and an MBA and has over 35 years of business experience during which he has led private and publically listed companies in the resources, oil and gas and construction industries. His international experience as the chief executive of a heavy construction supply contractor coupled with chief executive roles with operating resource companies provides the board with a broad based director, who can provide insight and advice on the full range of domestic and international activities in the AngloGold Ashanti business. Rodney is currently the chief executive of County Coal Limited, a start-up Australian listed company, which he joined in July 2012. He was previously chief executive officer and President of North American Energy Partners Inc., a large Canadian mining and construction contracting company, which he took public with a listing on the NYSE and the TSX. Prior to that he was managing director of Ticor Ltd, an Australian-based titanium producer with operations in Australia and South Africa.

**Board movements during 2014 and subsequent to year end**

The following changes to the board of directors took place during the period from 1 January 2014 to 31 December 2014 and subsequent to year-end:

*Executive Directors*

Richard Duffy resigned as an Executive Director and Chief Financial Officer on 30 September 2014 and Christine Ramon was appointed Executive Director and Chief Financial Officer on 1 October 2014.

*Non-Executive Directors*

On 17 February 2014, Tito Mboweni stepped down as Chairman of the Board and resigned as Non-Executive Director. Siphon Pityana was elected as Chairman by the Board. Professor Wiseman Nkuhlu assumed the new role of Lead Independent Director of the board. During March 2014, Prof. Wiseman Nkuhlu was appointed Deputy Chairman.

David Hodgson was appointed as Independent Non-Executive Director with effect from 25 April 2014.

Albert Garner and Maria Richter were appointed Independent Non-Executive Directors with effect from 1 January 2015.

The following directors retired at the Annual General Meeting on 14 May 2014 and being eligible for re-election were re-elected by the shareholders: Rhidwaan Gasant, Siphon Pityana and Tito Mboweni. Tito Mboweni did not make himself available for re-election.

In terms of the company's Memorandum of Incorporation, the following directors will retire at the Annual General Meeting to be held on 6 May 2015: Prof Wiseman Nkuhlu, Naziphon January-Bardill and Rodney Ruston, and are eligible for re-election.

**EXECUTIVE COMMITTEE**

AngloGold Ashanti's executive management team (Executive Committee) comprises nine members of whom two are executive directors. This committee oversees the day-to-day management of the group's activities and is supported by country and regional management teams as well as by group corporate functions.

In addition to Srinivasan Venkatakrishnan and Christine Ramon, the following people are members of the Executive Committee:

**Mike O Hare (55)**

**BSc (Min. Eng.)**

**Chief Operating Officer South Africa**

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As the Chief Operations Officer in South Africa, Mike's portfolio includes three operating areas (West Wits, Vaal River and Surface Operations). He also leads the company's innovative technology project in South Africa. He has 38 years' experience in mining, having joined Anglo American in 1977, and has knowledge and skills of deep underground mining that are highly regarded globally.

**Italia Boninelli (58)**

**MA (Psychology), Post Graduate Diploma in Labour Relations**

**Executive Vice President People and Organisational Development**

Holding the portfolio of Human Resources, Italia is responsible for the global people strategy at AngloGold Ashanti where it is well recognised that people are the business, and our business is people. With more than 25 years' experience in human resources across a variety of industries, including mining, manufacturing, healthcare and banking, Italia brings a wealth of knowledge, particularly in the labour field, which is crucial to domestic and international operations. She joined the group in 2010 and is responsible for building a highly engaged and productive workforce.

**Charles Carter (52)**

**BA (Hons), DPhil, EDP**

**Executive Vice President Strategy and Business Development**

Charles is responsible for group strategy, business development, corporate finance, investor relations and communications portfolios. He has worked in the mining industry in South Africa and the Americas for more than 24 years and has had responsibility for a range of additional portfolios that include human resources, risk management, business planning and executive responsibility for the company's business in Colombia.

**Graham Ehm (58)**

**BSc Hons, MAusIMM, MAICD**

**Executive Vice President Planning and Technical**

Graham, who has multi-commodity experience, has held senior leadership positions in AngloGold Ashanti in Tanzania and Australia. His current portfolio entails safety, business process framework (BPF), risk, asset optimisation, capital investment optimisation and monitoring of projects, studies and exploration. The Planning and Technical portfolio is his accountability.

**Ron Largent (54)**

**BSc (Min. Eng.), MBA**

**Chief Operating Officer International**

Ron has more than 30 years' experience in international mining operations and project management. He joined the organisation in 1994 as Manager, Gold Operations for Cripple Creek & Victor, and was promoted to Executive Vice President - Americas in 2007. He was subsequently promoted to Chief Operations Officer - International in 2013, and his portfolio was extended to include Continental Africa. Effective January 2014, Australia was also included in his remit. He is currently accountable for overall strategic and operational responsibilities for production at the company's mining operations across four continents and nine countries. In addition, he leads a team mandated to remove \$500m from the group's operating cost base within an 18-month period ended December 2014.

**David Noko (57)**

**MBA, Post Graduate Diploma in Company Direction; Higher National Diploma Engineering**

**Executive Vice President: Sustainability**

David leads the sustainability portfolio which comprises the disciplines of health, the environment, social and community affairs, corporate social investment, human rights, global security, stakeholder engagement and government relations. In this role he sets the company sustainability direction and strategy and positions the company externally as a leader within the global sustainability landscape. He has extensive experience both within the mining industry and beyond, having been in leadership roles at South African Breweries, Pepsi Cola, Air Chems and De Beers Consolidated Mines Limited prior to joining AngloGold Ashanti in 2012.

**Maria Sanz Perez (49)**

**BCom LLB, H Dip Tax, Admitted Attorney**

**Executive Vice President: Legal, Commercial and Governance and Company Secretary**

Maria partners with the company's business leaders to ensure AngloGold Ashanti complies with legal requirements across the group. Other responsibilities are compliance, company secretarial functions, integrated reporting and corporate cost reduction. She is also accountable for the legal and commercial aspects of global procurement. Maria has been with the group since 2011 and has worked in similar positions for leading South African companies in her career including Investec, Sappi and Afrox.

**Executive Committee movements subsequent to year end**

Chris Sheppard, a thirty-year veteran of South Africa's ultra-deep underground mining sector, has been appointed as incoming Chief Operating Officer: South Africa. He will replace the incumbent Mike O'Hare who plans to take early retirement during the course of 2015. Chris' appointment as Chief Operating Officer: South Africa will be effective 1 June 2015 at which point he will also join the Company's executive committee. Mike will support Chris during the course of the year to facilitate an orderly handover.

**COMPETENT PERSONS**

As part of its suite of annual reports, AngloGold Ashanti produces a Mineral Resource and Ore Reserve Statement and all the information in this report that relates to Exploration Results, Mineral Resources and Ore Reserve is based on information compiled by the Competent Persons.

During the past decade, the company has developed and implemented a system of internal and external reviews aimed at providing assurance in respect of Ore Reserve and Mineral Resource estimates. A documented chain of responsibility exists from the Competent Persons at the operations to the Company's Mineral Resource and Ore Reserve Steering Committee. Accordingly, the Chairman of the AngloGold Ashanti Mineral Resource and Ore Reserve Steering Committee, Mr VA Chamberlain, assumes responsibility for the Mineral Resource and Ore Reserve processes for AngloGold Ashanti and is satisfied that the Competent Persons have fulfilled their responsibilities.

**VA Chamberlain (52)**

**MSc (Mining Engineering), BSc (Hons) (Geology), FAusIMM**

Vaughan holds a Bachelor of Science (Honours) degree in Geology from the University of Natal and a Master's degree in Mining Engineering from the University of the Witwatersrand. He started his career with Anglo American Corporation in 1987 as a geologist at Western Deep Levels East Mine (now TauTona mine). He joined AngloGold in 1998 and currently holds the position of Senior Vice President: Strategic Technical Group and is Chairman of the AngloGold Ashanti Mineral Resource and Ore Reserve Steering Committee.

**6B. COMPENSATION  
REMUNERATION AND HUMAN RESOURCES COMMITTEE**

**Remuneration and Human Resources Committee (Remco)**

The Remco comprises of non-executive directors and the purpose of the committee is to discharge the responsibilities of the board relating to all compensation, including all salary and equity compensation of the company's executives. The committee establishes and administers the company's executive remuneration with the broad objective of aligning executive remuneration with company performance and shareholder interests, setting remuneration standards aimed at attracting, motivating and retaining a competent executive team, linking individual pay with operational and company performance in relation to strategic objectives; and evaluating compensation of executives including approval of salary, equity and incentive based awards. With respect to its mandate on human resources the committee has oversight to all strategic aspects of people development and human resource issues. The committee also considers and makes recommendations to shareholders on non-executive director's fees.

The performance of the executive team, including the executive directors, is considered relative to the prevailing business climate and market conditions, as well as to annual evaluations of the achievement of key performance objectives. Bonuses paid to the executives are a reflection of performance of each of the executives and the company as a whole.

The members of the committee during 2014 are reflected below:

**Members**

MJ Kirkwood (Chairman)

Prof LW Nkuhlu

SM Pityana

NP January-Bardill

The meetings of the committee are attended by the Chief Executive Officer, Chief Financial Officer and Executive Vice President: People and Organisational Development, except when their own remuneration or benefits are being discussed.

**Remuneration policy**

The remuneration policy is designed to allow us to compete in a global market where we strive to retain and remunerate our employees using fair, robust and appropriate remuneration and reward for their contributions. Recognising that cost and shareholder value are fundamental drivers of the policy delivery, remain a focus.

Linking pay and performance for our executives is important and by having a large portion of executive pay defined as at risk pay, we are ensuring executive compensation is aligned with the overall performance of the company, the regions and the business units and that the executives have an overriding focus on safety, as a large percentage of their variable pay is directly linked to keeping our employees safe.

**Total reward**

When determining remuneration AngloGold Ashanti considers all elements of short- and long-term fixed and variable pay and ensures that it is consistent with the strategic direction of the organisation and the performance of the organisation and the individuals.

Executive directors do not receive payment of directors fees or committee fees.

**Benchmarking**

Our executives and non-executives are benchmarked against a global group of competitors. AngloGold Ashanti's size and complexity as well as each individual executive's role and personal performance are reviewed against the benchmark group from a base pay, benefits, guaranteed pay and variable pay perspective. The 2014 bespoke benchmark survey was completed by Mercer Consulting (South Africa) (Pty) Limited

Our salary benchmarks are targeted at the market median of a global market; where there is a shortage of specialist and/or key technical skills higher than the benchmark median is paid.



Each executive's role is individually sized to ensure the best match possible. The comparison is done on the same or similar roles irrespective of place of work (including a review of purchasing power parity between countries). Each component of remuneration (base salary, short-term incentives, long-term incentives Co-investment executive share plan and employee benefits and allowances) is analysed and compared with the benchmarks and the overall package is reviewed accordingly.

**Retirement benefits/pension**

Retirement benefits are granted to all executives. All new executives and employees receive retirement benefits under defined contribution plans. Legacy defined benefit plans remain in place for some executives. Contributions vary from those prescribed by the USA 401(k) defined contribution fund, to the legacy defined benefit plan.

**EXECUTIVE DIRECTORS AND EXECUTIVE MANAGEMENT REMUNERATION**

2014

<b>All figures in \$000<sup>(1)</sup></b>									
S Venkatakrishnan <sup>(5)</sup>	Full year		1,108	-	274	106	1,488	-	1,488
RN Duffy <sup>(6)</sup>		30 September 2014	649	234	133	14	1,030	-	1,030
KC Ramon <sup>(7)</sup>		1 October 2014	162	119	20	1	302	-	302
<b>Total executive directors</b>			<b>1,919</b>	<b>353</b>	<b>427</b>	<b>121</b>	<b>2,820</b>	<b>-</b>	<b>2,820</b>
<b>Prescribed officers</b>									
I Boninelli	Full year		528	265	56	9	858	-	858
CE Carter <sup>(8)</sup>	Full year		636	281	68	96	1,081	80	1,161
GJ Ehm <sup>(15)</sup>	Full year		742	669	27	1,013	2,452	93	2,544
RW Largent <sup>(9)</sup>	Full year		1,155	611	19	498	2,283	89	2,372
DC Noko	Full year		516	477	55	68	1,116	-	1,116
MP O Hare	Full year		680	321	139	11	1,151	-	1,151
ME Sanz Perez	Full year		526	369	56	15	966	-	966
YZ Simelane <sup>(10)</sup>	Full year	31 July 2014	206	-	46	1,072	1,324	386	1,710
<b>Total Prescribed Officers</b>			<b>4,989</b>	<b>2,993</b>	<b>466</b>	<b>2,782</b>	<b>11,230</b>	<b>648</b>	<b>11,878</b>
<b>Total executive director and management remuneration 2014</b>			<b>6,908</b>	<b>3,346</b>	<b>893</b>	<b>2,903</b>	<b>14,050</b>	<b>648</b>	<b>14,698</b>

2013

<b>All figures in \$000<sup>(1)</sup></b>									
M Cutifani	Full year	31 March 2013	378	-	69	199	646	2,005	2,651
RN Duffy	Full year		685	276	139	16	1,116	-	1,116
AM O Neill <sup>(1)</sup>	20 February 2013	2 August 2013	1,066	-	15	537	1,618	1,914	3,532
S Venkatakrishnan	Full year		1,365	-	281	220	1,866	-	1,866
<b>Total executive directors</b>			<b>3,494</b>	<b>276</b>	<b>504</b>	<b>972</b>	<b>5,246</b>	<b>3,919</b>	<b>9,165</b>
<b>Prescribed officers</b>									
I Boninelli	Full year		540	384	57	6	987	-	987
CE Carter	Full year		671	232	71	51	1,025	317	1,342
GJ Ehm	Full year		764	461	24	8	1,257	-	1,257
RW Largent	Full year		1,043	453	173	275	1,944	307	2,251
M MacFarlane <sup>(12)</sup> (13)		30 June 2013	238	-	30	350	618	-	618
DC Noko	Full year		498	187	53	1	739	-	739
MP O Hare <sup>(4)</sup>	Full year		696	283	141	12	1,132	54	1,186
ME Sanz Perez	Full year		505	371	54	6	936	-	936
YZ Simelane	Full year		402	94	82	22	600	-	600
<b>Total Prescribed Officers</b>			<b>5,357</b>	<b>2,465</b>	<b>685</b>	<b>731</b>	<b>9,238</b>	<b>678</b>	<b>9,916</b>
<b>Total executive director and management remuneration 2013</b>			<b>8,851</b>	<b>2,741</b>	<b>1,189</b>	<b>1,703</b>	<b>14,484</b>	<b>4,597</b>	<b>19,081</b>

(1) Where directors' compensation is paid in South African rands, for the purposes of this annual report on Form 20-F, the rand values have been converted to US dollar using the following year-to-date average rate of exchange for 2014 of R10.8295:\$1 (2013: R9.6231:\$)

(2) Salaries are disclosed only for the period from or to which office is held.

(3) The performance related payments are calculated on the year's financial results.

(4) Includes health care, separation payments, cash in lieu of dividends and personal travel. Surplus leave days accrued are automatically encashed unless work requirements allow for carry over.

(5) S Venkatakrishnan's BSP cash bonus will be delivered in restricted shares that will be deferred to retirement or employment termination or any corporate activity resulting in a change of control.

(6) RN Duffy resigned as an executive director 30 September 2014 however pay disclosure is for full year.

(7) KC Ramon commenced 1 October 2014 and as such her pay reflects 3 months of the year.

(8) Other benefits of CE Carter include pay in lieu of leave on transfer.

(9) Other benefits of RW Largent include sale of BSP shares.

(10) Other benefits of YZ Simelane include separation payments of a severance package and pay in lieu of leave.

(11) Other benefits of AM O Neill include early retirement payments of a pro-rata retention bonus payment and pay in lieu of leave on separation.

(12) M MacFarlane commuted between Canada and South Africa and the company carried the cost of flights and hotel accommodation in South Africa; these are excluded for reporting purposes.

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<sup>(13)</sup> Other benefits of M MacFarlane include separation payments of a severance package and pay in lieu of leave.

<sup>(14)</sup> In 2013, MP O Hare had a once off pension payment in recognition of previous service paid into the AngloGold Ashanti Pension Fund to the value of R7.4m. This has not been included for reporting purposes.

<sup>(15)</sup> G Ehm other benefits is inclusive of surplus leave sale.

Rounding of figures may result in computational discrepancies.

**EXECUTIVE DIRECTORS AND EXECUTIVE MANAGEMENT ONCE-OFF RETENTION BONUS PAYMENT**

	Appointed with effect from	Resigned/retired with effect from	Long Term Incentive Plan	
			Cash Retention Bonus	- Retention Bonus Share
			\$ 000	Awards Number of shares
<b>Executive directors</b>				
S Venkatakrishnan <sup>(1)</sup>	Full year		-	23,687
RN Duffy		30-Sep-14	243	17,458
			243	41,145
<b>Prescribed officers</b>				
I Boninelli	Full year		192	13,777
CE Carter	Full year		239	17,106
GJ Ehm	Full year		248	15,469
RW Largent	Full year		372	20,185
DC Noko	Full year		177	12,697
MP O Hare	Full year		247	17,744
ME Sanz Perez	Full year		170	12,177
			1,645	109,155
			1,888	150,300

(1) S Venkatakrishnan received the LTIP share portion and no cash as this will be delivered in deferred restricted shares in the second quarter of 2015.

**NON-EXECUTIVE DIRECTORS COMPENSATION**

The fees of non-executive directors are fixed by shareholders at the annual general meeting and, other than the fees they receive for their participation on board committees and allowances for traveling internationally to attend board meetings, non-executive directors receive no further payments from the company and are precluded from participation in the company's share incentive scheme.

**NON-EXECUTIVE DIRECTORS REMUNERATION**

All figures stated to the nearest \$000 <sup>(1)</sup>	Appointment From <sup>(2)</sup> To <sup>(2)</sup>	2014 Directors Committee				2013 Directors Committee			
		fees <sup>(3)</sup>	fees	Travel	Total	fees <sup>(3)</sup>	fees	Travel	Total
S M Pityana (Chairman) <sup>(2)</sup>		334	86	10	430	88	98	-	186
T T Mboweni <sup>(3)</sup>	17 Feb 2014	50	25	-	75	292	52	-	344
FB Arisman	13 May 2013	-	-	-	-	60	51	9	120
R Gasant		117	63	8	188	72	59	-	131
NP January-Bardill		117	60	10	187	70	70	-	140
MJ Kirkwood	1 June 2012	121	91	51	263	107	112	47	266
WA Nairn	13 May 2013	-	-	-	-	39	32	-	71
Prof LW Nkuhlu <sup>(4)</sup>		148	90	8	246	72	112	-	184
F Ohene-Kena	13 May 2013	-	-	-	-	25	13	16	54
RJ Ruston		117	81	42	240	83	121	47	251
DL Hodgson		88	27	10	125				
<b>Total non-executive directors</b>		1,092	523	139	1,754	883	790	119	1,747

(1) Directors' compensation is disclosed in US dollars, the amounts reflected are the values calculated using the exchange rate of R10.8295: \$1 (2013: R9.6231: \$1; 2012: R8.1961: \$1).

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- (2) *On 17 February 2014, Siphon Pityana was appointed chairman of the board*
- (3) *Fees are disclosed only for the period from or to which, office is held.*
- (4) *Prof. Wiseman Nkuhlu assumed the role of Lead Independent Director in February 2014, and Deputy Chairman in March 2014. Rounding may result in computational differences.*

## **6C. BOARD PRACTICES**

### **The Board of Directors**

The company is governed by a unitary board of directors, the composition of which promotes the balance of authority and precludes any one director from dominating decision-making. Our board membership at year-end comprised nine directors, seven independent non-executive directors and two executive directors. Post yearend, the appointment of an additional two directors became effective.

The board is supported by its committees and has delegated certain functions to these committees without abdicating any of its own responsibilities. This process of formal delegation involves approved and documented terms of reference, which are reviewed annually.

Refer Item 6A: Directors and Senior Management for Board Composition.

### **Appointment and rotation of directors**

Several factors including the requirements of relevant legislation, best practice recommendations, qualifications and skills of a prospective board member and the requirements of the Director's Fit and Proper Standards of the company, as well as regional demographics are considered in appointing board members. New directors are appointed pursuant to the recommendations of the Nominations Committee, which conducts a rigorous assessment of the credentials of each candidate. Newly appointed directors are elected at the next annual general meeting following their appointment and to stand for approval by shareholders.

In terms of the company's Memorandum of Incorporation (MOI), one third of the directors are required to retire at each Annual General Meeting and if they are eligible and available for reelection, will be put forward for re-election by the shareholders. The board has determined that the directors to stand for re-election are Nozipho January-Bardill, Professor Wiseman Nkuhlu and Rodney Ruston.

The company's Memorandum of Incorporation does not set a mandatory retirement age for non-executive directors. However, in accordance with recommendations of King III any independent non-executive director serving more than 9 years should be subjected to a rigorous review of his independence and performance by the board, and the requirements of the Sarbanes Oxley Act, directors are required to step down from the board after nine consecutive years of service. As at 31 December 2014, none of the company's independent directors had served for that length of time.

### **Service contracts**

#### *Non- Executive Directors*

Non-executive directors receive fees for their services as directors which are approved by shareholders at annual general meetings. Non-executive directors do not participate in the company's share incentive scheme.

Non-executive directors do not hold service contracts with the company.

#### *Executive Committee*

All members of the Executive Management team have permanent employment contracts which entitle them to standard group benefits as defined by their specific region and participation in the company's Bonus Share Plan, and the Long-Term Incentive Plan. All recently updated executive contracts include details on participation in the Co-Investment Plan and the applicable Minimum Share Holding Requirement.

South African executives (with the exception of the CEO and the newly appointed CFO who are remunerated 100% in South Africa) have an off-shore retainer which is detailed under a separate contract. This reflects the percentage of their time focused on offshore business requirements. The off-shore pay is capped at a maximum of 15% of base pay and as it is a retainer, it is not pensionable.

The Executive Management team contracts are reviewed annually and currently continue to include a change of control provision. The change of control is subject to the following triggers:

The acquisition of all or part of AngloGold Ashanti; or

A number of shareholders holding less than 35% of the company's issued share capital consorting to gain a majority of the board and make management decisions; and

The contracts of Executive Management team Committee members are either terminated or their role and employment conditions are curtailed.

In the event of a change of control becoming effective, the executive will in certain circumstances be subject to both the notice period and the change of control contract terms. The notice period applied per category of executive and the change of control periods as at 31 December 2014 were as follows:

Executive committee member	Notice period	Change of control
Chief Executive Officer	12 months	12 months
Chief Financial Officer	6 months	6 months
Other Executive Management team members	6 months	6 months

#### Key activities of the board and committees during 2014

The activities of the board and committees during 2014 were aimed at promoting the economic stability of the business. This entailed ensuring that its operations were conducted with due regard to the expectations and needs of stakeholders, the safety and health of employees and communities, and the development of systems to ensure proper access to and dissemination of credible information.

#### Board and committee meeting attendance

The composition of the board and committees at the date of this report and attendance at meetings during 2014 are disclosed in the table below:

Name of Director	Board	Audit and Risk	Audit and Corporate Governance	(12) Risk and Information Integrity	Remuneration and Human Resources	Social, Ethics and Sustainability	(13) Social, Ethics and Transformation	(13) Safety, Health and Environmental	Nomination	Investment
SM Pityana <sup>(1)</sup>	8/8			1/1	4/4	3/3	2/2	1/1	7/7	1/1
RN Duffy <sup>(2)</sup>	6/6									2/2
R Gasant <sup>(3)</sup>	8/8	3/3	3/3	1/1					3/3	4/4
DL Hodgson <sup>(4)</sup>	6/6					3/3				3/3
NP January-Bardill <sup>(5)</sup>	7/8		2/3		3/3	3/3	2/2	1/1	3/3	
MJ Kirkwood <sup>(6)</sup>	8/8	3/3	3/3		4/4		1/2		7/7	1/1
Prof LW Nkuhlu <sup>(7)</sup>	8/8	3/3	3/3	1/1	4/4		2/2	1/1	6/7	2/2
KC Ramon <sup>(8)</sup>	2/2									
RJ Ruston <sup>(9)</sup>	8/8	3/3		1/1	1/1		2/2	1/1	3/3	4/4
TT Mboweni <sup>(10)</sup>	2/3				2/2				2/3	1/2
S Venkatakrishnan <sup>(11)</sup>	8/8			1/1		3/3				1/1

(1) Siphon Pityana who was a non-executive director of the board since 2007, was appointed Non-Executive Chairman of the board of directors on 17 February 2014. Following a re-assessment during November 2014, he was declared independent. He stepped down as a member of the Investment Committee on 1 May 2014.

(2) Richard Duffy resigned effective 30 September 2014 as Chief Financial Officer and executive director. He became a member of the Investment Committee on 1 May 2014.

(3) Rhidwaan Gasant stepped down as a member of the Nominations Committee on 1 May 2014.

(4) Dave Hodgson was appointed as an independent non-executive director on 24 April 2014. He became a member of the Investment Committee as well as the Social, Ethics and Sustainability Committee on 1 May 2014.

(5) Nozipho January-Bardill was appointed a member of the Remuneration and Human Resources Committee on 1 May 2014. She stepped down as a member of the Nominations Committee and the Audit and Risk Committee on 1 May 2014.

(6) Michael Kirkwood was appointed a member of the Audit and Risk Committee on 1 May 2014. He stepped down as a member of the Investment Committee on 1 May 2014.

(7) Prof Wiseman Nkuhlu was appointed Lead Independent Director in terms of the recommendations of King III with effect from 17 February 2014. With effect from March 2014, Prof Wiseman Nkuhlu was appointed Deputy Chairman. He became a member of the Investment Committee on 7 July 2014.

(8) Christine Ramon was appointed Chief Financial Officer and executive director on 1 October 2014 and a member of the Investment Committee on 1 November 2014.

(9) Rodney Ruston stepped down as a member of the Remuneration and Human Resources Committee and the Nominations Committee on 1 May 2014.

(10) Tito Mboweni stood down as independent non-executive chairman of the board on 17 February 2014, and announced on the same day that he would not be standing for re-election as a director of the company at the annual general meeting on 14 May 2014. He stepped down as a member of the Nomination Committee on 1 May 2014.

(11) Srinivasan Venkatakrishnan stepped down from the Investment Committee on 1 May 2014.

(12) These two committees were dissolved in May 2014 as part of the restructuring and combined into the Audit and Risk Committee.

(13) These two committees were dissolved in May 2014 as part of the restructuring and combined into the Social, Ethics and Sustainability Committee.



**Audit and Risk Committee**

The Audit and Risk Committee comprises four independent Non-Executive Directors who collectively possess the skills and knowledge to oversee and assess the strategies and processes developed and implemented by management to manage the business within a continually evolving mining environment.

As part of a reorganisation of the governance structures within AngloGold Ashanti, the accountability for oversight of risk management and information technology governance became part of the mandate of the Audit and Risk Committee during 2014.

The Audit and Risk Committee's duties as required by section 94(2) of the Companies Act, King III and JSE Listing requirements are set out in its board-approved terms of reference which is reviewed and updated annually. These duties were discharged as follows:

- confirmed the integrity of the group's integrated reporting and annual financial statements;
- nominated the appointment of independent external auditors by the shareholders;
- reviewed and approved the terms of engagement as contained in the engagement letter of the external auditors;
- approved the remuneration of the external auditors;
- pre-approved all non-audit services in line with a formal policy on non-audit services;
- assessed the internal and external auditors' independence;
- assessed the effectiveness of the group's internal and external audit function;
- approved the internal audit plan and subsequent changes to the approved plan;
- reviewed the expertise, experience and performance of the finance function and Chief Financial Officer;
- ensured that a combined assurance model is applied to provide a coordinated approach to all assurance activities;
- reviewed developments in reporting standards, corporate governance and best practice;
- reviewed the adequacy and effectiveness of the Group's enterprise wide risk management policies, processes and mitigating strategies;
- monitored the governance of information technology (IT) and the effectiveness of the Group's information systems; and
- evaluated the effectiveness of the committee through a self-assessment.

*Proceedings and Performance Review*

During 2014, the Audit and Risk Committee (previously known as Audit and Corporate Governance Committee) formally met 6 times.

The Chief Financial Officer, Chief Accounting Officer, Group General Counsel and Company Secretary, Senior Vice President: Group Internal Audit, Group Tax Manager, Group Risk Manager, Chief Information Officer, the external auditors, as well as other assurance providers are invited to attend committee meetings in an ex officio capacity and provide responses to questions raised by committee members during meetings. The CEO and CFO meet with the auditors before the meeting and attend a debrief session with the Audit and Risk Committee.

The Audit and Risk Committee assessed its effectiveness through the completion of a self-assessment process, results were discussed, actions taken and processes put in place to address areas identified for refinement.

Subsequent to year-end, Albert Garner and Maria Richter were appointed to the Audit and Risk Committee, subject to election by the shareholders at the Annual General Meeting of 6 May 2015.

**Remuneration and Human Resources Committee**

The Remuneration and Human Resources Committee activities are governed by the Terms of Reference (these were recently reviewed and approved on the 30 October 2014). The primary purpose of the Committee is to operate in an independent role as an overseer of remuneration and human resources matters with the accountability of the board. In performing this function, the Committee discharges its oversight responsibilities relating to all compensation, including annual base salary, annual incentive compensation, long-term incentive compensation, employment contracts, severance pay and on-going perquisites or special benefit items and equity compensation of the company's Executive Management team and management, including the CEO as well as retention strategies, the design and application of material compensation programmes, and share ownership guidelines. The committee also has oversight of talent management and succession planning strategies; transformation and localisation strategies and any other human resources issues considered strategic in nature. This is accomplished by:

- Reviewing and approving corporate goals and objectives relevant to the compensation of the Executive Management team;
- Evaluating the performance of the Executive Management team in light of these goals and objectives annually and setting each executive's compensation based on such evaluation;
- Ensuring that the mix of fixed and variable pay, in base pay, shares and other elements of compensation meets the company's requirements and strategic objectives;
- Linking individual pay with operational and company performance in relation to strategic objectives;
- Considering the sentiments and views of the company's investors;
- Overseeing and reviewing all aspects of any share option scheme operated by or to be established by the company;
- Regularly reviewing incentive schemes to ensure continued contribution to shareholder value and ensure that these are administered in terms of the rules; and
- Regularly reviewing human resources strategy aimed at ensuring the supply and retention of sufficient skilled resources to achieve the company's objectives.

The current members of the Committee are:

<b>Remuneration and Human Resource Committee Members</b>	MJ Kirkwood (Chairman and independent NED) NP January-Bardill (Independent NED) Prof LW Nkuhlu (Independent NED) SM Pityana (Board Chairman)
<b>Number of meetings held from January to December 2014</b>	Four
<b>Other individuals who regularly attended meetings</b>	S Venkatakrisnan (CEO) I Boninelli (EVP: People and Organisational Development) M Hopkins representing PwC (Independent Advisor to the Committee) C van Dyk (VP: Remuneration and Benefits and Secretary to the Committee)

*NED Non-Executive Director*  
**Remuneration Consultants**

Where appropriate, the Committee obtains advice from independent remuneration consultants. The consultants are employed directly by the Committee and engage directly with them to ensure independence.

The Committee has appointed PwC to provide specialist, independent remuneration advice on all forms of executive and non-executive pay.

GRS Mercer Consulting (South Africa) Pty Limited performs an independent bespoke executive survey and their advice is primarily around salary benchmarking for both executive and non-executive pay.

**6D. EMPLOYEES**

The average number of attributable employees (including contractors) in the AngloGold Ashanti group over the last 3 financial years was:

	2014	2013	2012
South Africa	29,511	32,406	34,186
Continental Africa	16,070	16,625	16,621
Australasia	832	925	494
Americas	8,588	8,374	7,896
Other, including corporate and non-gold producing subsidiaries	3,056	8,104	6,625
<b>Total</b>	<b>58,057</b>	<b>66,434</b>	<b>65,822</b>

\* The number of contractors employed on average during 2014 was 14,984.

**Labour relations and collective bargaining**

AngloGold Ashanti recognises the fundamental right of freedom of association of all employees and contractors, and adheres to collective bargaining agreements with due regard to the relevant legislation in the countries in which it operates. Relations with organised labour are founded on mutual respect, and wage negotiations are conducted in line with the company's values.

The majority of AngloGold Ashanti's full-time employees are members of a union or are otherwise catered for through collective bargaining agreements. Wage settlements are specific to each jurisdiction in which AngloGold Ashanti operates and the company's approach is to ensure that agreements are fair but realistic, taking into account the local economic context and the impact of any settlement on the long-term viability of the business.

In South Africa, during 2014, we continued to work with organised labour representatives to engage them more meaningfully in dialogue on business issues. In particular, we have engaged with them on the economics of our industry, the gold market and on the legal and statutory framework regulating industrial relations in South Africa. All unions participate and are fully integrated into all statutory labour and ad hoc committees. We have identified and secured agreement for a core leadership team across all unions representing the workforce to undertake an entry-level fundamental management programme at a South African university during 2015. The aim of this initiative is to change the nature of the discourse with organised labour and to move closer to a relationship where we can identify joint business and labour aspirations and chart a pathway to achieving them. Formal recognition agreements are in place with AMCU, Solidarity and Uasa while long-standing procedural agreements are in place regarding the NUM.

Towards the middle of 2015, under the auspices of the Chamber of Mines, we in the gold industry expect to begin biennial wage negotiations with our representative unions. The current labour environment differs markedly from that of 2013, and these negotiations will take place in an environment that has been influenced by a protracted five-month strike in the platinum sector, ongoing inter-union rivalry and competition for dominance and members between the National Union of Mineworkers (NUM) and the Association of Mineworkers and Construction Union (AMCU).

In the Continental Africa region, union negotiations in Tanzania, Guinea and Mali during 2014 all continued normally with final wage agreements achieved in all locations. In Ghana, an agreement was entered into with the Ghana Mineworkers Union (GMWU) and approved by the Ministry of Labour to retrench the entire workforce of 4,312 full-time AngloGold Ashanti employees, at the Obuasi mine. At Iduapriem, in Ghana, a wage agreement with GMWU was reached.

The Australian and United States operations do not have collective bargaining agreements in place. Argentina and Brazil both have unions and, as in the Continental Africa region, successfully concluded wage negotiations in 2014.

**6E. SHARE OWNERSHIP****DIRECTORS AND PRESCRIBED OFFICERS INTERESTS IN ORDINARY SHARES**

The interests of directors and prescribed officers in the ordinary shares of the company at 31 December 2014 which individually did not exceed 1 percent of the company's issued ordinary share capital, were:

	Beneficial		Beneficial	
	Direct	Indirect	Direct	Indirect
	31 December 2014		31 December 2013	
<b>Non-Executive Directors</b>				
DL Hodgson	1,500	-	-	-
MJ Kirkwood <sup>(1)</sup>	8,000	-	3,000	-
LW Nkuhlu	3,000	-	-	3,000
RJ Ruston <sup>(2)</sup>	-	1,000	-	1,000
<b>Total</b>	<b>12,500</b>	<b>1,000</b>	<b>3,000</b>	<b>4,000</b>
<b>Executive Directors</b>				
RN Duffy	-	-	1,180	-
M Cutifani	-	-	-	-
S Venkatakrishnan	86,009	-	78,437	-
AM O'Neill	-	-	-	-
<b>Total</b>	<b>86,009</b>	<b>-</b>	<b>79,617</b>	<b>-</b>
<b>Company Secretary</b>				
ME Sanz Perez	7,506	-	1,135	-
<b>Total</b>	<b>7,506</b>	<b>-</b>	<b>1,135</b>	<b>-</b>
<b>Prescribed Officers</b>				
I Boninelli	5,728	2,247	-	1,284
CE Carter	32,253	-	36,500	-
GJ Ehm <sup>(3)</sup>	8,155	-	1,213	-
MP O'Hare	2,247	-	1,379	-
RW Largent <sup>(4)</sup>	10,410	-	1,910	-
DC Noko	3,690	-	615	-
<b>Total</b>	<b>62,483</b>	<b>2,247</b>	<b>41,617</b>	<b>1,284</b>
<b>Grand total</b>	<b>168,498</b>	<b>3,247</b>	<b>125,369</b>	<b>5,284</b>

<sup>(1)</sup> Held on the New York stock exchange as 8,000 American Depositary Shares (ADSs) (1 ADS is equivalent to 1 ordinary share)

<sup>(2)</sup> Held on the Australian stock exchange as 5,000 CHESS Depositary Receipts (5 CDIs are equivalent to 1 ordinary share)

<sup>(3)</sup> Held on the Australian stock exchange as 36,067 CHESS Depositary Receipts (5 CDIs are equivalent to 1 ordinary share) and on the JSE as 942 ordinary shares

<sup>(4)</sup> Held on the New York stock exchange as 10,410 American Depositary Shares (ADSs) (1 ADS is equivalent to 1 ordinary share)

**DIRECTORS INTERESTS IN E ORDINARY SHARES**

Mr SM Pityana, Non-Executive Director of AngloGold Ashanti, had an indirect beneficial holding in the company given that he is a trustee and beneficiary of a trust which holds a 44% interest in Izingwe, the company's BEE partner. As at 31 December 2014, Izingwe held nil E ordinary shares in the issued capital of the company (2013: 350,000 E ordinary shares). The commercial transaction between AngloGold Ashanti and Izingwe was concluded on 27 October 2014.

A register detailing directors and prescribed officers' interests in contracts is available for inspection at the company's registered and corporate office.

**CHANGE IN DIRECTOR S AND PRESCRIBED OFFICER S INTERESTS IN ANGLOGOLD ASHANTI SHARES SINCE 31 DECEMBER 2014**

	<b>Date of transaction</b>	<b>Type of transaction</b>	<b>Number of shares</b>	<b>Direct/indirect beneficial holding</b>
<b>Executive directors</b>				
S Venkatakrishnan <sup>(1)</sup>	25 February 2015	On-market purchase of AngloGold Ashanti restricted ordinary shares	56,690	Direct
	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	1,502	Direct
KC Ramon	5 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	3,104	Direct
<b>Company Secretary</b>				
ME Sanz Perez	26 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	2,465	Direct
	4 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	500	Direct
<b>Prescribed Officers</b>				
GJ Ehm	24 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	4,500	Direct
	25 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	877	Direct
	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	9,000	Direct
MP O Hare	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	408	Direct
	5 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	508	Direct
I Boninelli	26 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	2,558	Indirect
	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	560	Indirect
	10 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	7,839	Indirect
CE Carter	24 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	7,307	Direct
DC Noko	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	270	Direct
	3 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	11,895	Direct
	6 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	1,231	Direct
RW Largent	6 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	18,160	Direct

<sup>(1)</sup> Of the restricted 56,690 shares (in lieu of the BSP cash bonus), 17,203 shares are deemed to be the CEO s CIP investment for 2015.

**SHARE OWNERSHIP OF EXECUTIVE OFFICERS/EXECUTIVE MANAGEMENT**

Under the Listings Requirements of the JSE, AngloGold Ashanti is not required to disclose, and it does not otherwise disclose or ascertain, share ownership of individual executive officers/executive management in the share capital of AngloGold Ashanti. However, to the best of its knowledge, AngloGold Ashanti believes that AngloGold Ashanti ordinary shares held by executive officers, in aggregate, do not exceed 1 percent of the company s issued ordinary share capital.

**MINIMUM SHAREHOLDING REQUIREMENT FOR EXECUTIVES**

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With effect from March 2013, a minimum shareholding requirement (MSR) will be applicable to all executives as indicated below:

### *Executive directors*

Within three years of appointment (or for existing executives, from introduction of this rule) executive directors (CEO and CFO) are to accumulate a MSR of AngloGold Ashanti shares to the value of 100 percent of net annual base salary; and  
At the end of six years, executive directors are to accumulate a MSR of AngloGold Ashanti shares to the value of 200 percent of net annual base salary (additional 100 percent MSR) which they will be required to hold on an on-going basis.

### ***Executive Committee members***

Within three years of appointment (or for existing executives, from the introduction of this rule), Executive Committee members are to accumulate a MSR of AngloGold Ashanti shares to the value of 75 percent of net annual base salary; and

At the end of six years, Executive Committee members are to accumulate a MSR of AngloGold Ashanti shares to the value of 150 percent of net annual base salary (additional 75 percent MSR) which they will be required to hold on an on-going basis.

### **Co-Investment Executive Share Plan**

To assist executives in meeting their MSR s, with effect from February 2013, they were given the opportunity, on a voluntary basis, to participate in the Co-Investment Plan (CIP), and this has been adopted on the conditions below:

Executives will be allowed to take up to 50 percent of their after tax cash bonus to participate in a further matching scheme by purchasing shares in AngloGold Ashanti, and the company will match their initial investment into the scheme at 150 percent, with vesting over a two-year period in two equal tranches.

### **SHARE OWNERSHIP OF EMPLOYEES**

At a general meeting of shareholders held on 11 December 2006, members approved the creation of 4,280,000 E ordinary shares of 25 South African cents pursuant to an employee share ownership plan for the benefit of certain AngloGold Ashanti employees, of which the majority are historically disadvantaged South Africans as defined in the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry. For details on the E ordinary share capital, see Item 7: Shareholders and related party transactions E Ordinary shares .

At a general meeting held on 11 May 2011, shareholders approved an amendment to the BEE transaction authorising an additional issue of 48,923 ordinary shares to be made to the ESOP and the reinstatement of lapsed E ordinary shares to be made. The amendment also revised changes to the vesting criteria and duration of the scheme.

On 9 June 2011, a total of 1,329,164 E ordinary shares were reinstated.

On 1 November 2014, the final vesting under the ESOP was concluded and the scheme is now closed.

### **AngloGold Share Incentive Scheme**

AngloGold Ashanti operates a share incentive scheme through which Executive Directors, members of the Executive Committee and other management groups of the company and its subsidiaries are given the opportunity to acquire shares in the company. The objective is to incentivise such employees to identify themselves more closely with the fortunes of the group, support its continued growth, and to promote the retention of such employees.

Non-Executive Directors are not eligible to participate in the share incentive scheme.

Employees participate in the share incentive scheme to the extent that they are granted options or rights to acquire shares and accept them. All options or rights which have not been exercised within ten years from the date of grant, automatically expire.

The incentives offered by AngloGold Ashanti are reviewed periodically to ensure that they remain globally competitive, so as to attract, reward and retain managers of the highest calibre. As a result, several types of incentives, each with their own issue and vesting criteria, have been granted to employees. These are collectively known as the AngloGold Share Incentive Scheme or Share Incentive Scheme .

Although the Remuneration and Human Resources Committee has the discretion to incentivise employees through the issue of shares, only options or awards have so far been granted.

The type and vesting criteria of the options or awards granted are:

### **Performance-related options**

The granting of performance-related options was approved by shareholders at the Annual General Meeting held on 30 April 2002 and amended at the Annual General Meeting held on 29 April 2005 when it was agreed that no further performance-related options would be granted. All performance-related options granted terminated on 1 November 2014, being the date on which the last options granted expired.





### **Bonus Share Plan (BSP)**

The granting of awards in terms of the BSP was approved by shareholders at the Annual General Meeting held on 29 April 2005 and amended at the General Meeting held on 6 May 2008 when shareholders approved an increase in the maximum level of the bonus payable to eligible participants, as well as shortening of the vesting period. Executive directors, executives and other management groups are eligible for participation. Each award made in respect of the BSP entitles the holder to acquire one ordinary share at nil cost. In respect of all awards granted to and including 2007, these awards vest in full, three years from the date of grant, provided that the participant remains in the employ of the company at the date of vesting unless an event, such as death, retirement or redundancy occurs, which may result in an earlier vesting date. In respect of awards granted in 2008 and thereafter, the vesting period has been shortened to two years, with 40 percent of awards granted vesting in year one and 60 percent in year two from the date of grant or, in the event that participants awards remain unexercised after three years from the original grant date, an additional 20 percent will be granted.

Certain changes were approved at the Extraordinary General Meeting of shareholders held on 11 March 2013. The 20 percent uplift for the retention of shares for three years fell away but was added to the initial 100 percent resulting in an allocation of 120 percent share matching for all categories of management. The Executive Committee members received an increased allocation from 120 percent to 150 percent. The vesting period has been shortened to two years with 50 percent vesting 12 months after the date of issue and the remaining 50 percent vesting 24 months after the date of issue.

### **Long Term Incentive Plan (LTIP)**

The granting of awards in terms of the LTIP was approved by shareholders at the Annual General Meeting held on 29 April 2005. Executive directors and selected senior management are eligible for participation. Each award made in respect of the LTIP entitles the holder to acquire one ordinary share at nil cost. Awards granted vest three years from the date of grant, to the extent that the set company performance targets, under which the awards were made, are met, and provided that the participant remains in the employ of the company at the date of vesting, unless an event, such as death, retirement or redundancy occurs, which may result in an earlier vesting date.

In 2013, the Remuneration and Human Resources Committee approved a new retention bonus scheme comprising both cash (40 percent of total base pay) and shares (60 percent of base pay) which was implemented on 1 March 2013 for the Executive Committee members. This was implemented over the short term to support a strategy of retaining the top management for a minimum period of 18 months to ensure delivery on key business imperatives, while the new Chief Executive Officer was inducted. The share award comprised of performance-based share (LTIP) granted in March 2013. Subject to the performance conditions, which were met and vested at the end of August 2014. In line with the LTIP vesting, the cash portion was also paid at the end of August 2014, based on the achievement of the performance conditions.

The CEO did not receive the cash portion of the LTIP Retention bonus. This has been converted to restricted shares which are deferred to retirement, termination of employment, any corporate activity resulting in a change of control, resignation, death or 5 years from date of grant, whichever is earliest.

**PARTICIPATION BY EXECUTIVE DIRECTORS, EXECUTIVE MANAGEMENT AND OTHER MANAGERS IN THE ANGLOGOLD SHARE INCENTIVE SCHEME**

Details of the options and rights to subscribe for ordinary shares in the company granted to, and exercised by, executive directors, executive management and other managers on an aggregate basis during the year to 31 December 2014 and subsequent to year-end are set out in the table below.

**Number of options and awards granted**

	Appointed with effect from	Resigned/retired with effect from	Balance at 1 January 2014	Granted during 2014	Exercised during 2014	Pre-tax gains on share options exercised (\$ 000)	Lapsed during 2014	Balance as at 31 December 2014 <sup>(1)</sup>
<b>Executive directors</b>								
S Venkatakrishnan	Full year		220,393	166,625	-	-	20,159	366,859
RN Duffy <sup>(3)</sup>		30-Sep-14	166,543	92,361	-	-	14,754	244,150
KC Ramon <sup>(4)</sup>	01-Oct-14		-	50,201	-	-	-	50,201
			386,936	309,187	-	-	34,913	661,210
<b>Prescribed officers<sup>(2)</sup></b>								
I Boninelli	Full year		82,472	73,930	-	-	4,825	151,577
CE Carter	Full year		112,389	88,001	4,481	80	39,074	156,835
GJ Ehm	Full year		122,462	103,913	5,360	93	7,316	213,699
RW Largent	Full year		113,073	161,509	4,790	89	9,184	260,608
MP O Hare	Full year		133,616	95,877	-	-	5,134	224,359
D Noko	Full year		45,334	68,178	-	-	-	113,512
ME Sanz Perez	Full year		67,880	73,107	-	-	5,279	135,708
YZ Simelane <sup>(5)</sup>		31-Jul-14	74,035	39,091	39,875	386	73,251	-
			751,261	703,606	54,506	648	144,063	1,256,298
Other management			4,550,186	3,188,351	1,023,416	16,614	1,212,452	5,502,669
<b>Total share incentive scheme</b>			<b>5,688,383</b>	<b>4,201,144</b>	<b>1,077,922</b>	<b>17,262</b>	<b>1,391,428</b>	<b>7,420,177</b>

<sup>(1)</sup> The latest expiry date of all options/awards granted and outstanding at 31 December 2014 is 13 March 2024.

<sup>(2)</sup> Pursuant to the South African Companies Act 71, of 2008, as amended, which came into effect on 1 May 2011, companies are required to identify and disclose the remuneration for the prescribed officers of the company.

<sup>(3)</sup> No longer an Executive Director with effect from 30 September 2014.

<sup>(4)</sup> Appointed as Executive Director with effect from 1 October 2014

<sup>(5)</sup> No longer a prescribed officer and left the employ of AGA with effect from 31 July 2014

Subsequent to year end and up to 19 March 2015, no options/awards have been exercised by Executive Directors and Prescribed Officers, except for Charles Carter who exercised 38,873 awards for a pre-tax gain of \$461,084; Michael O Hare who exercised 294 awards for a pre-tax gain of \$2,997; and Ronald Largent who exercised 33,882 awards for a pre-tax gain of \$393,269.

A total of 1,902,542 (2013: 1,668,617; 2012: 1,264,872) options/awards out of the 7,420,177 (2013: 5,688,383; 2012: 4,580,329) options/awards granted and outstanding at 31 December 2014 are fully vested.

Awards granted since 2005 have been granted at nil cost to participants.

Non-executive directors are not eligible to participate in the share incentive scheme.

Awards granted in respect of the previous year's financial results:

	Total <sup>(1)(8)</sup> 2015	Total <sup>(2)</sup> 2014	Total <sup>(3)</sup> 2013
<b>Number of awards issued in</b>			
<b>Executive Directors</b>			
M Cutifani <sup>(5)</sup>	-	-	5,429
S Venkatakrisnan	233,565	166,625	99,043
RN Duffy	1,481	92,361	65,193
KC Ramon	114,637	50,201	-
AM O'Neill <sup>(6)</sup>	-	-	124,961
<b>Total executive directors</b>	<b>349,683</b>	<b>309,187</b>	<b>294,626</b>
<b>Prescribed officers</b>			
I Boninelli	95,191	73,930	52,314
CE Carter	122,367	88,001	66,929
GJ Ehm	120,469	103,913	59,443
RW Largent <sup>(4)</sup>	213,018	161,509	76,865
MP O'Hare	1,268	95,877	66,699
M MacFarlane	-	-	42,765
D Noko	93,843	68,178	45,334
ME Sanz Perez	94,304	73,107	46,087
YZ Simelane <sup>(7)</sup>	-	39,091	36,218
<b>Total prescribed officers</b>	<b>740,460</b>	<b>703,606</b>	<b>492,654</b>
<b>Total awards to executive management</b>	<b>1,090,143</b>	<b>1,012,793</b>	<b>787,280</b>

(1) Includes awards granted in respect of the 20% top-up for the 2012 BSP awards.

(2) Includes awards granted in respect of the 20% top-up for the 2011 BSP awards, 2014 BSP matching awards and 2014 LTIP (inclusive of the 60% share retention bonus awards; the 40% deferred cash portion will be reported in the year of payment, i.e. 2015).

(3) Includes awards granted in respect of the 20% top-up for the 2010 BSP awards.

(4) Received a cash payment in lieu of the 2010 BSP top-up due to US tax restrictions.

(5) No longer an executive director with effect from 31 March 2013.

(6) No longer an executive director with effect from 2 August 2013.

(7) No longer a prescribed officer and left the employ of AGA with effect from 31 July 2014.

(8) BSP 2015 will be awarded after the Annual General Meeting to be held on 6 May 2015, subject to approval by the shareholders to renew the authority of placing 5% of the shares in issue under the control of the directors.

**Number of time-related, performance-related, BSP and LTIP awards granted**

In accordance with the JSE Listings Requirements and the rules of the AngloGold Share Incentive Scheme, the changes in options and awards granted and the ordinary shares issued as a result of the exercise of options and awards during the period 1 January 2014 to 28 February 2015 are disclosed below:

	Performance related	Bonus Share Plan <sup>(1)</sup>	Long-Term Incentive Plan <sup>(1)</sup>	Total Share Incentive Scheme
At 1 January 2014	56,882	2,598,887	3,032,614	5,688,383
Movement during year				
Granted	-	1,983,469	2,217,675	4,201,144
Exercised	(419)	(868,350)	(209,153)	(1,077,922)
Lapsed terminations	(56,463)	(408,491)	(926,474)	(1,391,428)
<b>At 31 December 2014</b>	<b>-</b>	<b>3,305,515</b>	<b>4,114,662</b>	<b>7,420,177</b>
Subsequent to year-end				
Granted <sup>(1)</sup>	-	127,441	3,103,155	3,230,596
Exercised	-	(223,000)	(42,346)	(265,346)
Lapsed terminations	-	(18,410)	(325,054)	(343,464)
<b>At 28 February 2015</b>	<b>-</b>	<b>3,191,546</b>	<b>6,850,417</b>	<b>10,041,963</b>

(1) BSP and LTIP awards granted at nil cost to participants.



Following a change in the Schedule 14 of the JSE Listings Requirements (Share Incentive Schemes) on 15 October 2008, the maximum number of shares attributable to the scheme was changed from 2.75 percent of issued share capital from time to time to a fixed figure of 17,000,000. The maximum aggregate number of shares which may be acquired by any one participant in the scheme is 5 percent of the shares attributable to the scheme, being 850,000 ordinary shares in aggregate.

Also, as a result of the change to the JSE Listings Requirements, as aforementioned, the recycling of options/awards that have vested and which have been delivered, and for which AngloGold Ashanti shares have been issued, is no longer allowed. The table below reflects the total number of options/awards that are unissued in terms of the share incentive scheme, as a result of this rule change:

<b>Details</b>	<b>Options/Awards</b>
Total number of options/awards attributable to the scheme at 31 December 2014	17,000,000
Less:	
Total number of options/awards granted and outstanding at 31 December 2014	(7,420,177)
Total number of options/awards exercised:	
During the period 15 October to 31 December 2008	(101,013)
During the period 1 January to 31 December 2009	(1,131,916)
During the period 1 January to 31 December 2010	(823,411)
During the period 1 January to 31 December 2011	(889,593)
During the period 1 January to 31 December 2012	(945,641)
During the period 1 January to 31 December 2013	(930,743)
During the period 1 January to 31 December 2014	(1,077,922)
<b>Total options/awards available but unissued at 31 December 2014</b>	<b>3,679,584</b>

**ITEM 7: SHAREHOLDERS AND RELATED PARTY TRANSACTIONS****OVERVIEW****DESCRIPTION OF ANGLOGOLD ASHANTI'S SHARE CAPITAL**

AngloGold Ashanti's share capital consists of four classes of stock:

Ordinary shares, par value 25 South African cents each (the ordinary shares);

E-Ordinary shares, par value 25 South African cents each (the E-ordinary shares);

A redeemable preference shares, par value 50 South African cents each (the A preference shares); and

B redeemable preference shares, par value 1 South African cent each (the B preference shares).

The authorised and issued share capital of AngloGold at 31 December 2014 is set out below:

<b>Title of class</b>	<b>Authorised</b>	<b>Issued</b>
Ordinary shares	600,000,000	404,010,360
E-Ordinary shares	4,280,000	-
A preference shares	2,000,000	2,000,000
B preference shares	5,000,000	778,896

All the issued ordinary shares, E ordinary shares, A redeemable preference shares and B redeemable preference shares are fully paid and are not subject to further calls or assessment by AngloGold Ashanti. As at 31 December 2014 there were no E ordinary shares in issue. For a discussion of rights attaching to the ordinary shares, E ordinary shares, the A redeemable preference shares and the B redeemable preference shares, see

Item 10B.: Memorandum of Incorporation. A Special Resolution to cancel the E ordinary shares is being proposed to the shareholders at the Annual General Meeting on 6 May 2015.

The following are the movements in the ordinary issued share capital at 31 December:

**Ordinary shares**

	<b>Number of Shares 2014</b>	<b>Rand</b>	<b>Number of Shares 2013</b>	<b>Rand</b>	<b>Number of Shares 2012</b>	<b>Rand</b>
At 1 January	402,628,406	100,657,102	383,320,962	95,830,241	382,242,343	95,560,586
Issued during the year:						
- Settlement of the outstanding 6 percent Mandatory Convertible Subordinated Bonds			18,140,000	4,535,000		
- Bokamoso ESOP on conversion of E ordinary shares	154,299	38,575	145,018	36,254	84,446	21,112
- Izingwe on conversion of E ordinary shares	149,733	37,433	91,683	22,921	48,532	12,133
- Exercise of options by participants in the AngloGold share Incentive Scheme	1,077,922	269,480	930,743	232,686	945,641	236,410
	404,010,360	101,002,590	402,628,406	100,657,102	383,320,962	95,830,241

During the period 1 January 2015 to and including 23 March 2015, 432,721 ordinary shares were issued at an average issue price of R240.46 per share, resulting in 404,443,081 ordinary shares being in issue at 23 March 2015.

***E ordinary shares***

The following are the movements in the E ordinary issued share capital at 31 December:

	Number of Shares 2014	Rand	Number of Shares 2013	Rand	Number of Shares 2012	Rand
At 1 January	712,006	178,001	1,617,752	404,438	2,582,962	645,741
Reinstated						
Issued during the year:						
- Cancelled in exchange for ordinary shares in terms of the cancellation formula	(712,006)	(178,001)	(905,746)	(226,437)	(965,210)	(241,303)
			712,006	178,001	1,617,752	404,438

On 11 December 2006, shareholders in general meeting authorised the creation of a maximum of 4,280,000 E ordinary shares to be issued pursuant to an Employee Share Ownership Plan (ESOP) and a Black Economic Empowerment transaction with Izingwe Holdings (Pty) Limited (Izingwe) (collectively, the BEE transaction).

All the E ordinary shares have vested and were cancelled in exchange for ordinary shares in accordance with the amended cancellation formula during the 2014 financial year. There are as at 31 December 2014 no E ordinary shares in issue.

***Redeemable preference shares***

The A and B redeemable preference shares, all of which are held by wholly owned subsidiary, Eastvaal Gold Holdings Limited, may not be transferred and are redeemable from the realisation of the assets relating to the Moab lease area after the cessation of mining operations in the area. The shares carry the right to receive dividends equivalent to the profits (net of royalty, ongoing capital expenditure and taxation) from operations in the area. No further A and B redeemable preference shares will be issued.



**7A. MAJOR SHAREHOLDERS**

According to information available to the directors, the following are the only shareholders holding, directly or indirectly, in excess of 5 percent of the ordinary issued share capital of the company:

Ordinary shares held at Shareholder*	31 December 2014		31 December 2013		31 December 2012	
	Number of Shares	percent Voting Rights	Number of Shares	percent Voting Rights	Number of Shares	percent Voting Rights
Public Investment Corp. of South Africa	31,854,515	7.88	30,166,288	7.49	20,050,361	5.23
First Eagle Investment Management LLC	31,746,875	7.86	33,159,762	8.24		
Investec Asset Management (Pty) Limited (South Africa)	28,576,916	7.07	35,614,617	8.85	20,108,121	5.25
Paulson & Co., Inc	26,205,400	6.49	31,424,135	7.80	28,607,495	7.46
Van Eck Global	24,759,780	6.13	21,842,177	5.42		

\* Shares may not necessarily reflect the beneficial shareholder

At 31 December 2014, a total of 194,944,027 shares (or 48.25 percent of issued ordinary share capital) were held by The Bank of New York Mellon, as Depositary for the company's American Depositary Receipt programme. Each American Depositary Share (ADS) is equivalent to one ordinary share. At 31 December 2014, the number of persons who were registered holders of ADSs was reported at 2,884. AngloGold Ashanti is aware that many ADSs are held of record by brokers and other nominees, and accordingly the above numbers are not necessarily representative of the actual number of persons who are beneficial holders of ADSs or the number of ADSs beneficially held by these persons.

All shareholders have the same voting rights.

As at 31 December 2014, there were 8,483 holders on record of AngloGold Ashanti ordinary shares. Of these holders 223 had registered addresses in the United States and held a total of 38,444,526 ordinary shares, approximately 10 percent of the total outstanding ordinary shares. In addition, certain accounts on record with registered addresses outside the United States, including The Bank of New York Mellon, hold AngloGold Ashanti ordinary shares, in whole or in part, beneficially for United States persons.

At 17 March 2015, a total of 196,784,980 ADSs or approximately 48.7 percent of total issued ordinary share capital were issued and outstanding and held on record by approximately 2,861 registered holders.

Insofar as is known to AngloGold Ashanti, there was no person who, directly or indirectly, jointly or severally, exercised or could exercise control over AngloGold Ashanti, nor is AngloGold Ashanti aware of any arrangements which might result in a change in control of AngloGold Ashanti.

**7B. RELATED PARTY TRANSACTIONS**

The Company had the following transactions with related parties during the year ended 31 December 2014:

At 31 December	Purchases (by)/from related party	2014 Amounts owed by related party
(in millions)	\$	\$
<b>Purchases of goods and services (by)/from equity accounted joint ventures and associates</b>		
Margaret Water Company	6	-
Société d Exploitation des Mines d Or de Sadiola S.A.	(8)	3
Société d Exploitation des Mines d Or de Yatela S.A.	(1)	-
Société des Mines d Or Morila S.A.	(2)	1
	(5)	4

Amounts due by joint venture and associate related parties arising from purchases of goods and services are unsecured and non-interest bearing.

As at 31 December 2014 there are no outstanding balances arising from purchases of goods and services owed to related parties.

AngloGold Ashanti entered into an agreement ( Agreement ) with Izingwe Property Managers (Pty) Limited ( Izingwe Property ) under which Izingwe Property assists AngloGold Ashanti in planning, design, development and construction of 200 units of housing in South Africa for employees of AngloGold Ashanti. Izingwe Property s roles are those of development and project manager and main contractor. \$1.9m was paid to Izingwe Property pursuant to the agreement. The contract was completed on 27 October 2014. Mr Siphon Pityana, Chairman of the Company, is Chairman and a 44% shareholder in Izingwe Holdings (Pty) Limited ( Izingwe ), AngloGold Ashanti s BEE partner. Izingwe Capital (Pty) Limited, an associate company of Izingwe is the majority shareholder of Izingwe Property.

**Loans due by associates as at 31 December**

(in millions)	2014 \$
Oro Group (Pty) Limited <sup>(1)</sup>	1
Rand Refinery (Pty) Limited <sup>(2)</sup>	22
	23

<sup>(1)</sup> The loan bears a market related interest rate determined by the Oro Group (Pty) Limited s board of directors and is repayable at its discretion.

<sup>(2)</sup> A shareholder loan of \$44m was granted to Rand Refinery (Pty) Limited during December 2014 and is repayable in December 2016. The loan accrues interest at JIBAR plus 3.5%. An amount of \$21m was recognized as an impairment in 2014.

As at 31 December 2014 there are no outstanding balances arising from loans owed to related parties.

**7C. INTERESTS OF EXPERTS AND COUNSEL**

Not applicable.

## ITEM 8: FINANCIAL INFORMATION

### 8A. CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION

See Item 18: Financial statements .

### LEGAL PROCEEDINGS

There is no material proceeding in which a director, officer or affiliate of AngloGold Ashanti is either a party adverse or has a material interest adverse to the company.

In addition to the proceedings described below, the company becomes involved, from time to time, in various claims, legal proceedings and complaints incidental to the ordinary course of its business.

**The State of Goiás v. Mineração Serra Grande S.A. (MSG):** In 2006, MSG received two tax assessments from the State of Goiás related to the payments of state sales taxes at the rate of 12% on gold deliveries for export from one Brazilian state to another during the period from February 2004 to the end of May 2006. The first and second assessments were approximately \$62 million and \$39 million as at 31 December 2013, respectively. Various legal proceedings have taken place over the years with respect to this matter, as previously disclosed. On 5 May 2014, the State of Goiás published a law which enables companies to settle outstanding tax assessments of this nature. Under this law, MSG settled the two assessments in May 2014 by paying \$14 million in cash and by utilising \$29 million of existing VAT credits. The utilisation of the VAT credits is subject to legal confirmation from the State of Goiás. Although the State has not yet provided confirmation, management has concluded that the likelihood of the State of Goiás declining the utilisation of the VAT credits or part thereof is remote. As part of the acquisition by AngloGold Ashanti of the remaining 50 percent interest in MSG during June 2012 from Kinross Gold Corporation (Kinross), Kinross provided an indemnity to a maximum amount of BRL255 million against the specific exposures related to the tax assessments from the State of Goiás and the State of Minas Gerais. The May 2014 cash settlement discussed above was set off by an indemnity settlement from Kinross of \$6 million.

**The State of Goiás v. Mineração Serra Grande S.A. (MSG):** In 2013 the Goiás State Treasury filed claims in the tax administration council that formal offenses had been committed by MSG regarding certain tax obligations, specifically the entering of information in certain tax years identifying incorrectly the state in which MSG mined gold. MSG, through a third-party vendor, inadvertently identified another state in the federation, not Goiás, as the production state. The State of Goiás alleges that such procedural errors resulted in an actual loss of revenue to the State, as the Federal government uses the information provided by the company to determine, in part, how much revenue is transferred to the State by the Federal government. The estimated value of the tax challenge is approximately \$92 million as of the May 2014 settlement date. MSG filed an administrative challenge at the first level which was denied. Utilising the same settlement law described in the proceeding above, MSG negotiated a settlement in May 2014 with the State of Goiás by paying approximately \$2.8 million in cash and by utilising approximately \$2.0 million of tax credits. The utilisation of the tax credits is subject to legal confirmation from the State of Goiás. Although the State has not yet provided confirmation, management has concluded that the likelihood of the State of Goiás declining the utilisation of the tax credits or part thereof is remote.

**The State of Minas Gerais v. Mineração Serra Grande S.A. (MSG):** In Brazil, MSG received a tax assessment in October 2003 from the State of Minas Gerais related to sales taxes on gold. The tax administrators rejected all MSG's appeals against the assessment. The company subsequently appealed the dismissal of the case to the State Court of Minas Gerais. The assessment is approximately \$15 million (2013: \$16 million).

**Departamento Nacional de Produção Mineral (DNPM) v. AngloGold Ashanti Brazil Mineração (AABM):** In Brazil, in November 2007, the DNPM, a federal mining authority, issued a tax assessment against AABM in the amount of \$18 million (2013: \$19 million) relating to the calculation and payment by AABM of the financial contribution on mining exploitation in the period from 1991 to 2006.

AngloGold Ashanti's subsidiaries in Brazil are involved in various other disputes with tax authorities. These disputes involve federal tax assessments including income tax, royalties, social contributions and annual property tax. The amount involved is approximately \$14 million

(2013: \$19 million).

**Notice from the Colombian Tax Office (DIAN) to AngloGold Ashanti Colombia S.A. (AGAC):** In January 2013, AngloGold Ashanti Colombia S.A. (AGAC) received notice from the Colombian Tax Office (DIAN) that it disagreed with the company's tax treatment of certain items in the 2010 and 2011 income tax returns. On 23 October 2013 AGAC received the official assessments from the DIAN which established that an estimated additional tax of \$27 million (2013: \$35 million) will be payable if the tax returns are amended. Penalties and interest for the additional taxes are expected to be \$135 million (2013: \$153 million), based on Colombian tax law. The company believes that it has applied the tax legislation correctly. AGAC requested in December 2013 that DIAN reconsider its decision. In November 2014, DIAN affirmed its earlier ruling. AGAC has until 16 April 2015 to challenge the DIAN's decision by filing a lawsuit before the Administrative Tribunal of Cundinamarca (trial court for tax litigation), which it intends to do.

**Argentina Tax Authority (AFIP) and Cerro Vanguardia S.A. (CVSA):** On 12 July 2013, Cerro Vanguardia S.A. (CVSA) received a notification from the Argentina Tax Authority (AFIP) requesting corrections to the 2007, 2008 and 2009 income tax returns of about \$14 million (2013: \$18 million) relating to the non-deduction of tax losses previously claimed on hedge contracts. The AFIP is of the view that the financial derivatives at issue should not have been accounted for as hedge contracts, as hedge contract losses could only be offset against gains derived from the same kind of hedging contracts. Penalties and interest on the disputed amounts are estimated at a further \$39 million (2013: \$45 million). A new notification was received on 16 July 2014 from the tax authorities that disallowed arguments from CVSA's initial response. CVSA prepared defence arguments and evidence which were filed on 8 September 2014. The government responded to the latest submission by CVSA on 22 December, 2014, and continues to assert its position regarding the use of the financial derivatives. CVSA prepared a response to the government's findings which was filed on 9 March 2015.

#### **SOUTH AFRICA**

##### **Silicosis litigation**

On 3 March 2011, in *Mankayi vs. AngloGold Ashanti*, the Constitutional Court of South Africa held that section 35(1) of the Compensation for Occupational Injuries and Diseases Act, 1993 does not cover an employee who qualifies for compensation in respect of compensable diseases under the Occupational Diseases in Mines and Works Act, 1973 (ODMWA). This judgement allows such qualifying employee to pursue a civil claim for damages against the employer. Following the Constitutional Court decision, AngloGold Ashanti has become subject to numerous claims relating to silicosis and other Occupational Lung Diseases (OLD), including several potential class actions and individual claims.

AngloGold Ashanti, Anglo American South Africa, Gold Fields, Harmony Gold and Sibanye Gold announced in November 2014 that they had formed an industry working group to address issues relating to compensation and medical care for OLD in the gold mining industry in South Africa.

The companies have begun to engage all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended, and the status of the proceedings are set forth below.

Essentially, the companies are seeking a comprehensive solution which deals both with the legacy compensation issues and future legal frameworks, and which, whilst being fair to employees, also ensures the future sustainability of companies in the industry.

##### *The Class Actions*

On or about 21 August 2012, AngloGold Ashanti was served with an application instituted by Bangumzi Bennet Balakazi (the Balakazi Action) and others in which the applicants seek an order declaring that all mine workers (former or current) who previously worked or continue to work in specified South African gold mines for the period owned by AngloGold Ashanti and who have silicosis or other OLD constitute members of a class for the purpose of proceedings for declaratory relief and claims for damages. On 4 September 2012, AngloGold Ashanti delivered its notice of intention to defend this application.

In addition, on or about 8 January 2013, AngloGold Ashanti and its subsidiary Free State Consolidated Gold Mines (Operations) Limited, alongside other mining companies operating in South Africa, were served with another application to certify a class (the Nkala Action). The applicants in the case seek to have the court certify two classes, namely: (i) current and former mineworkers who have silicosis (whether or not accompanied by any other disease) and who work or have worked on certain specified gold mines at any time from 1 January 1965 to date; and (ii) the dependants of mineworkers who died as a result of silicosis (whether or not accompanied by any other disease) and who worked on these gold mines at any time after 1 January 1965. AngloGold Ashanti filed a notice of intention to oppose the application.



On 21 August 2013, an application was served on AngloGold Ashanti for the consolidation of the Balakazi Action and the Nkala Action, as well as a request for an amendment to change the scope of the classes. The applicants now request certification of two classes (the silicosis class and the tuberculosis class). The silicosis class would consist of certain current and former underground mineworkers who have contracted silicosis, and the dependants of certain deceased mineworkers who have died of silicosis (whether or not accompanied by any other disease). The tuberculosis class would consist of certain current and former mineworkers who have or had contracted pulmonary tuberculosis and the dependants of certain deceased mineworkers who died of pulmonary tuberculosis (but excluding silico-tuberculosis).

In the event the class is certified, such class of workers would be permitted to institute actions by way of a summons against AngloGold Ashanti for amounts as yet unspecified. The parties in the class action met with the court (South Gauteng High Court, Johannesburg) and have tentatively agreed on a timetable for the court process wherein the application to certify the class action will be heard in October 2015.

#### *The Individual Claims*

In October 2012, AngloGold Ashanti received 31 individual summonses and particulars of claim relating to silicosis and/or other OLD. The total amount claimed in the 31 summonses is approximately \$7 million as at the 31 December 2014 closing rate. On or about 3 March 2014, AngloGold Ashanti received an additional 21 individual summonses and particulars of claim relating to silicosis and/or other OLD. The total amount claimed in the 21 summonses is approximately \$4 million as at the 31 December 2014 closing rate. On or about 24 March 2014, AngloGold Ashanti received a further 686 individual summonses and particulars of claim relating to silicosis and/or other OLD. The total amount claimed in the 686 summonses is approximately \$100 million as at the 31 December 2014 closing rate. And on or about 1 April 2014, AngloGold Ashanti received a further 518 individual summonses and particulars of claim relating to silicosis and/or other OLD. The total amount claimed in the 518 summonses is approximately \$81 million as at the 31 December 2014 closing rate. All these claims were filed in the South Gauteng High Court, Johannesburg.

On 9 October 2014, AngloGold Ashanti and the plaintiffs' attorneys agreed to refer all of the individual claims to arbitration. The court proceedings have been suspended as a result of entering into the arbitration agreement.

It is possible that additional class actions and/or individual claims relating to silicosis and/or other OLD will be filed against AngloGold Ashanti in the future. AngloGold Ashanti will defend all current and subsequently filed claims on their merits. Should AngloGold Ashanti be unsuccessful in defending any such claims, or in otherwise favourably resolving perceived deficiencies in the national occupational disease compensation framework that were identified in the earlier decision by the Constitutional Court, such matters would have an adverse effect on its financial position, which could be material. The company is unable to reasonably estimate its share of the amounts claimed.

**Chamber of Mines of South Africa acting in its own name and o.b.o. Harmony Gold Mining Company Ltd, AngloGold Ashanti Ltd and Sibanye Ltd v AMCU (First Respondent):** At the start of 2014, the Association of Mineworkers and Construction Union (AMCU) embarked upon protracted strike action in the platinum sector after reaching deadlock during wage negotiations with Anglo Platinum, Impala Platinum and Lonmin respectively. In the Gold Sector following the extension of the 2013 Wage Agreement to all employees irrespective of their union affiliation AMCU on 20 January 2014 served strike notices at three gold companies to challenge the extension of the 2013 Wage Agreement to members of AMCU. An interim interdict was granted to the Chamber of Mines by the Labour Court in Johannesburg on 30 January 2014, declaring the intended strike unprotected and prohibiting unprotected strike action as well as any conduct that might encourage workers to embark on strike action. AMCU was ordered to return to court on 14 March 2014 to explain why the interim interdict should not be made permanent. This deadline was subsequently postponed to 5 June 2014. On 23 June 2014, the Labour Court upheld the interim interdict. AMCU has appealed this ruling to the Labour Appeal Court, and AngloGold Ashanti's submissions were submitted by 20 March 2015.

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**COLOMBIA**

**La Colosa class action lawsuits:** Four (4) class action lawsuits are pending before Colombian state and federal courts in relation to AngloGold Ashanti Colombia S.A. (AGAC) s Santa Maria-Montecristo and La Colosa project, which is currently in its pre-feasibility phase and consists of three core concession contracts:

Usocoello, Cortolima, Procuraduria Regional Tolima, Universidad de Ibagué, Estudiantes de la Universidad del Rosario, Federarroz v. AGAC, Federal Department of Mines, Federal Department of the Environment, Housing and Territorial Development and Ingeominas (September 2010) (Uscocoello);

The Personero de Ibagué v. Federal Department of the Environment, Housing and Territorial Development, Ingeominas, AGAC, Continental Gold Ltda., Oro Barracuda Ltda., Fernando Montoya, Alberto Murillo and Eugenio Gomez (December 2011) (Toche Anaima Belt);

Juan Ceballos v. Federal Department of the Environment, Housing and Territorial Development, Ingeominas, Cortolima and AGAC (February 2012); and

Ibague s Ombudsman v. Federal Department of Environment, Housing and Territorial Development, National Mining Agency, AGAC (July 2013) (Corridors).

Each lawsuit aims to stop exploration and mining in certain restricted areas affected by the La Colosa project due to environmental concerns or alleged breaches of environmental laws. Under Colombian law, restricted areas are State-protected land on which certain economic activities are restricted.

The first class action lawsuit was Uscocoello, which was filed before the Third Administrative Court of the District of Ibagué on 9 September 2010 as the court of first instance. It named each of Ingeominas (the Colombian regulatory agency for mining activities), the Federal Department of the Environment, Housing and Territorial Development, as well as the Federal Department of Mines as defendants. AGAC was subsequently joined to the lawsuit as an additional defendant. The plaintiffs are the User Association of the Land Adequation District of Coello and Cucuana Rivers (Usocoello) (a cooperative representing local farmers), the Autonomous Regional Corporation of Tolima ( Cortolima ), (the government of the State of Tolima), the Office of the Attorney General of the State of Tolima (Procurador Judicial Ambiental y Agrario para el Tolima), the University of Ibagué (Estudiantes de la Universidad del Rosario), (a student association of the University of El Rosario) and Fedearroz (the Colombian association of rice growers).

In Uscocoello, the plaintiffs petitioned the court to order the defendant governmental entities not to declare the La Colosa mining project feasible on the grounds that the project threatens a healthy environment, public health and food safety for Usocoello members and local residents. Such order by the court would result in the revocation of AGAC s temporary use permit for its exploration activities on 6.39 hectares of forest reserve that are otherwise designated as restricted areas.

In addition, as each of AGAC s three core mining concession contracts governing the La Colosa project provides that Ingeominas has the discretion to declare the underlying concession void if AGAC breaches applicable environmental laws or regulations, the plaintiffs have petitioned the court to direct Ingeominas to cancel such concession contracts on the ground that AGAC has violated the Code of Natural Resources. If plaintiffs prevail and Ingeominas is ordered to cancel AGAC s three core concession contracts, the company would be required to abandon the La Colosa project and all of AGAC s other existing mining concession contracts and pending proposals for new mining concession contracts would also be cancelled. If the Third Administrative Court issues an adverse ruling against AGAC, the ruling can be appealed.

As no settlement was reached at a special conciliation hearing (Pacto de Cumplimiento) held on 27 April 2011, the trial has continued and the court is gathering evidence from the parties in preparation for its ruling.

In connection with the Toche Anaima Belt lawsuit, the Superior Court of the District of Ibagué granted the plaintiff a preliminary injunction, suspending the mining concession contracts relating to certain greenfield exploration activities of the Santa Maria-Montecristo project in September 2011. AGAC has appealed the injunction, but the company does not believe that the mining concession contracts at issue constitute a critical path item for the project.



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With respect to the Juan Ceballos lawsuit, the plaintiff requested the cancellation of the La Colosa mining project tenements, based on allegations that gold mining represents an environmental risk to the Tolima community. In November 2014, the Court requested that the defendants answer a questionnaire before the Court rules on the matter. AGAC and the Colombian government entities appeared before the Court and answered its questions. AGAC is awaiting a decision in this matter.

Finally, in connection with the Corridors lawsuit, the plaintiffs requested the banning of AGAC's Corridor Project due to the alleged detrimental environmental impact of the proposed mining in the area. However, AGAC has not proceeded with the Corridor Project due to technical considerations. Accordingly, AGAC has asked the Court to dismiss the lawsuit (without prejudice). AGAC is awaiting a decision.

While plaintiffs in all cases have petitioned the court to cancel concession contracts for the La Colosa mining project, the company believes that courts and judges in Colombia do not have the authority to order such cancellations. Such power, by law, vests solely in the mining authority, which has the discretion to declare concessions void if a contractor breaches applicable environmental laws or regulations. To date, the company is not aware of the Colombian government having ever declared a concession void for these reasons. AGAC continues to oppose, through a variety of integrated legal and political strategies, the class action lawsuits that have been filed against it and believes that the cases are likely to be resolved favorably.

**Cortolima's injunction against AGAC:** On 11 March, 2013, Cortolima issued a regulatory injunction against AGAC alleging, among other things, that in relation to certain of AGAC's La Colosa exploration activities, AGAC was operating without proper permits and regulatory permission and was engaging in drilling and other activities that were having negative effects on the environment. On 22 March, 2013, AGAC appealed against the injunction, seeking an annulment of the action and the restoration of AGAC's rights to continue exploration activities in the area. On 27 May 2013, AGAC's request to have the injunction order annulled was denied by the Director of Cortolima and, as a result, the injunction remains in place. On 31 August 2013, AGAC presented before the State Council its claim for the annulment of the injunction and rights re-establishment. This matter is pending admission. While the injunction remains in place, AGAC is unable to engage in certain activities related to the La Colosa Project.

AngloGold Ashanti anticipates that Cortolima may issue a formal sanction against AGAC. In response, AGAC has filed a disciplinary and criminal complaint against both the Director of Cortolima and its legal counsel based on its approval and issuing of the injunction that AngloGold Ashanti asserts exceeds Cortolima's authority and is in violation of Colombian law. AGAC has asked the General (Federal) Public Attorney (Procuraduría General) (the Public Attorney) to assume control of the case, and has requested a new reconciliation hearing. The Public Attorney is currently investigating the matter.

**Department of the Environment, Housing and Territorial Development (DoE) v. AngloGold Ashanti Colombia S.A.:** On April 29, 2009, the DoE opened an investigation against AGAC and brought a list of charges against it for carrying out exploratory activities at the La Colosa project without having obtained the applicable permit to partially or temporarily use the soil of a forest reserve that was designated as a restricted area. In 2010, while conducting its investigation the DoE also proceeded to update the existing mining terms of reference, which set forth the environmental studies and other environmental activities that each mining company is required to conduct in connection with the exploration phase of its respective mining project. The new terms of reference specify that exploration may not be carried out in restricted areas without a permit sanctioning such exploration. The DoE then resolved that AGAC was in breach of the 2010 terms of reference and issued a fine against the company. AGAC subsequently filed an action against the DoE in the Administrative Superior Court of the Cundinamarca District to annul the fine. Since April 16, 2012 the process has been with the Court Office for admission. In November of 2012, AGA filed a tutela action, which is a legal action alleging a violation of AGA's constitutional rights. This process often is used to push for a rapid decision by the courts regarding an ongoing dispute. A hearing on the tutela has not yet been scheduled. AGAC has paid the fine of US\$ 70,000 while awaiting the results of the legal actions filed.

Should the DoE's fine ultimately be upheld by the courts, Ingeominas would then have the discretion to terminate AGAC's three core mining concession contracts relating to the La Colosa project.

**La Colosa Human Rights Litigation:** In November 2014, the Personero (Ombudsman) of Ibagué filed suit against the Colombian government in the Inter-American Court of Human Rights. This Court is an autonomous judicial institution whose purpose is the application and interpretation of the American Convention on Human Rights (Colombia, along with many other Central and South American countries, has ratified this Convention). The suit alleges that the government has failed to protect the interests of the peoples of Ibagué by issuing permits for the La Colosa project and by failing to resolve the legal challenges that have been pending for an extended period of time. Although AGAC is not a party to the suit, it is important to the development of the La Colosa project. The first step in the litigation process is for the Court to decide whether to accept the case. If the case is accepted, the government will have to defend itself against the lawsuit and will be bound by the findings of the Court. AGAC is currently assessing this process in order to defend its interests.

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**GHANA****Westchester Resources Limited (Westchester) / Africore Ghana Limited (Africore) vs. AngloGold Ashanti (Ghana) Limited (AGAG):**

This matter arises from two identical exploration agreements concluded between each of Westchester Resources Limited ( Westchester ) and Africore Ghana Limited ( Africore ) (together referred to as the Plaintiffs ) and AngloGold Ashanti (Ghana) Limited ( AGAG ) on 31 October 2000. In each agreement, the Plaintiff, the holder of a Prospecting license from the Minerals Commission, granted to AGA, the right to explore the concession for a year. The Plaintiffs commenced separate actions in the High Court claiming that AGAG breached the agreements. The cases were consolidated and heard as such. On 31 March 2011 the High Court, Accra, gave judgement in favour of the Plaintiffs and awarded US\$17,400,000 damages against AGAG for breach of the agreements. AGAG filed an appeal to the Court of Appeal and subsequently applied to the trial Court for an order for a stay of execution of judgement pending the hearing and determination of the appeal. The Court of Appeal subsequently altered the High Court decision by ordering AGAG to pay each Plaintiff the sum of US\$1 million and deposit US\$4 million with the Registrar for investment pending the determination of the appeal. On 20 December, 2012, the Court of Appeal affirmed the judgement of High Court and dismissed AGAG 's appeal. AGAG filed an appeal to the Supreme Court contesting the decision of the High Court as affirmed by the Court of Appeal. The hearing on the appeal was fixed for 8 July 2014, however on that day the court adjourned the hearing indefinitely. We await a new hearing date. AGA has attempted to settle this matter on three occasions at US\$2 million, US\$4 million and US\$6 million respectively, but the Plaintiffs have rejected each proposal.

**Pompora Treatment Plant Litigation:** On 2 April 2013, AGAG received a summons from Abdul Waliyu and 152 others in which the plaintiffs allege that they were or are residents of the Obuasi municipality or its suburbs and that their health has been adversely affected by emissions and/or other environmental impacts arising in connection with the current and/or historical operations of the Pompora Treatment Plant (PTP), which was decommissioned in 2000. The plaintiffs alleged injuries include respiratory infections, skin diseases and certain cancers. The plaintiffs have not filed their application for directions which was due in the High Court by 31 October 2013. AGAG is allowing some time to pass prior to applying to have the matter struck out for want of prosecution. On 24 February 2014, executive members of the PTP (AGAG) Smoke Effect Association (PASEA), sued the Company by themselves and on behalf of their members (undisclosed number) on grounds similar to those discussed above, as well as economic hardships as a result of constant failure of their crops. To date, plaintiffs have failed to amend their writ and file their statement of claim with the High Court. In view of the limitation of current information for the accurate estimation of a liability, no reliable estimate can be made for AGAG 's obligation in either matter.

**Mining and Building Contractors Limited:** On 11 October 2011 AGAG terminated Mining and Building Contractors Limited 's ( MBC ) underground development agreement, construction on bulkheads agreement and diamond drilling agreement at Obuasi. The Parties reached agreement on the terms of the separation and concluded a separation agreement on 8 November 2012. On 23 July 2013 and 20 February 2014, AGAG was served with writs issued by MBC claiming a total of US\$97 million. AGAG filed a conditional entry of appearance and a motion of stay of proceedings pending arbitration. On 5 May 2014 the court denied our application to submit the matter to arbitration. AGA subsequently appealed this decision to the Court of Appeal. We further filed a Stay of Proceedings at the lower court which was granted on 11 June 2014. On 2 October 2014 we were notified that the records had been transmitted to the Court of Appeal. However, as the transmitted records were incomplete, AGAG timely filed an application for the record to be amended prior to filing its statement of case. The matter remains pending.

**Ghanaian tax authorities v. AngloGold Ashanti (Ghana) Limited (AGAG):** In Ghana, AGAG received tax assessments of \$28 million as of 31 December 2013 in respect of the 2006-2008 and 2009-2011 tax years, following an audit by the tax authorities related to indirect taxes on various items. AGAG believes that the indirect taxes were not properly assessed and has lodged an objection to the assessment. AGAG has subsequently met with the Commissioner-General and provided its position in writing together with the relevant supporting documentation. AGAG has yet to receive a response from the Commissioner-General.

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**GUINEA**

**Government of Guinea (National Claim Commission) v. Société AngloGold Ashanti Goldfields de Guinée SA (SAG):** A national claim recovery commission established by the government has demanded that SAG pay \$43 million in dividends and penalties that would allegedly have been owed to the government for the accounting years 2004–2007. SAG opposes the claim. The two parties had originally decided to submit their dispute to an independent audit firm to be appointed by a common accord; however, the independent audit firm was never appointed. In December 2010, the national claim recovery commission was disbanded and the matter was turned over to the Inspector General of the Ministry of Finance. This matter has been dormant since it was handed over to the Inspector General.

**TANZANIA**

**Jackson Manyelo & others vs. Geita Gold Mining Limited (GGM):** In January 2007, the plaintiffs filed a suit against GGM in the Mwanza High Court alleging that they were affected by blasting activities in the Katoma area carried out by GGM and had suffered damages in the amount of Tshs9.6 billion (approximately \$6 million). The parties then attempted to solve the matter through mediation, but were unsuccessful. The matter is currently being heard in the Mwanza High Court: it is not known when the Court will issue a decision.

**DIVIDENDS**

Dividends are proposed by and approved by the board of directors of AngloGold Ashanti, based on the company's financial performance. Dividends are recognised when declared by the board of directors of AngloGold Ashanti. During the third quarter of 2011, the company changed the timing of dividend payments to quarterly rather than half-yearly. However, in 2014, the Company has reverted to half-yearly dividend timetables.

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 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 .

Dividends declared (in the ordinary course from trading and non trading profits) to foreign shareholders are not subject to the approval by the South African Reserve Bank (SARB) in terms of South African foreign exchange control regulations. Dividends are freely transferable to foreign shareholders from both trading and non-trading profits earned in South Africa by publicly listed companies. Dividends in specie or special dividends may require SARB approval prior to declaration and payment to foreign shareholders.

AngloGold Ashanti has not declared dividends since the first quarter of 2013, but it 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 depend upon the board's ongoing assessment of AngloGold Ashanti's earnings, after providing for long-term growth, cash/debt resources, compliance with the solvency and liquidity requirements of the Companies Act of 2008 (as amended), the amount of reserves available for dividend, based on the going-concern assessment, any restrictions placed on AngloGold Ashanti by debt facilities, protection of existing credit rating and other factors.

Under South African law, the company may declare and pay dividends from any reserves included in total shareholder's equity (including share capital and share premium) calculated in accordance with International Financial Reporting Standards (IFRS), subject to the solvency and liquidity test.

**Withholding tax**

South Africa currently imposes a Dividend Withholding Tax on Companies (dividends tax) at a rate of 15 percent on the net amount of the dividend declared by a resident company, other than a Headquarter Company.

The dividends tax is generally imposed on the beneficial owner. The dividends tax could be reduced to a lower rate under an applicable double tax treaty, if all requirements are met. In the case of dividends paid to a US holder with respect to shares, the Treaty would generally limit the dividends tax rate to 5 percent of the gross amount of the dividends if a US holder (it must be a corporate) holds directly at least 10 percent of the voting stock of AngloGold Ashanti. In all other cases, the maximum tax rate under the Treaty is 15 percent of the gross amount of the dividend. There are different rules to consider if the beneficial owner of the dividends is a US resident who carries on business in South Africa through a permanent establishment situated in South Africa, or performs in South Africa independent personal services from a fixed base situated in South Africa, and the dividends are attributable to such permanent establishment or fixed base. Moreover, if the dividends tax rate is reduced under the auspices of an applicable double tax treaty, there are certain South African compliance requirements that must be met in order to access the double tax treaty relief.

**8B. SIGNIFICANT CHANGES**

Refer Item 18 Financial Statements Note 39 Subsequent Events .

**ITEM 9: THE OFFER AND LISTING****9A. OFFER AND LISTING DETAILS**

The following table sets out, for the periods indicated, the reported high and low market quotations for AngloGold Ashanti's ordinary shares on the JSE and for its sponsored ADSs on the NYSE:

Year ended 31 December	JSE	Low	NYSE <sup>(1)</sup>	Low
	High		High	
	(South African cents per ordinary share)		(US dollars per ADS)	
<b>Annual information</b>				
2010	36,631	26,640	52.86	34.11
2011	39,182	27,333	51.69	38.97
2012	36,500	25,199	47.17	29.51
2013	27,048	11,401	31.88	11.14
2014	20,952	8,836	19.53	7.45
<b>2013</b>				
First quarter	27,048	21,031	31.88	23.08
Second quarter	21,796	13,075	23.55	13.08
Third quarter	15,478	11,401	15.23	11.62
Fourth quarter	16,524	11,545	16.49	11.14
<b>2014</b>				
First quarter	20,952	12,187	19.53	11.36
Second quarter	19,599	15,779	18.79	15.32
Third quarter	20,005	13,360	18.69	11.95
Fourth quarter	13,659	8,836	12.22	7.45
September 2014	18,395	13,360	16.88	11.95
October 2014	13,659	8,916	12.22	8.07
November 2014	11,282	9,382	10.32	8.40
December 2014	10,490	8,836	9.44	7.45
January 2015	13,899	9,838	12.38	8.41
February 2015	14,999	12,482	13.12	11.07
March 2015 <sup>(2)</sup>	13,470	10,470	11.37	8.44

<sup>(1)</sup> Each ADS represents one ordinary share.

<sup>(2)</sup> Through 23 March 2015.

See Item 7A.: Major shareholders for the number of ADSs outstanding at 31 December 2014.

**9B. PLAN OF DISTRIBUTION**

Not applicable.

**9C. MARKETS**

**NATURE OF TRADING MARKET**

The principal trading markets for AngloGold Ashanti's ordinary shares are the New York Stock Exchange, in the form of ADSs, under the symbol "AU" and the JSE Limited, in the form of ordinary shares, under the symbol "ANG".

AngloGold Ashanti's ordinary shares are also listed on the Ghana Stock Exchange under the symbol "AGA", the Australian Securities Exchange, in the form of Chess Depositary Interests (each representing one-fifth of an ordinary share) under the symbol "AGG" and on the Ghana Stock Exchange, in the form of Ghanaian Depositary Shares or GhDSs (each representing one one-hundredth of an ordinary share) under the symbol "AADS". In September 2014 the company delisted from the London Stock Exchange and terminated the related depositary interest programme with effect from 15 October 2014.

**9D. SELLING SHAREHOLDERS**

Not applicable.

**9E. DILUTION**

Not applicable.

**9F. EXPENSES OF THE ISSUE**

Not applicable.

**ITEM 10: ADDITIONAL INFORMATION****10A. SHARE CAPITAL****Authorised and Issued Shares**

At the annual general meeting of shareholders held on 15 May 2009, shareholders approved an increase in the company's authorised ordinary share capital. AngloGold Ashanti's authorised and issued share capital as of 31 December 2014 and 23 March 2015 (being the latest practicable date prior to the publication of this document) is set out below:

Title of Class	Authorised	Issued	
		23 March 2015	31 December 2014
Ordinary shares at par value of R0.25 each	600,000,000	404,436,403	404,010,360
E ordinary shares at par value of R0.25 each	4,280,000	-	-
A redeemable preference shares at par value of R0.50 each	2,000,000	2,000,000	2,000,000
B redeemable preference shares at par value of R0.01 each	5,000,000	778,896	778,896

All of the issued ordinary shares, E ordinary shares, A redeemable preference shares and B redeemable preference shares are fully paid and are not subject to further calls or assessment by AngloGold Ashanti.

The table below details changes in the issued ordinary share capital of AngloGold Ashanti since 31 December 2011 through 31 December 2014.

Period to	Description	Number of Shares
31 December 2011		382,242,343
Ordinary shares issued during 2012	AngloGold Share Incentive Scheme Employee Share ownership programme on conversion of E ordinary shares	945,641 132,978
31 December 2012		383,320,962
Ordinary shares issued during 2013	AngloGold Share Incentive Scheme Employee Share ownership programme on conversion of E ordinary shares Conversion of Mandatory Convertible Bond issued in 2010, matured on 15 September 2013	930,743 236,701 18,140,000
31 December 2013		402,628,406
Ordinary shares issued during 2014	AngloGold Share Incentive Scheme Employee Share ownership programme on conversion of E ordinary shares	304,032 1,077,922
<b>31 December 2014</b>		<b>404,010,360</b>

**A and B Redeemable Preference shares**

All of the A redeemable preference shares and B redeemable preference shares are held by Eastvaal Gold Holdings Limited, AngloGold Ashanti's wholly-owned subsidiary. AngloGold Ashanti's Memorandum of Incorporation provide that the A redeemable preference shares and B redeemable preference shares are not transferable.



**E ordinary shares**

On 11 December 2006, shareholders in general meeting authorised the creation of a maximum of 4,280,000 E ordinary shares to be issued pursuant to an Employee Share Ownership Plan (ESOP) and a black economic empowerment transaction with Izingwe Holdings (Pty) Limited (Izingwe) (collectively, the BEE transaction). The E ordinary shares will not be listed.

All the E ordinary shares have vested and were cancelled in exchange for ordinary shares in accordance with the amended cancellation formula during the 2014 financial year. There are as at 31 December 2014 no E ordinary shares in issue. A Special Resolution to cancel the E ordinary shares is being proposed to the shareholders at the Annual General Meeting on 6 May 2015.

The table below details changes in the E-ordinary issued share capital of AngloGold Ashanti since 31 December 2011 through 31 December 2014.

Period to	Description	Number of Shares
31 December 2011		2,582,962
2012 E-ordinary shares movement	Cancelled and exchanged for ordinary shares in accordance with the cancellation formula	(965,210)
31 December 2012		1,617,752
2013 E-ordinary shares movement	Cancelled and exchanged for ordinary shares in accordance with the cancellation formula	(905,746)
31 December 2013		712,006
2014 E-ordinary shares movement	Cancelled and exchanged for ordinary shares in accordance with the cancellation formula	(712,006)
<b>31 December 2014</b>		<b>-</b>

**Unissued shares**

In terms of a general authority from shareholders in annual general meeting, granted on 14 May 2014, the directors of the Company are authorised to allot and issue, for such purposes and on such terms as they may, in their discretion, determine, ordinary shares of 25 SA cents each (shares) in the authorised but unissued share capital of the Company up to a maximum of 5 percent of the number of shares in issue from time to time. The directors annually seek renewal of such authority at the annual general meeting, and the next renewal will be requested at the annual general meeting to be held on 6 May 2015.

Authorised but unissued ordinary Shares under the control of the directors amounting to 5 percent of Issued shares from time to time	20,200,518
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Authorised but unissued ordinary shares attributable to the share incentive scheme (balance of 17,000,000 total scheme allocation pursuant to shares issued from 15 October 2008)	11,099,761
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## **10B. MEMORANDUM OF INCORPORATION**

On 1 May 2011, the South African Companies Act 71 of 2008 (as amended) (the Act) came into effect. In terms of the Act, companies were granted a two year period to amend their constitutional documents (previously referred to as the Memorandum and Articles of Association, but known under the Act as a Memorandum of Incorporation (MoI)), in order to harmonise such constitutional documents with the Act or adopt a new MoI. At a general meeting held on 27 March 2013, shareholders voted to adopt a new MoI for AngloGold Ashanti (which was subsequently amended by special resolution of shareholders passed at the annual general meeting held on 14 May 2014).

At the Annual General Meeting, AngloGold Ashanti is seeking approval from the shareholders to cancel, and remove from its authorized share capital, the E Ordinary shares in their entirety, the reason being that the BEE transaction, in terms of which the E Ordinary shares were held, reached its full period and all the E ordinary shares were exchanged for ordinary shares during November 2014. As at 31 December 2014, no E ordinary shares were in issue.

## **REGISTRATION**

AngloGold Ashanti is incorporated under the laws of the Republic of South Africa and registered with the Companies and Intellectual Property Commission under registration number 1944/017354/06. The Act has abolished the requirement for specific object and purpose provisions to be included in an MoI and although the new MoI is now silent on the matter, the company continues to carry on as its main business, gold exploration, the mining and production of gold, the manufacturing, marketing and selling of gold products and the development of markets for gold.

AngloGold Ashanti's MoI is available for inspection as set out in Item 10H.: Documents on Display and a summary of pertinent provisions, including rights of the holders of shares in AngloGold Ashanti, are set out below.

This summary does not contain all the information pertaining to the rights of holders of AngloGold Ashanti's ordinary shares and is qualified in its entirety by reference to the laws of South Africa and AngloGold Ashanti's governing corporate documents. As well as being governed by the provisions of the MoI, the rights of holders of AngloGold Ashanti's ordinary shares are governed by the JSE Listings Requirements, the Act and the Companies Regulations, 2011, promulgated under the Act (Regulations), which include the Takeover Regulations. Further, the rights of holders of AngloGold Ashanti ADSs are governed by the Deposit Agreement between AngloGold Ashanti and The Bank of New York Mellon. See Item 10C: Material Contracts The Deposit Agreement .

The Act provides that shares will no longer have a par or nominal value and hence no new shares having a nominal or par value may be authorised. However any shares which have a nominal or par value authorised prior to the effective date of the Act continue to have that nominal or par value and can be issued as such for so long as there are par value shares in the company's authorised share capital.

## **DIRECTORS**

The management and control of any business of AngloGold Ashanti is vested in the board of directors (board). The authority of the board to manage and direct the business and affairs of the company is not limited, restricted or qualified by the MoI.

### ***Appointment and Retirement of Directors***

The shareholders of the company have the power to elect the directors, and shareholders are also entitled to elect one or more alternate directors, in accordance with the provisions of the MoI.

The board of directors may appoint any person who satisfies the requirements for election as a director to fill any vacancy and serve as a director on a temporary basis until the vacancy is filled by election by shareholders entitled to exercise voting rights in such an election.

The MoI authorises the chairman of the board, subject to the written approval of the majority of the directors, to appoint any person as a director provided that such appointment is approved by shareholders at the next shareholders' meeting or annual general meeting.

At every annual general meeting one-third of the non- executive directors will retire by rotation, or if their number is not a multiple of three, then the number nearest to but not less than one third. The directors so to retire at every annual general meeting will be those who have been the longest in office since their last election. Directors retiring by rotation are eligible for re-election. Directors who voluntarily decide not to make themselves available for re-election may be counted towards the one-third of directors required to retire at the relevant annual general meeting.

The MoI contains no provision for directors to hold qualification shares. The MoI does not impose an age limit for the retirement of directors.

#### ***Remuneration***

In accordance with the Act, the MoI provides that the directors are entitled to such remuneration for their services as directors as AngloGold Ashanti's shareholders may approve by special resolution in a general meeting or annual general meeting within the previous two years of the date of payment of such remuneration. If a director is employed in any other capacity, or holds an executive office or performs services that, in the opinion of the board, are outside the scope of the ordinary duties of a director, he may be paid such additional remuneration as a disinterested quorum of directors may reasonably determine.

#### ***Interests of Directors and Restriction on Voting***

Although the interests of directors are not dealt with in the MoI, the provisions of the Act in this regard are unalterable and will automatically apply, together with the applicable common law. Under the Act, the procedures to deal with the personal financial interests of directors also apply to prescribed officers (i.e. persons who exercise general executive control over and management of the whole, or a significant portion, of the business and activities of the company or regularly participate to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company, irrespective of the office held or function performed by such persons) and any person who is a member of a committee of the board of the company, whether or not that person is also a member of the company's board. The Act provides that a director or such other person with a personal financial interest must disclose this to the board and cannot vote on or, after having made the disclosures to the meeting as prescribed by the Act, remain present during the meeting when the matter in which he has interest is being discussed but will be counted as present for the purposes of a quorum.

#### ***Share Rights, Preferences and Restrictions***

##### ***Allotment and Issue of Ordinary Shares***

Subject to the JSE Listings Requirements, the Act and/or with approval of shareholders in general meeting, unissued ordinary shares must be offered to existing ordinary shareholders, pro rata to their shareholdings, unless they are issued for the acquisition of assets. The shareholders in general meeting may authorise the AngloGold Ashanti board to issue any unissued ordinary shares as the AngloGold Ashanti board in their discretion think fit.

##### ***Dividends, Rights and Distributions***

The ordinary shares participate fully in all dividends, other distributions and entitlements as and when declared by AngloGold Ashanti in respect of fully paid ordinary shares. Under South African law, AngloGold Ashanti may declare and pay dividends, subject to the company satisfying the solvency and liquidity test as provided by the Act and the board passing a resolution acknowledging that such test has been applied and has reasonably concluded that the company would satisfy such test immediately after completing the distribution. Dividends are payable to shareholders registered at a record date after the date of declaration of the dividend.

Although not stated in the MoI, dividends may be declared in any currency at the discretion of the board. Currently, dividends are declared in and paid in South African rands, and also paid in Australian dollars, Ghanaian cedis or United Kingdom pounds. Registered holders of AngloGold Ashanti ADSs are paid dividends in US dollars by The Bank of New York Mellon as depositary, in accordance with the Deposit Agreement. See Item 10C: Material Contracts – The Deposit Agreement .

Holders of E ordinary shares would be entitled to receive a dividend equal to 50 percent of the dividend per ordinary share and the residual 50 percent of the dividend would be offset against the loan value of the E ordinary shares. As previously indicated, no E ordinary shares are currently in issue and it is being proposed that the authorised E ordinary shares be cancelled.

The holder of the B preference shares is entitled to an annual dividend amounting to the lesser of five percent of the issue price of the B preference shares, or an amount equivalent to the balance of the after-tax profits from income derived from mining the Moab Lease Area (which is part of the Vaal River operations in South Africa) as determined by the directors in each financial year. This annual dividend is a first charge on any profit available for distribution from the Moab Lease Area. The annual dividend is not payable from any of AngloGold Ashanti's other profits.

The holder of the A preference shares is entitled to an annual dividend equivalent to the balance of the after-tax profits from income derived from mining the Moab Lease Area as determined by AngloGold Ashanti's directors in each financial year, only once the annual dividend on the B preference shares has been paid in full.

Although not stated in the MoI, but subject to the JSE Listings Requirements, any dividend may be paid and satisfied, either wholly or in part, by the distribution of specific assets, or in paid-up securities of AngloGold Ashanti or of any other company, or in cash, or in any one or more of such ways as the directors may at the time of declaring the dividend determine and direct.

All dividends remaining unclaimed for a period of not less than three years from the date on which they became payable, may, by a resolution of the directors, become forfeited for the benefit of the company.

### ***Voting Rights***

Each ordinary share confers the right to vote at all general meetings. Each holder present in person or by proxy or, in the case of a corporate entity, represented, has one vote on a show of hands. If a poll is held, holders present or any duly appointed proxy will have one vote for each ordinary share held. A holder of ordinary shares is entitled to appoint a proxy to attend, speak and vote at any meeting on his or her behalf and the proxy need not be a shareholder. Holders of ADSs are not entitled to vote in person at meetings, but may vote by way of proxy through The Bank of New York Mellon as the ADS issuer. Holders of CDIs and GhDSs are not entitled to vote in person or by proxy at meetings, but may vote by instructing Chess Depository Nominees and NTHC Limited as depository, respectively, how to vote their shares.

There are no limitations on the right of non-South African registered shareholders to hold or exercise voting rights attaching to any of the ordinary shares.

As indicated above, it is being proposed that shareholders approve the cancellation of the E ordinary shares at the Annual General Meeting of AngloGold Ashanti on 6 May 2015, following which the E ordinary shares shall be removed from the authorised share capital of AngloGold Ashanti. Although no E ordinary shares are currently in issue, the voting rights attaching the E ordinary shares are as follows:

Holders of E ordinary shares would have the right to vote at all general meetings and would be entitled to appoint a proxy to attend, speak and vote at any meeting on their behalf and the proxy didn't need to be a shareholder. To the extent that holders of E ordinary shares will not be entitled to veto any resolution that would otherwise have been capable of being passed or not by the required majority of votes of holders of ordinary shares and subject to the JSE Listings Requirements holders of E ordinary shares was not to be counted for categorisation purposes in terms of section 9 of the JSE Listings Requirements. These limitations on the E ordinary shares were a function of shareholder approval and the JSE Listings Requirements.

The A redeemable preference shares have similar voting rights to those of ordinary shares. The B redeemable preference shares have limited voting rights, except in the event that a dividend on this class of share has not been paid and remains unpaid for six months, or in connection with resolutions directly affecting these preference shares or in limited circumstances affecting AngloGold Ashanti as a whole, such as disposal of substantially all of the company's assets, winding up AngloGold Ashanti or reducing the company's share capital.

At any meeting of AngloGold Ashanti at which the holders of the ordinary shares, A redeemable preference shares, and B redeemable preference shares are present and entitled to vote on a poll, each holder of the A redeemable preference shares shall be entitled to 50 votes for every A redeemable preference share held, each holder of the ordinary shares is entitled to 50 votes for every ordinary share held and each holder of the B redeemable preference shares is entitled to one vote for every B redeemable preference share held.

The MoI specifies that the rights relating to any class of shares may be modified or abrogated with the sanction of a resolution passed as if it were a special resolution of the holders of shares in that class at a separate general meeting. The MoI also specifies that the holders of the A and B preference shares may provide written consents to the modification of their rights.

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### ***Increase and Reduction of Capital***

The company is authorised to issue the shares specified in the MoI and all such shares are required to be issued as fully paid up in accordance with the applicable approval and/or other requirements of the JSE Listings Requirements.

The directors are authorised, subject to any requirements of the JSE Listings Requirements and the MoI, to increase or decrease the number of authorised shares of any class of shares, reclassify any shares that have been authorised but not issued, classify any unclassified shares that have been authorised but not issued, and determine the preferences, rights, limitations or other terms of any class of authorised shares or amend any preferences, rights, limitations or other terms as determined. However, such capital amendments require an amendment to the MoI and the JSE Listings Requirements currently does not allow the MoI to be amended to give effect to such capital amendments, without the approval of ordinary shareholders by special resolution.

### ***Rights Upon Liquidation***

In the event of the winding up of AngloGold Ashanti:

the B redeemable preference shares confer the right, in priority to any payment in respect of the ordinary shares or the A preference shares in the capital of AngloGold Ashanti, to receive only so much of the net proceeds from the disposal of the assets relating to the Moab Lease Area as is available for distribution, but not exceeding a return for each B redeemable preference share of the capital paid up on that share and any share premium paid on the issue of the B redeemable preference shares outstanding at that time;

the A redeemable preference shares confer the right, in priority to any payment in respect of the ordinary shares but after any payment in respect of the B preference shares, to receive only so much of the net proceeds from the disposal of the assets relating to the Moab Lease Area as is then available for distribution;

the A redeemable preference and B redeemable preference shares do not confer the right to participation in the surplus funds of AngloGold Ashanti arising in any other manner; and

the ordinary shares confer the right to participate equally in any surplus arising from the liquidation of all other assets of AngloGold Ashanti.

This applied equally to the E ordinary shares.

### ***Redemption Provisions***

The A redeemable preference shares may be redeemed for their nominal value, plus a premium per share of an amount equal to the net proceeds available from the disposal of the assets relating to the Moab Lease Area, after redemption in full of the B preference shares and payment of the nominal value of the A preference shares, divided by 2,000,000.

The B redeemable preference shares may be redeemed for their nominal value, plus a premium of up to R249.99 per share, but limited to an amount equal to the net proceeds available from the disposal of the assets relating to the Moab Lease Area after payment of the nominal value of the B preference shares.

### ***Shareholders meetings***

The directors may convene meetings of AngloGold Ashanti shareholders. Subject to the provisions of the Companies Act, the shareholders may requisition for the convening of a meeting.

Notice of each AngloGold Ashanti annual general meeting and general meeting of AngloGold Ashanti shareholders must be delivered at least 15 business days before that shareholders meeting is to begin. In accordance with the Act, business days are calculated by excluding the first day, including the last day and excluding Saturdays, Sundays and any public holiday in the Republic of South Africa. In terms of the MoI, all shareholders are entitled to attend shareholders meetings.

In the case of a class meeting of the A or B preference shares, the sole holder of such shares shall constitute a quorum. Save as aforesaid, the quorum of a shareholders meeting to begin is sufficient persons present, in person or by proxy, at the meeting to exercise, in aggregate, at least 25 percent of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting and a quorum must remain present for the continuation of that shareholders meeting, provided that at least three shareholders must be present at the meeting. Such quorum requirement also applies for the consideration of any matter to be decided at the meeting. If the meeting is not quorate within 30 minutes after the appointed time for the meeting to begin (or such longer or shorter period as the chairperson may determine), it will be postponed, without motion, vote or further notice, for 1 week and the shareholders present, in person or by proxy, at the postponed meeting will constitute a quorum. For an ordinary resolution to be approved by shareholders, it must be supported by more than 50 percent of the voting rights exercised on the resolution. For a special resolution to be approved by shareholders, it must be supported by at least 75 percent of the voting rights exercised on the resolution.



### **Disclosure of Interest in Shares**

Under South African law, a person must notify AngloGold Ashanti within three business days after that person acquires a beneficial interest in sufficient securities of a class issued by AngloGold Ashanti such that, as a result of the acquisition, the person holds a beneficial interest in securities amounting to 5 percent, 10 percent, 15 percent or any further whole multiple of 5 percent of the issued securities of that class or disposes of any beneficial interest in sufficient securities of a class issued by AngloGold Ashanti such that the result of the disposition the person no longer holds a beneficial interest in securities amounting to a particular multiple of 5 percent of issued securities of that class. When AngloGold Ashanti has received the notice referred to above it must file a copy with the Takeover Regulation Panel and report the information to holders of the relevant class of securities unless the notice concerned a disposition of less than 1 percent of the class of securities.

If the securities of AngloGold Ashanti are registered in the name of a person who is not the holder of the beneficial interest in all of the securities in AngloGold Ashanti held by that person, that registered holder of the securities must disclose the identity of the person on whose behalf that security is held and the identity of each person with a beneficial interest in securities so held, the number and the class of securities held for each such person with a beneficial interest and the extent of each such beneficial interest. This information must be disclosed in writing to the company within five business days after the end of every month during which a change has occurred in the information or more promptly or frequently to the extent so provided by the requirements of a Central Securities Depository. A company that knows or has reasonable cause to believe that any of its securities are held by one person for the beneficial interest of another may by notice in writing require either of those persons to confirm or deny that fact, provide particulars of the extent of the beneficial interest held during the three years preceding the date of the notice and disclose the identity of each person with a beneficial interest in the securities held by that person, which information must be provided within 10 business days of the receipt of the notice.

AngloGold Ashanti is obligated to establish and maintain a register of the disclosures described above and to publish in its annual financial statements a list of the persons who hold beneficial interests equal to or in excess of 5 percent of the total number of ordinary shares issued by AngloGold Ashanti together with the extent of those beneficial interests.

### **Rights of Minority Shareholders**

Majority shareholders of South African companies have no fiduciary obligations under South African common law to minority shareholders. However, under the Companies Act, a shareholder may, under certain circumstances, seek relief from the court if he has been unfairly prejudiced by the company. There may also be personal and derivative actions available to a shareholder of a company.

Pursuant to the Act, a shareholder may petition a South African court for relief from the actions or omissions or, business conduct of the company or the actions of the company's directors or officers that is oppressive or unfairly prejudicial to, or unfairly disregards the interest of the shareholder. In addition, a shareholder who voted against a resolution to amend the company's MoI, or to approve a fundamental transaction, (and complied with other requirements set out in the Act) may exercise its appraisal right to demand that the company pay to it the fair value for all the shares of the company held by that shareholder.

### **Description of ADSs**

The Bank of New York Mellon issues AngloGold Ashanti's American Depositary Shares, or ADSs. Please see Item 10C: Material Contracts .

**10C. MATERIAL CONTRACTS****Revolving Credit Facilities*****General***

On 17 July 2014, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Incorporated, as borrowers, entered into a credit agreement (the US\$ Revolving Credit Agreement) with The Bank of Nova Scotia, as facility agent, and certain financial institutions party thereto as lenders. The US\$ Revolving Credit Agreement provides for a \$1.0 billion revolving credit facility (the US\$ Revolving Credit Facility) available for drawing in US dollars. As of 23 March 2015, we have drawn \$100 million under the US\$ Revolving Credit Facility.

On 25 July 2014, AngloGold Ashanti Australia Limited entered into a credit agreement (the A\$ Revolving Credit Agreement), as borrower with Commonwealth Bank of Australia, as facility agent, and certain financial institutions party thereto as lenders. The A\$ Revolving Credit Agreement provides for a A\$0.5 billion revolving credit facility (the A\$ Revolving Credit Facility) available for drawing in Australian dollars. As of 23 March 2015, we have drawn A\$275 million under the A\$ Revolving Credit Facility.

On 3 December 2013, AngloGold Ashanti Limited entered into a credit agreement (the ZAR Revolving Credit Agreement), as borrower with Nedbank Limited as facility agent who in conjunction with ABSA Bank Limited constitute the lenders. This ZAR Revolving Credit Agreement was subsequently amended on 9 September 2014 to align it with both the US\$ and A\$ Revolving Credit Agreements. The ZAR Revolving Credit Agreement provides for a ZAR 1.5 billion revolving credit facility (the ZAR Revolving Credit Facility) available for drawing in South African Rands. As of 23 March 2015, we have drawn ZAR992 million under the ZAR Revolving Credit Facility.

***Guarantees***

The US\$ Revolving Credit Facility is guaranteed by AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Incorporated. The obligations of AngloGold Ashanti USA Incorporated, in its capacity as a guarantor, are subject to certain limitations set forth in the US\$ Revolving Credit Agreement in order to comply with applicable U.S. laws. The guarantees constitute unconditional obligations of the guarantors and rank at least pari passu with all other future unsecured obligations of the guarantors, except for obligations mandatorily preferred by law.

The A\$ Revolving Credit Facility is guaranteed by AngloGold Ashanti Limited and AngloGold Ashanti Holdings plc. The guarantees constitute unconditional obligations of the guarantors and rank at least pari passu with all other future unsecured obligations of the guarantors, except for obligations mandatorily preferred by law.

***Security***

The obligations under all the Revolving Credit Agreements are unsecured.

***Amount and repayment of borrowings***

Loans under the US\$ Revolving Credit Facility must be for a minimum of \$10 million (or for the balance of the undrawn total commitments at the time of the drawing), and no more than 1 loan may be outstanding at any time. Each loan must be repaid on the last day of the loan's interest period, which can be a period of one, two, three or six months or any other period agreed by AngloGold Ashanti Holdings plc, in its capacity as obligor agent, and the lenders. All loans must be repaid in full on the final maturity date. The final maturity date is 17 July 2019.

Loans under the A\$ Revolving Credit Facility must be for a minimum of A\$10 million (or for the balance of the undrawn total commitments at the time of the drawing), and no more than 10 loans may be outstanding at any time. Each loan must be repaid on the last day of the loan's interest period, which can be a period of one, two, three or six months or any other period agreed by AngloGold Ashanti Australia Limited. All loans must be repaid in full on the final maturity date. The final maturity date is 25 July 2019.

Loans under the ZAR Revolving Credit Facility must be for a minimum of ZAR 100 million (or for the balance of the undrawn total commitments at the time of the drawing), and no more than 14 loans may be outstanding at any time. Each loan must be repaid on the last day of the loan's interest period, which can be a period of one, two, three or six months or any other period agreed by AngloGold Ashanti Limited. All loans must be repaid in full on the final maturity date. The final maturity date is 3 December 2018.



***Interest rates and fees***

The annual interest rate on loans drawn under the US\$ Revolving Credit Facility is calculated based on LIBOR, plus a margin that varies between 0.95 percent and 2.20 percent per annum depending on the long-term debt rating of AngloGold Ashanti Limited, and certain mandatory costs. Interest on loans is payable on the last day of the loan's interest period and, if the interest period exceeds six months, on the dates falling at six month intervals after the day the loan was made.

The annual interest rate on loans drawn under the A\$ Revolving Credit Facility is calculated based on BBSY, plus a margin that varies between 1.50 percent and 2.50 percent per annum depending on the long-term debt rating of AngloGold Ashanti Limited, and certain mandatory costs. Interest on loans is payable on the last day of the loan's interest period and, if the interest period exceeds six months, on the dates falling at six month intervals after the day the loan was made.

The annual interest rate on loans drawn under the ZAR Revolving Credit Facility is calculated based on JIBAR, plus a margin of 1.20 percent per annum and certain mandatory costs. Interest on loans is payable on the last day of the loan's interest period and, if the interest period exceeds six months, on the dates falling at six month intervals after the day the loan was made.

The borrowers under the US\$ Revolving Credit Facility are required to pay a commitment fee equal to 35 percent of the then applicable margin per annum on the undrawn and uncanceled amount of each lender's commitment during the commitment period. The borrowers are also required to pay a utilisation fee of 0.15 percent per annum (if the aggregate outstanding loans are less than one third of the total commitments then in effect), 0.30 percent per annum (if the aggregate outstanding loans are equal to or greater than one third but less than two thirds of the total commitments then in effect) or 0.45 percent per annum (if the aggregate outstanding loans are equal to or greater than two thirds of the total commitments then in effect).

The borrower under the A\$ Revolving Credit Facility is required to pay a commitment fee equal to 50 percent of the then applicable margin per annum on the undrawn and uncanceled amount of each lender's commitment during the commitment period.

The borrower under the ZAR Revolving Credit Facility is required to pay a commitment fee equal to 0.45 percent of the undrawn and uncanceled amount of each lender's commitment during the commitment period. The borrowers are also required to pay a utilisation fee of 0.20 percent per annum (if the aggregate outstanding loans are less than one third of the total commitments then in effect), 0.40 percent per annum (if the aggregate outstanding loans are equal to or greater than one third but less than two thirds of the total commitments then in effect) or 0.60 percent per annum (if the aggregate outstanding loans are equal to or greater than two thirds of the total commitments then in effect).

***Financial covenant applicable to all Revolving Credit Facilities (RCF)***

The Revolving Credit Agreements include a financial maintenance covenant which requires that the ratio of Total Net Financial Indebtedness to EBITDA (as such terms are defined in the Revolving Credit Agreements) does not at any time exceed 3.50 to 1.00, with the proviso that this ratio may exceed 3.50 to 1.00 once during the life of the Revolving Credit Agreement, for one six month period subject to certain criteria. Refer Item 18: note 38 "Capital Management" for the formulae used in terms of the RCF's to test compliance with the covenants.

***Change of control***

If a lender so requires, the commitment of such lender under a Revolving Credit Agreement will be cancelled and the participation of such lender in all outstanding loans, together with accrued interest and all other amounts accrued, will become immediately due and payable in case any person or group of persons acting in concert becomes (directly or indirectly) the beneficial owner of more than 50 percent of the issued share capital of AngloGold Ashanti Limited.

***Undertakings applicable to all Revolving Credit Agreements***

The Revolving Credit Agreements contain negative pledge covenants, including restrictions on the granting of security, a change of business of AngloGold Ashanti Limited and its subsidiaries, acquisitions or participations in joint ventures and mergers and disposals.

The Revolving Credit Agreements also contain, among others, the following affirmative covenants: mandatory periodic reporting of financial and other information, notice upon the occurrence of events of default and certain other events, compliance with environmental laws, and other obligations requiring each of AngloGold Ashanti Limited and its subsidiaries to maintain its corporate existence and qualifications to conduct its business as currently conducted in all applicable jurisdictions and to maintain insurance coverage.

The covenants are subject to exceptions and materiality thresholds.



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***Events of default applicable to all Revolving Credit Agreements***

The Revolving Credit Agreements contain events of default including failure to make payment of amounts due, breach of obligations under the loan documents, defaults under other agreements evidencing indebtedness, certain bankruptcy events and a cessation of business, failure of any of the borrowers to be a wholly-owned subsidiary of AngloGold Ashanti Limited and the occurrence of a material adverse change in the business and financial condition of the borrowers and guarantors under the Revolving Credit Agreements, or AngloGold Ashanti and its subsidiaries as a whole, or in the ability of the borrowers and guarantors to perform their payment obligations under the loan documents. The occurrence of an event of default could result in the immediate and automatic cancellation of all commitments and the acceleration of all payment obligations under the Revolving Credit Agreements and the other loan documents.

The above description is only a summary of certain provisions of the Revolving Credit Agreements and is qualified in its entirety by reference to the provisions of the Revolving Credit Agreements, a copy of each is attached hereto as Exhibit 19.4.4 and is incorporated herein by reference.

**Notes**

***2013 Notes***

On 30 July, 2013, AngloGold Ashanti Holdings plc ( AGAH ), issued \$1,250 million 8.500% Notes due 2020 (the 2013 Notes ). The interest on the 2013 Notes is payable semi-annually on 15 January and 15 January of each year, commencing on 15 January, 2014. AGAH may on any one or more occasions redeem all or part of the 2013 Notes at a redemption price based on a make-whole premium. At any time and from time to time on or after 30 July 30, 2016, AGAH may redeem the 2013 Notes, in whole or in part, at redemption prices varying based on the period during which the redemption occurs. In addition, at any time and from time to time prior to 30 July, 2016, AGAH may redeem up to 35% of the original principal amount of the 2013 Notes with the net proceeds from certain equity offerings by AngloGold Ashanti Limited, at a price of 108.500% of the aggregate principal amount thereof, plus accrued and unpaid interest. AGAH has agreed to pay certain additional amounts in respect of any withholdings or deductions for certain types of taxes in certain jurisdictions on payments to holders of the 2013 Notes. The 2013 Notes are unsecured and unsubordinated and are fully and unconditionally guaranteed by AngloGold Ashanti Limited.

AGAH has agreed to observe certain covenants with respect to the 2013 Notes restricting, subject to certain limitations, the ability of AngloGold Ashanti Limited and AGAH to amalgamate, reconstruct, consolidate or merge with another company or other legal entity and the ability of AngloGold Ashanti Limited and its restricted subsidiaries to pledge certain of their respective material assets to secure certain borrowings, create or incur liens on certain of their material property, engage in sale and leaseback transactions and incur indebtedness. In case of a change of control of the guarantor and a rating downgrade, within a specified period, of the 2013 Notes by two rating agencies, holders of the 2013 Notes have the right to require the issuer to repurchase all or any part of their 2013 Notes in cash for a value equal to 101% of the aggregate principal amount of 2013 Notes repurchased, plus accrued and unpaid interest, if any, on the 2013 Notes repurchased to the date of purchase.

The offering of the 2013 Notes was registered under the Securities Act. The 2013 Notes were listed on the New York Stock Exchange.

***2012 Notes***

On 30 July, 2012, AGAH, issued \$750 million 5.125% Notes due 2022 (the 2012 Notes ). The interest on the 2012 Notes is payable semi-annually on 1 February and 1 August of each year, commencing on 1 February, 2013. AGAH may on any one or more occasions redeem all or part of the 2012 Notes, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2012 Notes to be redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the 2012 Notes (excluding any portion of such payments of interest accrued or unpaid as of the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate, plus 50 basis points, plus accrued and unpaid interest, if any, to the date of redemption. AGAH has agreed to pay certain additional amounts in respect of any withholdings or deductions for certain types of taxes in certain jurisdictions on payments to holders of the 2012 Notes. The 2012 Notes are unsecured and unsubordinated and are fully and unconditionally guaranteed by AngloGold Ashanti Limited.

AGAH has agreed to observe certain covenants with respect to the 2012 Notes restricting, subject to certain limitations, the ability of AngloGold Ashanti Limited and AGAH to amalgamate, reconstruct, consolidate or merge with another company or other legal entity, and the ability of AngloGold Ashanti Limited and its restricted subsidiaries to pledge their assets to secure certain borrowings, create or incur liens on certain of their property or to engage in sale and leaseback transactions. In case of a change of control of the guarantor and a downgrade, within a specified period, of the 2012 Notes below an investment grade rating by two rating agencies, holders of the 2012 Notes have the right to require the issuer to repurchase all or any part of their 2012 Notes in cash for a value equal to 101% of the aggregate principal amount of 2012 Notes repurchased, plus accrued and unpaid interest, if any, on the 2012 Notes repurchased to the date of purchase.

The offering of the 2012 Notes was registered under the Securities Act. The 2012 Notes were listed on the New York Stock Exchange.

### ***2010 Notes***

On 28 April, 2010, AGAH, issued \$700 million 5.375% Notes due 2020 and \$300 million 6.500% Notes due 2040 (together, the 2010 Notes). The interest on the 2010 Notes is payable semi-annually on 15 April and 15 October of each year, commencing on 15 October, 2010. AGAH may on any one or more occasions redeem all or part of the 2010 Notes, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2010 Notes to be redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the 2010 Notes (excluding any portion of such payments of interest accrued or unpaid as of the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate, plus 25 basis points with respect to the 2010 Notes maturing in 2020 and 30 basis points with respect to the 2010 Notes maturing in 2040, plus accrued and unpaid interest, if any, to the date of redemption. AGAH has agreed to pay certain additional amounts in respect of any withholdings or deductions for certain types of taxes in certain jurisdictions on payments to holders of the 2010 Notes. The 2010 Notes are unsecured and unsubordinated and are fully and unconditionally guaranteed by AngloGold Ashanti Limited.

AGAH has agreed to observe certain covenants with respect to the 2010 Notes restricting, subject to certain limitations, the ability of AngloGold Ashanti Limited and AGAH to amalgamate, reconstruct, consolidate or merge with another company or other legal entity, pledge its assets to secure certain borrowings and create or incur liens on its property. In case of a change of control of the guarantor and a downgrade, within a specified period, of a series of 2010 Notes below an investment grade rating by two rating agencies, holders of the 2010 Notes have the right to require the issuer to repurchase all or any part of their 2010 Notes in cash for a value equal to 101% of the aggregate principal amount of 2010 Notes repurchased, plus accrued and unpaid interest, if any, on the 2010 Notes repurchased to the date of purchase.

The offering of the 2010 Notes was registered under the Securities Act. The 2010 Notes were listed on the New York Stock Exchange.

For further information, see Note 27: Borrowings to our Annual Financial Statements included in Item 18 of this Annual Report, Item 5B.: Liquidity and Capital Resources and Item 19: Exhibits to Form 20-F.

### ***Description of AngloGold Ashanti ADSs***

The Bank of New York Mellon issues AngloGold Ashanti's American Depositary Shares, or ADSs. One ADS represents the ownership interest of one ordinary share of AngloGold Ashanti.

### ***The Deposit Agreement***

This section provides a summary description of AngloGold Ashanti's ADSs.

AngloGold Ashanti has entered into an Amended and Restated Deposit Agreement dated 3 June 2008 with The Bank of New York Mellon as depositary and the owners and beneficial owners of American Depositary Receipts (Deposit Agreement).

The following is a summary of the material provisions of the Deposit Agreement. For more complete information, read the entire Deposit Agreement and the Form of American Depositary Receipt, which AngloGold Ashanti has filed with the SEC as an exhibit to AngloGold Ashanti's registration statement on Form F-6/A (File No. 333-133049) on 27 May 2008. See Item 10.H.: Documents On Display. Copies of the Deposit Agreement are also available for inspection at the Corporate Trust Office of The Bank of New York Mellon currently located at 101 Barclay Street, New York, New York, 10286.

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### ***Description of the ADSs***

The Bank of New York Mellon, as depositary, will register and deliver ADSs. Each ADS will represent one ordinary share (or a right to receive one share) deposited with The Standard Bank of South Africa Limited, Société Générale South Africa Limited, FirstRand Bank Limited, National Australia Bank Limited of Australia and New Zealand Banking Group Limited, each as a custodian for The Bank of New York Mellon, and all of which are referred to collectively as the Custodian. Each ADS will also represent any other securities, cash or other property which may be held by The Bank of New York Mellon. The Bank of New York Mellon's Corporate Trust Office at which the ADSs will be administered is located at 101 Barclay Street, New York, New York 10286. The Bank of New York Mellon's principal executive office is located at One Wall Street, New York, New York 10286.

ADSs may be held either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in the holder's name, or (ii) by having ADSs registered in a holder's name in the Direct Registration System, or (B) indirectly by holding a security entitlement in ADSs through a broker or other financial institution. If ADSs are held directly, such holders are ADS holders. This description applies to AngloGold Ashanti's ADS holders. If ADSs are held indirectly, such holders must rely on the procedures of their broker or other financial institution to assert the rights of ADS registered holders described in this section. Such holders should consult with their broker or financial institution to find out what those procedures are.

The Direct Registration System, or DRS, is a system administered by DTC pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership will be evidenced by periodic statements sent by the depositary to the registered holders of uncertificated ADSs.

AngloGold Ashanti will not treat ADS holders as its shareholders and ADS holders do not have shareholder rights. South African law governs shareholder rights. The Bank of New York Mellon is the holder of the shares underlying the ADSs. Registered holders of ADSs have ADS holder rights. The Deposit Agreement sets out ADS holder rights as well as the rights and obligations of The Bank of New York Mellon. New York law governs the Deposit Agreement and the ADSs.

### ***Dividends and Other Distributions***

The Bank of New York Mellon has agreed to pay to holders of ADSs the cash dividends or other distributions it or a custodian receives on AngloGold Ashanti ordinary shares or other deposited securities after deducting any fees and expenses and any applicable withholding taxes. Holders of ADSs will receive these distributions in proportion to the number of AngloGold Ashanti's ordinary shares that their ADSs represent.

### ***Cash***

The Bank of New York Mellon will convert any cash dividend or other cash distribution (in South African rands) that AngloGold Ashanti pays on ordinary shares into US dollars (unless AngloGold Ashanti pays such dividend or cash distribution in US dollars) and distribute to registered holders of ADSs. If that is no longer possible or if any approval from any government is needed and cannot be obtained, The Bank of New York Mellon may distribute non-US currency only to those ADS holders to whom it is possible to make this type of distribution.

The Bank of New York Mellon may hold the non-US currency it cannot convert for the account of holders of ADSs who for one reason or the other have not been paid. It will not invest the non-US currency, and it will not be liable for interest on such amounts. Before making a distribution, any withholding taxes that must be paid will be deducted. See *Payment of Taxes* below. The Bank of New York Mellon will distribute only whole US dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when The Bank of New York Mellon cannot convert the non-US currency, holders of ADSs may lose some or all of the value of the distribution.

### ***Ordinary Shares***

The Bank of New York Mellon may distribute to holders of ADSs additional ADSs representing ordinary shares that AngloGold Ashanti distributes as a dividend or free distribution, if AngloGold Ashanti provides such distribution promptly with satisfactory evidence that it is legal to do so. If The Bank of New York Mellon does not distribute additional ADSs, the outstanding ADSs will also represent the newly distributed AngloGold Ashanti ordinary shares. The Bank of New York Mellon will only distribute whole ADSs. It will sell AngloGold Ashanti ordinary shares that would require it to deliver a fraction of an ADS and distribute the net proceeds in the same way as it distributes cash. The Bank of New York Mellon may sell a portion of the distributed shares sufficient to pay its fees and expenses in connection with that distribution.

### ***Rights to Subscribe for Additional Ordinary Shares***

If AngloGold Ashanti offers holders of its ordinary shares any rights to subscribe for additional AngloGold Ashanti ordinary shares or any other rights, The Bank of New York Mellon, after consultation with AngloGold Ashanti, may make these rights available to holders of ADSs or sell the rights and distribute the proceeds in the same way as it distributes cash. If The Bank of New York Mellon cannot do either of these things for any reason, it may allow these rights to lapse. In that case, holders of ADSs will receive no value for them.

If The Bank of New York Mellon makes these types of subscription rights available to holders of ADSs, upon instruction from holders of ADSs, it will exercise the rights and purchase AngloGold Ashanti's ordinary shares on their behalf. The Bank of New York Mellon will then deposit the AngloGold Ashanti ordinary shares and deliver ADSs to the holders of ADSs. It will only exercise these rights if holders of ADSs pay it the exercise price and any other charges the rights require them to pay.

US securities laws may restrict the sale, deposit, cancellation and transfer of the ADSs issued after the exercise of rights. For example, holders of ADSs may not be able to trade the ADSs freely in the United States. In this case, The Bank of New York Mellon may deliver ADSs which are restricted securities within the meaning of Rule 144 which will have the same provisions as the ADSs described here, except for the changes needed to put the restrictions in place.

### ***Other Distributions***

The Bank of New York Mellon will send to holders of ADSs any other distributions that AngloGold Ashanti makes on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, The Bank of New York Mellon may decide to sell what AngloGold Ashanti distributes, and then distribute the net proceeds in the same way as it distributes cash, or it may decide to hold what AngloGold Ashanti distributes, in which case the outstanding ADSs will also represent the newly distributed property. However, The Bank of New York Mellon is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from AngloGold Ashanti that it is legal to make that distribution. The Bank of New York Mellon may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution.

The Bank of New York Mellon is not responsible if, based on available information, it decides that it is unlawful or impractical to make a distribution available to any ADS holders. AngloGold Ashanti has no obligation to register ADSs, AngloGold Ashanti ordinary shares, rights or other securities under the US Securities Act of 1933. AngloGold Ashanti also has no obligation to take any other action to permit the distribution of ADSs, AngloGold Ashanti ordinary shares, or any other rights to ADS holders. This means that the holders of ADSs may not receive the distribution AngloGold Ashanti makes on its ordinary shares or any value for them if it is illegal or impractical for AngloGold Ashanti to make them available to the holders of ADSs.

### ***Deposit, Withdrawal and Cancellation***

The Bank of New York Mellon will deliver ADSs if a holder of AngloGold Ashanti's ordinary shares or their broker deposits AngloGold Ashanti's ordinary shares or evidence of rights to receive ordinary shares with the Custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, The Bank of New York Mellon will register the appropriate number of ADSs in the names such holder of AngloGold Ashanti ordinary shares requests and will deliver the ADSs at its Corporate Trust office to the persons such holders request.

Holders of ADSs may turn in their ADSs at The Bank of New York Mellon's Corporate Trust Office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, The Bank of New York Mellon will deliver (1) the underlying ordinary shares to an account designated by the relevant holder of ADSs and (2) any other deposited securities underlying the ADSs at the office of the Custodian, or, at the request, risk and expense of ADS holders, The Bank of New York Mellon will deliver the deposited securities at its Corporate Trust Office.

### ***Interchange Between Certificated ADSs and Uncertificated ADSs***

ADS registered holders may surrender their ADS to The Bank of New York Mellon for the purpose of exchanging such ADS for uncertificated ADSs. The Bank of New York Mellon will cancel that ADS and will send to the ADS registered holder a statement confirming that the ADS registered holder is the registered holder of uncertificated ADSs. Alternatively, upon receipt by The Bank of New York Mellon of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, The Bank of New York Mellon will execute and deliver to the ADS registered holder an ADS evidencing those ADSs.



***Voting Rights***

ADS registered holders may instruct The Bank of New York Mellon to vote the number of deposited shares their ADSs represent. The Bank of New York Mellon will notify ADS registered holders of shareholders meetings and arrange to deliver AngloGold Ashanti's voting materials to them if AngloGold Ashanti asks it to. Those materials will describe the matters to be voted on and explain how ADS registered holders may instruct The Bank of New York Mellon how to vote. For instructions to be valid, they must reach The Bank of New York Mellon by a date set by The Bank of New York Mellon.

Otherwise, ADS registered holders will not be able to exercise their right to vote unless they withdraw the shares. However, ADS registered holders may not know about the meeting sufficiently in advance to withdraw the shares.

The Bank of New York Mellon will try, as far as practical, to vote or to have its agents vote the ordinary shares or other deposited securities as holders of ADSs instruct, but this is subject to South African law, the provisions of AngloGold Ashanti's MoI and of the deposited securities and any applicable rule of the JSE. The Bank of New York Mellon will only vote or attempt to vote as such holders of ADSs instruct.

AngloGold Ashanti cannot assure the holders of ADSs that they will receive the voting materials in time for them to instruct The Bank of New York Mellon to vote their ordinary shares. In addition, The Bank of New York Mellon and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that holders of ADSs may not be able to exercise their right to vote and there may be nothing they can do if their ordinary shares are not voted as they requested.

***Fees and expenses***

***ADS holders must pay:***

\$5.00 (or less) per 100 ADSs

\$0.02 (or less) per ADS

Registration or transfer fees

\$0.02 (or less) per ADS per year

Expenses of The Bank of New York Mellon

Taxes and other governmental charges that The Bank of New York Mellon or any custodian has to pay on any ADS or AngloGold Ashanti ordinary share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes

A fee equivalent to the fee that would have been payable if the securities distributed had been ordinary shares deposited for issuance of

***For:***

Each issuance of an ADS, including as a result of a distribution of AngloGold Ashanti ordinary shares or rights or other property

Each cancellation of an ADS, including if the Deposit Agreement terminates

Any cash payment

Transfer and registration of AngloGold Ashanti ordinary shares on the AngloGold Ashanti share register to or from the name of The Bank of New York Mellon or its agent when AngloGold Ashanti ordinary shares are deposited or withdrawn

Depository services

Conversion of non-US currency to US dollars

Cable, telex and facsimile transmission expenses

Servicing the deposited securities

As necessary

Distribution of securities distributed to holders of deposited securities that are distributed by The Bank of New York Mellon to



ADSs

ADS holders

**Payment of Taxes**

Holders of ADSs will be responsible for any taxes or other governmental charges payable on their ADSs or on the deposited securities underlying their ADSs. The Bank of New York Mellon may refuse to transfer their ADSs or allow them to withdraw the deposited securities underlying their ADSs until such taxes or other charges are paid. It may apply payments owed to holders of ADSs or sell deposited securities underlying their ADSs to pay any taxes they owe, and they will remain liable for any deficiency. If the Bank of New York sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to holders of ADSs any proceeds, or send to them any property remaining after it has paid the taxes.

**Reclassifications**

***If AngloGold Ashanti:***

Reclassifies, splits up or consolidates any of the deposited securities;

Distributes securities on the ordinary shares that are not distributed to holders of ADSs; or

Recapitalises, reorganises, merges, liquidates, sells all or substantially all of AngloGold Ashanti's assets, or takes any similar action.

***Amendment and Termination***

AngloGold Ashanti may, for any reason, agree with The Bank of New York Mellon to amend the Deposit Agreement and the ADSs without the consent of holders. If the amendment increases fees or charges (except for taxes and other governmental charges or registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses) or if the amendment prejudices an important right of ADS holders, it will only become effective 30 days after The Bank of New York Mellon notifies holders of ADSs of the amendment. At the time an amendment becomes effective, holders of ADSs are considered, by continuing to hold their ADSs, to agree to the amendment and to be bound by the ADSs and the agreement as amended.

The Bank of New York Mellon may terminate the Deposit Agreement by mailing notice of termination to ADS holders at least 30 days prior to the date fixed in the notice if AngloGold Ashanti asks it to do so. The Bank of New York Mellon may also terminate the Deposit Agreement if The Bank of New York Mellon has told AngloGold Ashanti that it would like to resign and AngloGold Ashanti has not appointed a new depository bank within 90 days. In both cases, The Bank of New York Mellon must notify holders of AngloGold Ashanti ADSs at least 30 days before termination.

After termination, The Bank of New York Mellon and its agents will be required to do only the following under the Deposit Agreement: collect distributions on the deposited securities, sell rights, and, upon surrender of ADSs, deliver AngloGold Ashanti ordinary shares and other deposited securities. Four months after the date of termination or later, The Bank of New York Mellon may sell any remaining deposited securities by public or private sale and will hold the proceeds of the sale, as well as any other cash it is holding under the Deposit Agreement, for the pro rata benefit of the ADS holders who have not surrendered their ADSs. It will not invest the money and will have no liability for interest. The Bank of New York Mellon's only obligations will be to account for the proceeds of the sale and other cash. After termination, AngloGold Ashanti's only obligations will be with respect to indemnification of, and payment of certain amounts to, The Bank of New York Mellon.

***Then:***

The cash, ordinary shares or other securities received by The Bank of New York Mellon will become deposited securities. Each ADS will automatically represent its equal share of the new deposited securities.

The Bank of New York Mellon may, and will if AngloGold Ashanti asks it to, distribute some or all of the cash, AngloGold Ashanti ordinary shares or other securities it receives. It may also issue new ADSs or ask holders of ADSs to surrender their outstanding ADSs in exchange for new ADSs identifying the new deposited securities.

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***Limitations on Obligations and Liability to ADS Holders***

The Deposit Agreement expressly limits AngloGold Ashanti's obligations and the obligations of The Bank of New York Mellon, and limits AngloGold Ashanti's liability and the liability of The Bank of New York Mellon. AngloGold Ashanti and The Bank of New York Mellon:

are only obligated to take the actions specifically set forth in the Deposit Agreement without negligence or bad faith;  
are not liable if either of AngloGold Ashanti or The Bank of New York Mellon is prevented or delayed by law or circumstances beyond their control from performing their obligations under the Deposit Agreement;  
are not liable if either of AngloGold Ashanti or The Bank of New York Mellon exercises discretion permitted under the Deposit Agreement;  
are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the Deposit Agreement, or for any special, consequential or punitive damages for any breach of the terms of the Deposit Agreement;  
have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the Deposit Agreement on behalf of the holders of ADSs or on behalf of any other party;  
may rely on advice of or information from legal counsel, accountants, and any persons presenting AngloGold Ashanti's ordinary shares for deposit, any registered holder or any other person believed by AngloGold Ashanti in good faith to be competent to give such advice or information; and  
pursuant to the Deposit Agreement, AngloGold Ashanti and The Bank of New York Mellon agree to indemnify each other under certain circumstances.

***Requirements for Depositary Action***

Before The Bank of New York Mellon will issue, transfer or register the transfer of an ADS, make a distribution on an ADS, or allow withdrawal of AngloGold Ashanti ordinary shares, The Bank of New York Mellon may require:

payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities;  
production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and  
compliance with regulations it may establish, from time to time, consistent with the Deposit Agreement, including presentation of transfer documents.

The Bank of New York Mellon may refuse to deliver, transfer or register transfers of ADSs generally when the books of The Bank of New York Mellon or AngloGold Ashanti's books are closed, or at any time if either AngloGold Ashanti or The Bank of New York Mellon thinks it advisable to do so.

Holders of ADSs have the right to cancel their ADSs and withdraw the underlying ordinary shares at any time except:

when temporary delays arise because: (1) either AngloGold Ashanti or The Bank of New York Mellon have closed AngloGold Ashanti's transfer books; (2) the transfer of the ordinary shares is blocked in connection with voting at a general meeting of shareholders; or (3) AngloGold Ashanti is paying a dividend on the ordinary shares;  
when ADS holders seeking to withdraw the ordinary shares are liable for unpaid fees, taxes and similar charges; or  
when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of the ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the Deposit Agreement.

***Pre-release of ADSs***

In certain circumstances, subject to the provisions of the Deposit Agreement, The Bank of New York Mellon may deliver ADSs before deposit of the underlying ordinary shares. This is called a pre-release of the ADS.

The Bank of New York Mellon may also deliver AngloGold Ashanti ordinary shares upon cancellation of pre-released ADSs (even if the ADSs are cancelled before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying AngloGold Ashanti ordinary shares are delivered to The Bank of New York Mellon. The Bank of New York Mellon may receive ADSs instead of ordinary shares to close out a pre-release.

The Bank of New York Mellon may pre-release ADSs only under the following conditions:

before or at the time of the pre-release, the person to whom the pre-release is being made must represent to The Bank of New York Mellon in writing that it or its customer: (a) owns the ordinary shares or ADSs to be remitted, (b) assigns all beneficial rights, title and interest in such ADSs or ordinary shares, as the case may be, to The Bank of New York Mellon in its capacity as the depository and for the benefit of the ADS holders, and (c) will not take any action with respect to such ADSs or ordinary shares, as the case may be, that is consistent with the transfer of beneficial ownership (including, without the consent of The Bank of New York Mellon, disposing of such ADSs or ordinary shares, as the case may be) other than satisfaction of such pre-release;

the pre-release must be fully collateralized with cash, US government securities, or other collateral that The Bank of New York Mellon considers appropriate; and

the Bank of New York Mellon must be able to close out the pre-release on not more than five business days' notice. Each pre-release will be subject to any further indemnities and credit regulations that The Bank of New York Mellon deems appropriate. The Bank of New York Mellon will normally limit the number of AngloGold Ashanti ordinary shares not deposited but represented by ADSs outstanding at any time as a result of pre-release so that they do not exceed 30 percent of the ordinary shares deposited, although The Bank of New York Mellon may disregard this limit from time to time, if it thinks it is appropriate to do so.

***Direct Registration System***

In the Deposit Agreement, all parties to the Deposit Agreement acknowledge that the DRS and Profile Modification System, or Profile, will apply to uncertificated ADSs upon acceptance thereof to DRS by The Depository Trust Company, also referred to as DTC. DRS is the system administered by DTC pursuant to which the depository may register the ownership of uncertificated ADSs, which ownership will be evidenced by periodic statements sent by the depository to the registered holders of uncertificated ADSs. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of a registered holder of ADSs, to direct the depository to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depository of prior authorization from the ADS registered holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the Deposit Agreement understand that The Bank of New York Mellon will not verify, determine or otherwise ascertain that the DTC participant which is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the Deposit Agreement, the parties agree that The Bank of New York Mellon's reliance on and compliance with instructions received by The Bank of New York Mellon through the DRS/Profile System and in accordance with the Deposit Agreement will not constitute negligence or bad faith on the part of The Bank of New York Mellon.

***Shareholder Communications: Inspection of Register of Holders of ADSs***

The Bank of New York Mellon will make available for inspection at its office all communications that it receives from AngloGold Ashanti as a holder of deposited securities that AngloGold Ashanti makes generally available to holders of deposited securities. The Bank of New York Mellon sends copies of those communications if requested by AngloGold Ashanti. ADS holders have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to AngloGold Ashanti's business or the ADSs.

#### **10D. EXCHANGE CONTROLS**

##### **Exchange controls and other limitations affecting security holders**

The following is a general outline of South African exchange controls and such outline may not apply to former residents of South Africa. Investors should consult a professional advisor as to the exchange control implications of their particular investments.

South African law provides for exchange control regulations, which restrict the export of capital from the Common Monetary Area, which comprises South Africa, the Kingdoms of Lesotho and Swaziland and the Republic of Namibia. The exchange control regulations, which are administered by the Exchange Control Department of the South African Reserve Bank (SARB), are applied throughout the Common Monetary Area and regulate transactions (including capital flows into and out of the Common Monetary Area) involving South African residents, including natural persons and legal entities.

Government officials have from time to time stated their intentions to relax South Africa's exchange control regulations when economic conditions permit such action. In his budget speech in March 1998, the then Minister of Finance announced that restrictions relating to offshore investments by South African companies and individuals subject to South African exchange control would, to a limited extent, be lifted. Since then, the government has incrementally relaxed aspects of exchange control for financial institutions and individuals. However, it is impossible to predict with any certainty if and when the government will remove exchange controls in their entirety or how the controls may continue to change over time.

The comments below relate, in general, to exchange controls in place at the date of this annual report.

##### **Investments in South African companies**

A foreign investor may invest freely in ordinary shares in a South African company. Any foreign investor may also sell shares in a South African company and transfer the proceeds out of South Africa without restriction. Acquisitions of shares or assets of South African companies by non-South African purchasers are not generally subject to review and approval by the SARB when the consideration is in cash, but may require SARB review and approval in certain circumstances, including when the consideration is equity in a non-South African company or when the acquisition is financed by a loan from a South African lender.

##### **Dividends**

Dividends declared to foreign stockholders in public companies as listed on the Johannesburg Stock Exchange are not subject to the approval of the SARB. Dividends are freely transferable to foreign stockholders from both trading and non-trading profits earned in South Africa by publicly listed companies.

##### **Voting rights**

There are no limitations imposed by South African law or by the Memorandum of Incorporation of AngloGold Ashanti on the rights of non-South African shareholders to vote their ordinary shares.

##### **Overseas financing, interest and investments**

Interest on foreign loans, if paid from cash generated from operations in South Africa, may be remittable abroad, provided that the loans and the payment of the relevant interest in respect of such loans have received prior SARB approval.

AngloGold Ashanti and its South African subsidiaries require SARB approval to raise debt from and repay debt to non-residents of the Common Monetary Area, mainly in respect of the interest rate and terms of repayment applicable to the loan.

Debt raised outside the Common Monetary Area by AngloGold Ashanti's non-South African subsidiaries is not restricted under South African exchange control regulations and can be used for overseas investment, subject to the relevant conditions imposed by the SARB in connection with establishing such a subsidiary or in raising the debt by such subsidiary. For example, AngloGold Ashanti and its South African subsidiaries would require SARB approval in order to provide guarantees for the obligations of any of its subsidiaries with regard to funds obtained from non-residents of the Common Monetary Area and debt raised outside the Common Monetary Area by AngloGold Ashanti's non-South African subsidiaries must be repaid or serviced by AngloGold Ashanti's foreign subsidiaries.

A listing by a South African company on any stock exchange other than the JSE in connection with raising capital requires permission from the SARB.

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Under current exchange control regulations, offshore investments by AngloGold Ashanti and its subsidiaries require the approval of the SARB. Subject to approval, there is no limit on the amount of capital that may be invested offshore.

**10E. TAXATION**  
**SOUTH AFRICAN TAXATION**

The following discussion summarises South African tax consequences of the ownership and disposition of shares or ADSs by a US holder (as defined below). This summary is based upon current South African tax law and South African Revenue Service (SARS) practice, the Convention Between the Government of the United States of America and the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed 17 February 1997 (the Treaty), and in part upon representations of the depositary, and assumes that each obligation provided for in, or otherwise contemplated by, a Deposit Agreement and any related agreement will be performed in accordance with its respective terms.

The following summary of South African tax considerations does not address the tax consequences to a US holder that is resident in South Africa for South African tax purposes, whose holding of shares or ADSs is effectively connected with a permanent establishment in South Africa through which such US holder carries on business activities or, in the case of an individual who performs independent personal services, with a fixed base situated therein, or who is otherwise not entitled to full benefits under the Treaty.

The statements of law set forth below are subject to any changes (which may be applied retroactively) in South African law or in the interpretation thereof by SARS, or in the Treaty, occurring after the date hereof. It should be expressly noted that South African tax law does not specifically address the treatment of ADSs. However, it is reasonable to assume (although no assurance can be made) that the tax treatment of US holders of shares is also applicable to US holders of ADSs.

Holders are strongly urged to consult their own tax advisors as to the consequences under South African, US federal, state and local, and other applicable laws, of the ownership and disposition of shares or ADSs.

**Taxation of dividends**

South Africa currently imposes a Dividend Withholding Tax on Companies (dividends tax) at a rate of 15 percent on the net amount of the dividend declared by a resident company, other than a Headquarter Company.

The dividends tax is generally imposed on the beneficial owner. The dividends tax could be reduced to a lower rate under an applicable double tax treaty, if all requirements are met. In the case of dividends paid to a US holder with respect to shares, the Treaty would generally limit the dividends tax rate to 5 percent of the gross amount of the dividends if a US holder (it must be a corporate) holds directly at least 10 percent of the voting stock of AngloGold Ashanti. In all other cases, the maximum tax rate under the Treaty is 15 percent of the gross amount of the dividend. There are different rules to consider if the beneficial owner of the dividends is a US resident who carries on business in South Africa through a permanent establishment situated in South Africa, or performs in South Africa independent personal services from a fixed base situated in South Africa, and the dividends are attributable to such permanent establishment or fixed base. Moreover, if the dividends tax rate is reduced under the auspices of an applicable double tax treaty, there are certain South African compliance requirements that must be met in order to access the double tax treaty relief.

**Taxation of capital gains on sale or other disposition**

South African residents are (subject to certain exemptions) taxed on their worldwide income, while non-residents are only taxed on South African sourced income (subject to the provisions of any relevant double taxation agreement).

Capital gains tax is not a separate tax to income tax; instead, a percentile of the taxpayer's net capital gain (that is the taxable capital gain) is included in its taxable income on which it is taxed at the income tax rate.

Non-residents are only subject to the South African capital gains tax provisions in respect of the disposal of any immovable property (such as land or mining rights) or any interest or right of whatever nature to or in immovable property situated in South Africa, or any asset of a permanent establishment through which that non-resident is carrying on a trade in South Africa. In the instance of a shareholder holding shares in a South African company, the interest in immovable property requirements are met if 80 percent or more of the market value of the shares is directly or indirectly attributable to South African immovable property held on capital account, and that shareholder (whether alone or together with any connected person in relation to that person), directly or indirectly, holds at least 20 percent of the equity shares of that South African company.

If South Africa has such a right to taxation under its domestic law, the provisions of the Treaty must be analysed when determining the right of taxation of the source state (South Africa) compared to the country of residence (the US).





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## UNITED STATES TAXATION

The following is a general summary of the material US federal income tax consequences of the ownership and disposition of shares or ADSs to a US holder (as defined below) that holds its shares or ADSs as a capital asset. This summary is based on US tax laws including the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations promulgated thereunder, rulings, judicial decisions, administrative pronouncements, and the Treaty, all as currently in effect as of the date of this annual report, and all of which are subject to change or changes in interpretation, possibly with retroactive effect. In addition, this summary is based in part upon the representations of the depository and the assumption that each obligation in the Deposit Agreement relating to the ADSs and any related agreement will be performed in accordance with its terms.

This summary does not address all aspects of US federal income taxation that may apply to holders that are subject to special tax rules, including US expatriates, nonresident aliens present in the United States for at least 183 days during the calendar year, insurance companies, tax-exempt entities, banks, certain financial institutions, persons subject to the alternative minimum tax, regulated investment companies, securities broker-dealers, traders in securities who elect to apply a mark-to-market method of accounting, investors that own (directly, indirectly or by attribution) 10 percent or more of the outstanding share capital or voting stock of AngloGold Ashanti, partnerships, persons holding their shares or ADSs as part of a straddle, hedging or conversion transaction, persons who acquired their shares or ADSs pursuant to the exercise of employee stock options or otherwise as compensation, accrual basis taxpayers, or persons whose functional currency is not the US dollar. Such holders may be subject to US federal income tax consequences different from those set forth below.

As used herein, the term "US holder" means a beneficial owner of shares or ADSs that is (a) a citizen or individual resident of the United States for US federal income tax purposes; (b) a corporation (or other entity taxable as a corporation for US federal income tax purposes) created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (c) an estate the income of which is subject to US federal income taxation regardless of its source; or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more US persons are authorized to control all substantial decisions of the trust. If a partnership (including for this purpose any entity treated as a partnership for US federal income tax purposes) holds shares or ADSs, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If a US holder is a partner in a partnership that holds shares or ADSs, the holder is urged to consult its own tax advisor regarding the specific tax consequences of the ownership and disposition of the shares or ADSs.

US holders should consult their own tax advisors regarding the specific South African and US federal, state and local tax consequences of owning and disposing of shares or ADSs in light of their particular circumstances as well as any consequences arising under the laws of any other taxing jurisdiction. In particular, US holders are urged to consult their own tax advisors regarding whether they are eligible for benefits under the Treaty.

For South African and US federal income tax purposes, a US holder of ADSs should be treated as owning the underlying shares represented by those ADSs. Therefore, deposits or withdrawals by a US holder of shares for ADSs or of ADSs for shares will not be subject to US federal income tax. The following discussion (except where otherwise expressly noted) applies equally to US holders of shares and US holders of ADSs.

### Taxation of dividends

The gross amount of any distribution (including the amount of any South African withholding tax thereon) paid to a US holder by AngloGold Ashanti generally will be taxable as dividend income to the US holder for US federal income tax purposes on the date the distribution is actually or constructively received by the US holder, in the case of shares, or by the depository, in the case of ADSs. Corporate US holders will not be eligible for the dividends received deduction in respect of dividends paid by AngloGold Ashanti. For foreign tax credit limitation purposes, dividends paid by AngloGold Ashanti will be income from sources outside the United States. As noted above in "Taxation – South African Taxation – Taxation of dividends", the South African government has enacted a dividend withholding tax. As a result, US holders who are eligible for benefits under the current Treaty will be subject to a maximum withholding tax of 15 percent on the gross amount of dividend distributions paid by AngloGold Ashanti.

The amount of any distribution paid in foreign currency (including the amount of any South African withholding tax thereon) generally will be includible in the gross income of a US holder of shares in an amount equal to the US dollar value of the foreign currency calculated by reference to the spot rate in effect on the date of receipt by the US holder, in the case of shares, or by the depository, in the case of ADSs, regardless of whether the foreign currency is converted into US dollars on such date. If the foreign currency is converted into US dollars on the date of receipt, a US holder of shares generally should not be required to recognize foreign currency gain or loss in respect of the dividend. If the foreign currency received in the distribution is not converted into US dollars on the date of receipt, a US holder of shares generally will have a tax basis in the foreign currency equal to its US dollar value on the date of receipt. Any gain or loss recognized upon a subsequent conversion or other disposition of the foreign currency generally will be treated as US source ordinary income or loss. In the case of a US holder of



ADSs, the amount of any distribution paid in a foreign currency generally will be converted into US dollars by the depository upon its receipt. Accordingly, a US holder of ADSs generally will not be required to recognise foreign currency gain or loss in respect of the distribution. Special rules govern and specific elections are available to accrual method taxpayers to determine the US dollar amount includible in income in the case of taxes withheld in a foreign currency. Accrual basis taxpayers are therefore urged to consult their own tax advisors regarding the requirements and elections applicable in this regard.

Subject to certain limitations, South African withholding taxes will be treated as foreign taxes eligible for credit against a US holder's US federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. Dividend income generally will constitute passive category income, or in the case of certain US holders, general category income. The use of foreign tax credits is subject to complex conditions and limitations. In lieu of a credit, a US holder who itemises deductions may elect to deduct all of such holder's foreign taxes in the taxable year. A deduction does not reduce US tax on a dollar-for-dollar basis like a tax credit, but the deduction for foreign taxes is not subject to the same limitations applicable to foreign tax credits. US holders are urged to consult their own tax advisors regarding the availability of foreign tax credits.

Certain US holders (including individuals) are eligible for reduced rates of US federal income tax in respect of qualified dividend income received. For this purpose, qualified dividend income generally includes dividends paid by a non-US corporation if, among other things, the US holders meet a certain minimum holding period and other requirements and the non-US corporation satisfies certain requirements, including that either (i) the ordinary shares (or ADSs) with respect to which the dividend has been paid are readily tradable on an established securities market in the United States, or (ii) the non-US corporation is eligible for the benefits of a comprehensive US income tax treaty (such as the Treaty) which provides for the exchange of information. AngloGold Ashanti currently believes that dividends paid with respect to its shares and ADSs should constitute qualified dividend income for US federal income tax purposes. AngloGold Ashanti anticipates that its dividends will be reported as qualified dividends on Forms 1099-DIV delivered to US holders. Each individual US holder of AngloGold Ashanti shares or ADSs is urged to consult his own tax advisor regarding the availability to him of the reduced dividend tax rate in light of his own particular situation.

The US Treasury has expressed concern that parties to whom ADSs are pre-released may be taking actions that are inconsistent with the claiming of foreign tax credits for US holders of ADSs. Such actions would also be inconsistent with the claiming of the reduced rate of tax described above, applicable to dividends received by certain non-corporate holders. Accordingly, the analysis of the creditability of South African withholding taxes or the availability of qualified dividend treatment could be affected by future actions that may be taken by the US Treasury with respect to ADSs.

### **Taxation of dispositions**

If a US holder is a resident of the United States for purposes of the Treaty, such holder will not be subject to South African tax on any capital gain if it sells or disposes of its shares or ADSs. Special rules apply to individuals who are residents of more than one country.

In general, upon a sale, exchange or other disposition of shares or ADSs, a US holder will recognise capital gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realised on the disposition and the holder's tax basis, determined in US dollars, in the shares or ADSs. Such gain or loss generally will be US source gain or loss, and will be treated as a long-term capital gain or loss if the holder's holding period in the shares exceeds one year at the time of disposition. If the US holder is an individual, any capital gain generally will be subject to US federal income tax at preferential rates if specified minimum holding periods are met. The deductibility of capital losses is subject to significant limitations.

A US holder's tax basis in a share will generally be its US dollar cost. The US dollar cost of a share purchased with foreign currency will generally be the US dollar value of the purchase price on the date of purchase, or the settlement date for the purchase in the case of shares traded on an established securities market that are purchased by a cash basis US holder or an electing accrual basis US holder. The amount realised on a sale or other disposition of shares for an amount in foreign currency will be the US dollar value of this amount on the date of sale or disposition. On the settlement date, the US holder will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of shares traded on an established securities market that are sold by a cash basis US holder (or an accrual basis US holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time. If an accrual basis US holder makes either of the elections described above, it must be applied consistently from year to year and cannot be revoked without the consent of the Internal Revenue Services (IRS).

Foreign currency received on the sale or other disposition of a share will have a tax basis equal to its US dollar value on the settlement date. Any gain or loss recognised on a sale or other disposition of foreign currency (including its use to purchase shares or upon exchange for US dollars) will be US source ordinary income or loss.

#### **Passive foreign investment company considerations**

A non-US corporation will be classified a Passive Foreign Investment Company (PFIC) for any taxable year if at least 75 percent of its gross income consists of passive income (such as dividends, interest, rents or royalties (other than rents or royalties derived in the active conduct of a trade or business and received from an unrelated person), or gains on the disposition of certain minority interests), or at least 50 percent of the average value of its assets consists of assets that produce, or are held for the production of, passive income. AngloGold Ashanti believes that it was not treated as a PFIC for the taxable year ended 31 December 2014 or any prior taxable years and does not expect to become a PFIC in the foreseeable future. If AngloGold Ashanti were characterised as a PFIC for any taxable year, a US holder would suffer adverse tax consequences with respect to that taxable year and all future years during which it holds AngloGold Ashanti ordinary shares (or ADSs).

These consequences may include having gains realised on the disposition of shares treated as ordinary income rather than capital gains and being subject to punitive interest charges on the receipt of certain dividends and on the proceeds of the sale or other disposition of the shares. Furthermore, dividends paid by AngloGold Ashanti would not be qualified dividend income and would be taxed at the higher rates applicable to other items of ordinary income. US holders should consult their own tax advisors regarding the potential application of the PFIC rules to their ownership of the shares.

#### **US information reporting and backup withholding**

Dividend payments made to a holder and proceeds paid from the sale, exchange, or other disposition of shares may be subject to information reporting to the IRS. US federal backup withholding generally is imposed at a current rate of 28 percent on specified payments including dividends and gross sale proceeds to persons who fail to furnish required information. Backup withholding will not apply to a holder who furnishes a correct taxpayer identification number or certificate of foreign status and makes any other required certification, or who is otherwise exempt from backup withholding. US persons who are required to establish their exempt status generally must provide IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Non-US holders generally will not be subject to US information reporting or backup withholding. However, these holders may be required to provide certification of non-US status (generally on IRS Form W-8BEN or W-8B3N-E) in connection with payments received in the United States or through certain US-related financial intermediaries. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's US federal income tax liability. A holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

#### **Information with respect to foreign financial assets**

Individuals that own specified foreign financial assets with an aggregate value in excess of \$50,000 are generally required to file information reports with respect to such assets with their U.S. federal income tax returns. Depending on the individual's circumstances, higher threshold amounts may apply. Specified foreign financial assets include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts held for investment that have non-United States issuers or counterparties and (iii) interests in non-United States entities. The shares may be treated as specified foreign financial assets. You may be subject to this information reporting regime and be required to file IRS form 8938 listing these assets with your U.S. federal income tax return. Failure to file information reports may subject you to penalties. You are urged to consult your own tax advisor regarding your obligations to file information reports with respect to the shares.

**10F. DIVIDENDS AND PAYING AGENTS**

Not applicable.

**10G. STATEMENT BY EXPERTS**

Not applicable.

**10H. DOCUMENTS ON DISPLAY**

AngloGold Ashanti files annual reports on Form 20-F and reports on Form 6-K with the SEC. You may read and copy this information at the SEC's Public Reference Room at 100F Street, N.E., Room 1580, Washington D.C. 20549 or by accessing the SEC's home page (<http://www.sec.gov>). You can also request copies of documents, upon payment of a duplicating fee, by writing to the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. In addition, AngloGold Ashanti's reports and other information may be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Copies of the documents referred to herein may also be inspected at AngloGold Ashanti's offices by contacting AngloGold Ashanti at 76 Jeppe Street, Newtown, Johannesburg, 2001 (P.O. Box 62117, Marshalltown, 2107) South Africa, Attention: Company Secretary, telephone number: +27 11 637 6000.

**10I. SUBSIDIARY INFORMATION**

Not applicable.

## ITEM 11: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### TREASURY POLICY

Risk management activities within the group are the ultimate responsibility of the board of directors. The Chief Executive Officer is responsible to the board of directors for the design, implementation and monitoring of the risk management plan. The Audit and Risk Committee is responsible for overseeing risk management plans and systems, as well as financial risks which include a review of treasury activities and exposure to the group's counterparties.

Under the treasury and risk management policy, hedges may be put in place using approved instruments over the group's planned gold production and resultant gold sales currency exposures. The tenor of the hedges may extend out to ten years. The treasury and risk management policy sets limits on the extent to which the hedge position may change for the various levels of treasury management from dealer, through treasurer, executive management and board.

The financial risk management activities objectives of the group are as follows:

- Safeguarding the group's core earnings stream from its major assets through the effective control and management of gold and other commodity price risk, foreign exchange risk and interest rate risk;

- Effective and efficient usage of credit facilities in both the short- and long-term through the adoption of reliable liquidity management planning and procedures;

- Ensuring that investment and hedging transactions are undertaken with creditworthy counterparts; and

- Ensuring that all contracts and agreements related to financial risk management activities are co-ordinated and consistent throughout the group and comply where necessary with all relevant regulatory and statutory requirements.

Under the treasury and risk management policy, treasury reports are produced at the following minimum intervals for review by management and the board of directors.

Daily	Treasurer
Monthly	Executive Committee
Quarterly	Audit and Risk Committee, Board of Directors and shareholder reports

The Treasury Risk Analyst is responsible for monitoring all reports for completeness and accuracy which are reviewed by the Treasurer.

At AngloGold Ashanti, all front office (dealing), middle office (risk reporting), back office (deal confirmations) and payment (treasury settlements) activities are segregated. All treasury transactions are captured on a third party developed treasury and risk management system that is widely used in corporate treasuries. The group internal audit function conducts regular and ad-hoc reviews of the activities of treasury and the group's treasury system.

### GOLD PRICE RISK MANAGEMENT ACTIVITIES

In the normal course of its operations, the group is exposed to gold and other commodity price, currency, interest rate, equity price, liquidity and non-performance risk, which includes credit risk. The group is also exposed to certain by-product commodity price risk. In order to manage these risks, the group may enter into transactions which make use of derivatives. The group has developed a risk management process to facilitate, control and monitor these risks.

Gold price risk arises from the risk of an adverse effect of current or future earnings resulting from fluctuations in the price of gold. The group eliminated its hedge book during 2010 and has since had full exposure to the spot price of gold.

IFRS guidance on derivatives and hedging requires that derivative instruments be accounted for as follows:

Contracts that meet the criteria for hedge accounting are designated as the hedging instruments hedging the variability of forecasted cash flows from the sale of production into the spot market and from capital expenditure denominated in a foreign currency and are classified as cash flow hedges. Cash flow hedge losses pertaining to capital expenditure of \$2m as at 31 December 2014 (2013: \$2m) are expected to be reclassified from accumulated other comprehensive income and recognised as an adjustment to depreciation expense over the life of the Serra Grande mine.

All other derivatives are measured at their estimated fair value, with the changes in estimated fair value at each reporting date reported as gains or losses on derivatives in earnings in the period in which they occur.



Cash flows related to these instruments designated as qualifying hedges are reflected in the consolidated statement of cash flows in the same category as the cash flow from the items being hedged. Accordingly, cash flows relating to the settlement of forward sale commodity derivatives contracts hedging the forecasted sale of production into the spot market will be reflected upon settlement as a component of operating cash flows.

As at 31 December 2014 and 2013 the group had no outstanding commitments against future production as a result of the elimination of the hedge book during 2010.

#### Foreign exchange price risk protection agreements

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

As at 31 December 2014 and 2013, the group had no open forward exchange or currency option contracts in its currency hedge position.

#### Interest rate and liquidity risk

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

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

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

#### Cash and loans advanced maturity profile

Maturity date	Currency	2014		2013		Effective rate %	Effective rate %	Effective rate %	Effective rate %
		Fixed rate investment amount (million)	Floating rate investment amount (million)	Fixed rate investment amount (million)	Floating rate investment amount (million)				
All less than one year	\$	-	274	0.10	-	-	432	0.10	
	ZAR	611	156	4.00	536	4.90	178	3.43	
	AUD	-	17	3.00	-	-	32	3.00	
	BRL	-	36	10.86	-	-	33	8.14	
	ARS	-	5	23.00	-	-	9	18.00	

#### Borrowings maturity profile

Currency	Within one year		Between one and two years		Between two and five years		Between five and ten years		Total
	Borrowings amount (million)	Effective rate %	Borrowings amount (million)	Effective rate %	Borrowings amount (million)	Effective rate %	Borrowings amount (million)	Effective rate %	
\$	124	5.1	95	1.8	9	2.4	2,975	6.7	3,203
ZAR	1,135	7.1	777	7.1	100	10.2	396	13.8	2,408
BRL	3	9.1	1	6.7	2	4.1	1	2.9	7
AUD	-	-	146	4.8	167	4.8	-	-	313





**Interest rate risk**

Currency	Fixed for less than one year		Fixed for between one and three years		Fixed for greater than three years		Total
	Borrowings	Effective	Borrowings	Effective	Borrowings	Effective	Borrowings
	amount	rate	amount	rate	amount	rate	amount
	(million)	%	(million)	%	(million)	%	(million)
\$	124	5.1	97	1.8	2,982	6.7	3,203
ZAR	1,135	7.1	802	7.2	471	13.3	2,408
BRL	3	9.1	1	3.0	3	2.9	7
AUD	-	-	176	4.8	137	4.8	313

**Non-performance risk**

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

The combined maximum credit risk exposure at balance sheet date amounts to \$679 million for financial assets (2013: \$887 million) and \$9 million for financial guarantees (2013: \$10 million). Credit risk exposure netted by open derivative positions with counterpart was nil (2013: nil). No set-off is applied to balance sheet amounts due to the different maturity profiles of assets and liabilities.

**Fair value of financial instruments**

The estimated fair values of financial instruments are determined at discrete points in time based on relevant market information. The estimated fair values of the group's financial instruments, as measured at 31 December 2014 and 2013, are as follows (assets (liabilities)):

	31 December 2014		31 December 2013	
	Carrying Amount	Fair value	Carrying Amount	Fair value
(millions)	\$	\$	\$	\$
Cash and cash equivalents	468	468	648	648
Restricted cash	51	51	77	77
Short-term borrowings	(175)	(175)	(213)	(213)
Short-term borrowings at fair value	(48)	(48)	(45)	(45)
Long-term borrowings	(2,173)	(2,058)	(2,325)	(2,138)
Long-term borrowings at fair value	(1,325)	(1,325)	(1,308)	(1,308)
Listed investments - available for sale	47	47	49	49
Listed investments - held to maturity	7	9	6	8
Unlisted investments - held to maturity	72	72	77	77

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

**Cash restricted for use, cash and cash equivalents**

The carrying amounts approximate fair value.

**Trade and other receivables and trade and other payables**

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



**Investments and other non-current assets**

Listed equity investments classified as available-for-sale are carried at fair value while fixed income investments and other non-current assets are carried at amortised cost. The fair value of fixed income investments and other non-current assets has been calculated using market interest rates. The unlisted equity investments are carried at cost or fair value. Unlisted investments for which fair value can be reliably measured are carried at fair value while other unlisted investments for which there is no active market and the fair value cannot be reliably measured are carried at cost.

**Borrowings**

The \$1.25bn 8.500% bonds due 2020 and the mandatory convertible bonds which were settled in September 2013 are carried at fair value. The convertible bonds, settled 99.1% in August 2013 and the balance in November 2013, and rated bonds are carried at amortised cost and their fair values are their closing market values at the reporting date. This is included in level 1 of the fair value hierarchy. The interest rate on the remaining borrowings is reset on a short-term floating rate basis, and accordingly the carrying amount is considered to approximate fair value.

**Derivatives**

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

**The following is the fair value of the derivative (liabilities)/assets split by accounting designation:**

	<b>31 December 2012</b>		
	<b>Liabilities</b>		
	<b>Balance Sheet location</b>	<b>Non-hedge Accounted</b>	<b>Total</b>
(millions)		\$	\$
Option component of convertible bonds	Non-current liabilities - derivatives	(9)	(9)
Embedded derivatives	Non-current liabilities - derivatives	(1)	(1)
<b>Total derivatives</b>		<b>(10)</b>	<b>(10)</b>

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

	<b>Year ended 31 December</b>	
	<b>2014</b>	<b>2013</b>
(millions)	\$	\$
<b>Unrealised</b>		
Other commodity contracts	15	93
Embedded derivatives	-	1
<b>Gain (loss) on non-hedge derivatives and other commodity contracts</b>	<b>15</b>	<b>94</b>

**Other comprehensive income**

	Accumulated other comprehensive income as of 1 January 2014	Changes in fair value recognised in 2014	Reclassification adjustments	Accumulated other comprehensive income as of 31 December 2014
(millions)	\$	\$	\$	\$
Derivatives designated as Capital expenditure	(2)	-	-	(2)
Before tax totals	(2)	-	-	(2)
After tax totals	(1)	-	-	(1)

	Accumulated other comprehensive income as of 1 January 2013	Changes in fair value recognised in 2013	Reclassification adjustments	Accumulated other comprehensive income as of 31 December 2013
(millions)	\$	\$	\$	\$
Derivatives designated as Capital expenditure	(3)	1	-	(2)
Before tax totals	(3)	1	-	(2)
After tax totals	(2)	1	-	(1)

**Maturity profile of derivatives, at carrying value**

	2012		
	Total	Assets	Liabilities
(millions)	\$	\$	\$

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Amounts to mature within twelve months of balance sheet date	-	-	-
Amounts maturing between one and two years	(9)	-	(9)
Amounts maturing between two and five years	-	-	-
Amounts to mature thereafter	(1)	-	(1)
<b>Total</b>	<b>(10)</b>	<b>-</b>	<b>(10)</b>

**\$1.25bn bonds**

The \$1.25bn 8.500% bonds due 2020 valuation is primarily linked to market interest rates. A change of +0.5% and -0.5% in market interest rates will generally impact the fair value of the \$1.25bn liability in a stable environment by -\$25m and +\$25m respectively.

**Foreign exchange risk**

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency.

The following table discloses the approximate foreign exchange risk sensitivities of borrowings at 31 December 2014 (actual changes in the timing and amount of the following variables may differ from the assumed changes below).

	<b>2014</b>	
	<b>Change in exchange rate</b>	<b>Change in borrowings Total \$M</b>
<b>Debt</b>		
ZAR denominated (R/\$)	Spot (+R1.50)	(21)
ARS denominated (ARS/\$)	Spot (+ARS0.5)	-
AUD denominated (AUD/\$)	Spot (+AUD0.1)	(19)

	<b>2014</b>	
	<b>Change in exchange rate</b>	<b>Change in borrowings Total \$M</b>
<b>Debt</b>		
ZAR denominated (R/\$)	Spot (-R1.50)	28
ARS denominated (ARS/\$)	Spot (-ARS0.5)	-
AUD denominated (AUD/\$)	Spot (-AUD0.1)	23

**ITEM 12: DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES****12A. Debt Securities**

Not applicable

**12B. Warrants and Rights**

Not applicable

**12C. Other Securities**

Not applicable

**12D. American Depositary Shares****12D.3 Depositary Fees and Charges**

AngloGold Ashanti's American Depositary Shares, or ADSs, each representing one of AngloGold Ashanti's ordinary shares, are traded on the New York Stock Exchange under the symbol AU. The ADSs are evidenced by American Depositary Receipts, or ADRs, issued by The Bank of New York Mellon, as Depositary under the Amended and Restated Deposit Agreement dated as of 3 June 2008, among AngloGold Ashanti Limited, The Bank of New York Mellon and owners and beneficial owners of from time to time of ADRs. ADS holders may have to pay the following service fees to the Depositary:

Service	Fees (USD)
Issuance of ADSs	Up to 5 cents per ADS <sup>(1)</sup>
Cancellation of ADSs	Up to 5 cents per ADS <sup>(1)</sup>
Distribution of cash dividends or other cash distributions	Up to 2 cents per ADS <sup>(2)</sup>
Distribution of securities pursuant to	
(i) stock dividends, free stock distributions or	
(ii) exercises of rights to purchase additional ADSs	Up to 5 cents per ADS <sup>(2)</sup>
<u>ADR Depositary Services fee</u>	Up to 2 cents per year <sup>(2)</sup>

<sup>(1)</sup> These fees are typically paid to the Depositary by the brokers on behalf of their clients receiving the newly-issued ADSs from the Depositary and by the brokers on behalf of their clients delivering the ADSs to the Depositary for cancellation. The brokers in turn charge these transaction fees to their clients.

<sup>(2)</sup> In practice, the Depositary has not collected these fees. If collected, such fees are offset against the related distribution made to the ADR holder.

In addition, ADS holders are responsible for certain fees and expenses incurred by the Depositary on their behalf including (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of ordinary shares generally on the share register and applicable to transfers of ordinary shares to the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals, and (3) such cable, telex and facsimile transmission expenses as are expressly incurred by the Depositary in the conversion of foreign currency.

Fees and other charges payable by the Depositary, any of the Depositary's agents, including the Custodian, or the agents of the Depositary's agents in connection with the servicing of Shares or other Deposited Securities, shall be collected at the sole discretion of the Depositary by

billing such owners for such charge or by deducting such charge from one or more cash dividends or other cash distributions.

For further information, refer to Item 10C.: Material Contracts The Deposit Agreement .

**12D.4 Depositary Payments for 2014**

For the year ended 31 December 2014, The Bank of New York Mellon, as Depositary, reimbursed AngloGold Ashanti an amount of \$789,579 (2013: \$587,059) mainly for investor relations related expenses.



**PART II**

**ITEM 13: DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

None.

**ITEM 14: MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE  
OF PROCEEDS**

None.

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## ITEM 15: CONTROLS AND PROCEDURES

- (a) *Disclosure Controls and Procedures:* As of 31 December 2014 (the Evaluation Date), the company, under the supervision and with the participation of its management, including the chief executive officer and chief financial officer has evaluated the effectiveness of the company's disclosure controls and procedures (as defined in Rules 13(a)-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)). Based on such evaluation, the chief executive officer and chief financial officer have concluded that, as of the Evaluation Date, the company's disclosure controls and procedures are effective, and are reasonably designed to ensure that information required to be disclosed by the company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. These disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed by the company in reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding disclosure.
- (b) *Management's Annual Report on Internal Control over Financial Reporting:* Management is responsible for establishing and maintaining adequate internal control over financial reporting for the company, as defined in the Exchange Act Rule 13(a)-15(f) and 15(d)-15(f). The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the company's financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The company's internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the assets of the company;
- Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and the Directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

The company's management assessed the effectiveness of the company's internal control over financial reporting as of the Evaluation Date. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework and related illustrative documents released on 14 May 2013. Based on this assessment, and using those criteria, management concluded that the company's internal control over financial reporting was effective as of the Evaluation Date.

- (c) *Changes in Internal Control over Financial Reporting:* The Company maintains a system of internal control over financial reporting that is designed to provide reasonable assurance that its books and records accurately reflect transactions and that established policies and procedures are followed. There have been no changes in the company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rule 13(a)-15 during the year ended 31 December 2014 that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.
- (d) *Attestation Report of the Registered Public Accounting Firm:* The Company's independent registered accounting firm, Ernst & Young Inc., has issued an attestation report on the effectiveness of the company's internal control over financial reporting. This report appears below.

/s/ KC Ramon

**Kandimathie Christine Ramon**

**Chief Financial Officer**

/s/ S Venkatakrishnan

**Srinivasan Venkatakrishnan**

**Chief Executive Officer**

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## REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### The board of directors and stockholders of AngloGold Ashanti Limited

We have audited AngloGold Ashanti Limited's internal control over financial reporting as of 31 December 2014, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). AngloGold Ashanti Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying management certification. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, AngloGold Ashanti Limited maintained, in all material respects, effective internal control over financial reporting as of 31 December 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2014 consolidated financial statements of AngloGold Ashanti Limited and our report dated 02 April 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young Inc.

Ernst & Young Inc.

Registered Auditor

Johannesburg, Republic of South Africa

02 April 2015

**ITEM 16A: AUDIT COMMITTEE FINANCIAL EXPERT**

Membership of the Audit and Risk Committee, including its chairman, comprises only independent non-executive directors, in compliance with the Sarbanes-Oxley Act. This also fulfils the guidelines of King III, which became effective in March 2010, and the requirements of the Companies Act of 2008, which became effective on 1 May 2011. The Sarbanes-Oxley Act requires the board to identify a financial expert from within its ranks. The board has resolved that Prof. Wiseman Nkuhlu is the Audit and Risk Committee's financial expert. Three of the four members of the committee have considerable financial knowledge and experience to help oversee and guide the board and the company in respect of the audit, risk and corporate governance disciplines. Subsequent to year-end, Mr Albert Garner and Ms Maria Richter were appointed to the Audit and Risk Committee, subject to election by the shareholders at the Annual General Meeting of 6 May 2015.

## **ITEM 16B: CODE OF ETHICS AND WHISTLE-BLOWING POLICIES**

In order to comply with the company's obligation in terms of the Sarbanes-Oxley Act and King III, and in the interests of good governance, the company has systems and procedures to introduce, monitor and enforce its ethical codes and has adopted a code of business principles and ethics for employees and directors, a code of ethics for the Chief Executive Officer, Chief Financial Officer and Senior Financial Officers, and a whistle-blowing policy that encourages employees to report anonymously if they wish and without fear of retaliation acts of an unethical or illegal nature that affect the company's interests. The code of business principles and ethics expresses the company's commitment to the conduct of its business in line with ethical standards and is designed to enable employees and directors perform their roles and duties with integrity and responsibility.

The whistle-blowing policy provides channels for employees to report acts and practices that are in conflict with the company's code of business principles and ethics or are unlawful, including financial malpractice or dangers to the public or the environment. Reports may be made to management or through several mediums including the intranet, internet, telephone, short messaging system (sms), fax and post. All reports not made to management are administered by a third party, Tip-Offs Anonymous, to ensure independence of the process. Reported cases are relayed to management through internal audit. A report is provided by internal audit to the Serious Concerns Committee on a quarterly basis and Audit and Risk Committee on a quarterly basis. Reporters have the option to request feedback on reported cases. The whistle-blowing policy encourages reports to be made in good faith in a responsible and ethical manner. Employees are encouraged to first seek resolution of alleged malpractices through discussion with their direct managers, if appropriate, or other management including legal, compliance, human resources or internal audit.

The code of business principles and ethics for employees and directors and the code of ethics for the Chief Executive Officer, Chief Financial Officer and Senior Financial Officers are available on the company's website at

<http://www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx>

**ITEM 16C: PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Ernst & Young Inc. has served as AngloGold Ashanti's independent public accountants for each of the financial years in the three-year period ended 31 December 2014, for which audited financial statements appear in this annual report on Form 20-F.

The following table presents the aggregate fees for professional services and other services rendered by Ernst & Young Inc. to AngloGold Ashanti in 2014 and 2013.

(in millions)	2014	2013
	\$	\$
Audit fees <sup>(1)</sup>	6.65	7.97
Audit-related fees <sup>(2)</sup>	2.26	4.72
Tax fees <sup>(3)</sup>	0.34	0.48
All other fees <sup>(4)</sup>	0.13	-
<b>Total</b>	<b>9.38</b>	<b>13.17</b>

*Rounding may result in computational differences.*

<sup>(1)</sup> The Audit fees consist of fees billed for the annual audit services engagement and other audit services, which are those services that only the external auditor reasonably can provide, and include the Company audit; statutory audits; attest services; and assistance with and review of documents filed with the SEC.

<sup>(2)</sup> Audit-related fees consist of fees billed for assurance and related services.

<sup>(3)</sup> Tax fees include fees billed for tax advice and tax compliance services.

<sup>(4)</sup> All other fees include non-audit services.

***Audit and Risk Committee Pre-approval Policies and Procedures***

It is the policy of AngloGold Ashanti to maintain compliance with the requirements of the various applicable legislation and good governance practices when appointing or assigning work to the Company's external auditor. Non-audit services may not be undertaken without an employee of AngloGold Ashanti obtaining the pre-approval of the Audit and Risk Committee as is laid out in the procedures relating to the pre-approval process.

The Audit and Risk Committee has delegated the approval authority to the chairman of the committee, Rhidwaan Gasant or his designated official. The approval may take the form of a written or oral instruction, and in the case of an oral instruction this would be ratified at the next Audit and Risk Committee meeting. On a quarterly basis a summary of all approvals and work to date is tabled at the Audit and Risk Committee meeting.

All non-audit services provided to AngloGold Ashanti by the principal independent registered public accounting firm during 2014 were reviewed and approved according to the procedures above. None of the services provided during 2014 were approved under the *de minimis* exception allowed under the Exchange Act.

No work was performed by persons other than the principal accountant's employees in respect of the audit of AngloGold Ashanti's financial statements for 2014.

**ITEM 16D: EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

Not applicable.

**ITEM 16E: PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

Neither the issuer nor any affiliate of the issuer purchased any of the company's shares during 2014.



**ITEM 16F: CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT**

Not applicable.

**ITEM 16G: CORPORATE GOVERNANCE**

The following is a summary of the significant ways in which AngloGold Ashanti's corporate governance practices differ from those followed by US domestic companies under the New York Stock Exchange's corporate governance listing standards (NYSE listing standards).

The NYSE listing standards require the appointment of a Nominations Committee to oversee the appointment of new directors to the board, and that such committee be comprised solely of independent directors. The JSE Listing Requirements also require the appointment of such a committee, but require that it be comprised solely of non-executive directors, the majority of whom must be independent.

The Nominations Committee of AngloGold Ashanti is made up of non-executive directors as required by the JSE Listings Requirements. The Chairman of the Committee is the Chairman of the Board, who although non-executive was not independent until around November 2014 when he was no longer a participant in AngloGold Ashanti's BEE transaction.

**ITEM 16H: MINE SAFETY DISCLOSURE**

The information concerning certain mine safety violations or other regulatory matters required pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and this Item 16H is included in Exhibit 19.16 to this annual report on Form 20-F.

**PART III**

**ITEM 17: FINANCIAL STATEMENTS**

Not applicable.

**ITEM 18: FINANCIAL STATEMENTS**

## Report of Independent Registered Public Accounting Firm

### The board of directors and stockholders of AngloGold Ashanti Limited

We have audited the accompanying consolidated statement of financial position of AngloGold Ashanti Limited ( the Company ) as of 31 December 2014, 2013 and 2012, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended 31 December 2014. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We did not audit the financial statements of Kibali (Jersey) Limited ( Kibali ), a corporation in which the Company has a 50 percent interest. In the consolidated financial statements, the Company s investment in Kibali is stated at \$1,369 million, \$1,241 million and \$797 million as of 31 December 2014, 2013 and 2012, respectively. The Company s equity in the net income/(loss) of Kibali is stated at \$72 million , \$26 million and \$(1) million for the years ended 31 December 2014, 2013 and 2012, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Kibali, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of AngloGold Ashanti Limited at 31 December 2014, 2013, and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended 31 December 2014, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board ( IASB ).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), AngloGold Ashanti Limited s internal control over financial reporting as of 31 December 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated 02 April 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young Inc.

Registered Auditor

Johannesburg, Republic of South Africa

02 April 2015

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## ANGLOGOLD ASHANTI LIMITED

**Group income statement**

FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012

Figures in millions	Notes	2014	2013	2012
			US Dollars	
<b>Revenue</b>	3	<b>5,378</b>	5,708	6,632
Gold income	2,3	<b>5,218</b>	5,497	6,353
Cost of sales	4	<b>(4,190)</b>	(4,146)	(3,964)
Gain (loss) on non-hedge derivatives and other commodity contracts	37	<b>15</b>	94	(35)
<b>Gross profit</b>	2	<b>1,043</b>	1,445	2,354
Corporate administration, marketing and other expenses	5	<b>(92)</b>	(201)	(291)
Exploration and evaluation costs		<b>(144)</b>	(255)	(395)
Other operating expenses	6	<b>(28)</b>	(19)	(47)
Special items	7	<b>(260)</b>	(3,410)	(402)
<b>Operating profit (loss)</b>		<b>519</b>	(2,440)	1,219
Dividends received	3	-	5	7
Interest received	3	<b>24</b>	39	43
Exchange (loss) gain		<b>(7)</b>	14	8
Finance costs and unwinding of obligations	8	<b>(278)</b>	(296)	(231)
Fair value adjustment on \$1.25bn bonds		<b>(17)</b>	(58)	-
Fair value adjustment on option component of convertible bonds		-	9	83
Fair value adjustment on mandatory convertible bonds		-	356	162
Share of associates and joint ventures loss	9	<b>(25)</b>	(162)	(30)
<b>Profit (loss) before taxation</b>		<b>216</b>	(2,533)	1,261
Taxation	12	<b>(255)</b>	333	(346)
<b>(Loss) profit for the year</b>		<b>(39)</b>	(2,200)	915
<i>Allocated as follows</i>				
Equity shareholders		<b>(58)</b>	(2,230)	897
Non-controlling interests		<b>19</b>	30	18
		<b>(39)</b>	(2,200)	915
<b>Basic (loss) earnings per ordinary share (cents)</b>	13	<b>(14)</b>	(568)	232
<b>Diluted (loss) earnings per ordinary share (cents)</b>	13	<b>(14)</b>	(631)	177

## ANGLOGOLD ASHANTI LIMITED

**Group statement of comprehensive income**

FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012

Figures in million	2014	2013	2012
		US Dollars	
<b>(Loss) profit for the year</b>	<b>(39)</b>	<b>(2,200)</b>	<b>915</b>
<b>Items that will be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations	(201)	(433)	(92)
Net loss on available-for-sale financial assets	-	(23)	(27)
Release on impairment of available-for-sale financial assets (note 7)	2	30	16
Release on disposal of available-for-sale financial assets	(1)	(1)	-
Cash flow hedges	-	1	-
Deferred taxation thereon	(1)	2	6
	-	9	(5)
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Actuarial (loss) gain recognised	(22)	69	(14)
Deferred taxation rate change thereon	-	-	(9)
Deferred taxation thereon	6	(20)	3
	(16)	49	(20)
<b>Other comprehensive loss for the year, net of tax</b>	<b>(217)</b>	<b>(375)</b>	<b>(117)</b>
<b>Total comprehensive (loss) income for the year, net of tax</b>	<b>(256)</b>	<b>(2,575)</b>	<b>798</b>
<i>Allocated as follows</i>			
Equity shareholders	(275)	(2,605)	780
Non-controlling interests	19	30	18
	(256)	(2,575)	798

## ANGLOGOLD ASHANTI LIMITED

**Group statement of financial position**

FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012

Figures in millions	Notes	2014	2013	2012
			US Dollars	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible assets	15	4,863	4,815	7,776
Intangible assets	16	225	267	315
Investments in associates and joint ventures	18	1,427	1,327	1,047
Other investments	19	126	131	167
Inventories	20	636	586	610
Trade and other receivables	22	20	29	79
Deferred taxation	30	127	177	97
Cash restricted for use	23	36	31	29
Other non-current assets	21	25	41	7
		7,485	7,404	10,127
<b>Current assets</b>				
Other investments	19	-	1	-
Inventories	20	888	1,053	1,213
Trade and other receivables	22	278	369	472
Cash restricted for use	23	15	46	35
Cash and cash equivalents	24	468	648	892
		1,649	2,117	2,612
Non-current assets held for sale	25	-	153	-
		1,649	2,270	2,612
<b>Total assets</b>		<b>9,134</b>	<b>9,674</b>	<b>12,739</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital and premium	26	7,041	7,006	6,742
Accumulated losses and other reserves		(4,196)	(3,927)	(1,269)
Shareholders' equity		2,845	3,079	5,473
Non-controlling interests		26	28	21
<b>Total equity</b>		<b>2,871</b>	<b>3,107</b>	<b>5,494</b>
<b>Non-current liabilities</b>				
Borrowings	27	3,498	3,633	2,724
Environmental rehabilitation and other provisions	28	1,052	963	1,238
Provision for pension and post-retirement benefits	29	147	152	221
Trade, other payables and deferred income	31	15	4	10
Derivatives	37	-	-	10
Deferred taxation	30	567	579	1,084
		5,279	5,331	5,287
<b>Current liabilities</b>				
Borrowings	27	223	258	859
Trade, other payables and deferred income	31	695	820	979
Bank overdraft	24	-	20	-
Taxation	32	66	81	120
		984	1,179	1,958
Non-current liabilities held for sale	25	-	57	-
		984	1,236	1,958
<b>Total liabilities</b>		<b>6,263</b>	<b>6,567</b>	<b>7,245</b>
<b>Total equity and liabilities</b>		<b>9,134</b>	<b>9,674</b>	<b>12,739</b>



## ANGLOGOLD ASHANTI LIMITED

**Group statement of cash flows**

FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012

Figures in millions	Notes	2014	2013	2012
			US Dollars	
<b>Cash flows from operating activities</b>				
Receipts from customers		5,351	5,709	6,523
Payments to suppliers and employees		(3,978)	(4,317)	(4,173)
Cash generated from operations	33	1,373	1,392	2,350
Dividends received from joint ventures		-	18	72
Taxation refund	32	41	23	54
Taxation paid	32	(194)	(187)	(507)
Net cash inflow from operating activities		1,220	1,246	1,969
<b>Cash flows from investing activities</b>				
Capital expenditure				
- project capital		(289)	(594)	(779)
- stay-in-business capital		(724)	(907)	(1,146)
Interest capitalised and paid		(1)	(5)	(12)
Expenditure on intangible assets		(5)	(68)	(79)
Proceeds from disposal of tangible assets		31	10	5
Other investments acquired		(79)	(91)	(97)
Proceeds from disposal of other investments		73	81	86
Investments in associates and joint ventures		(65)	(472)	(349)
Proceeds from disposal of associates and joint ventures		-	6	20
Loans advanced to associates and joint ventures		(56)	(41)	(65)
Loans repaid by associates and joint ventures		20	33	1
Dividends received		-	5	7
Proceeds from disposal of subsidiary	25, 34	105	2	6
Cash in subsidiary acquired	34	-	-	5
Cash in subsidiary disposed	34	-	-	(31)
Cash balances in assets held for sale		2	(2)	-
Acquisition of subsidiary and loan	34	-	-	(335)
Decrease (increase) in cash restricted for use		24	(20)	(3)
Interest received		21	23	36
Loans advanced		-	-	(45)
Net cash outflow from investing activities		(943)	(2,040)	(2,775)
<b>Cash flows from financing activities</b>				
Proceeds from issue of share capital		-	-	2
Proceeds from borrowings		611	2,344	1,432
Repayment of borrowings		(761)	(1,486)	(217)
Finance costs paid		(245)	(200)	(145)
Acquisition of non-controlling interest		-	-	(215)
Revolving credit facility and bond transaction costs		(9)	(36)	(30)
Dividends paid		(17)	(62)	(236)
Net cash (outflow) inflow from financing activities		(421)	560	591
Net decrease in cash and cash equivalents		(144)	(234)	(215)
Translation		(16)	(30)	(5)
Cash and cash equivalents at beginning of year		628	892	1,112
Cash and cash equivalents at end of year	24	468	628	892

## ANGLOGOLD ASHANTI LIMITED

## Group statement of changes in equity

FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012

Figures in million	Share capital and premium reserves	Other capital reserves <sup>(1)</sup>	Equity holders of the parent				Foreign currency translation reserve	Non-controlling interests	Total equity	
			Accumulated losses <sup>(2)</sup>	Cash flow hedge reserve <sup>(3)</sup>	Available-for-sale reserve <sup>(4)</sup>	Actuarial gains <sup>(5)</sup>				
<b>US Dollars</b>										
<b>Balance at 31 December 2011</b>	6,689	171	(1,351)	(2)	18	(73)	(469)	4,983	137	5,120
Profit for the year			897					897	18	915
Other comprehensive loss					(5)	(20)	(92)	(117)		(117)
Total comprehensive income (loss)	-	-	897	-	(5)	(20)	(92)	780	18	798
Shares issued	53							53		53
Share-based payment for share awards net of exercised		15						15		15
Acquisition of non-controlling interest <sup>(5)</sup>			(144)					(144)	(71)	(215)
Disposal of subsidiary <sup>(6)</sup>								-	(45)	(45)
Dividends paid (note 14)			(215)					(215)		(215)
Dividends of subsidiaries								-	(17)	(17)
Translation		(9)	7			3		1	(1)	-
<b>Balance at 31 December 2012</b>	6,742	177	(806)	(2)	13	(90)	(561)	5,473	21	5,494
Loss for the year			(2,230)					(2,230)	30	(2,200)
Other comprehensive income (loss)				1	8	49	(433)	(375)		(375)
Total comprehensive (loss) income	-	-	(2,230)	1	8	49	(433)	(2,605)	30	(2,575)
Shares issued <sup>(7)</sup>	264							264		264
Share-based payment for share awards net of exercised <sup>(8)</sup>		(13)						(13)		(13)
Dividends paid (note 14)			(40)					(40)		(40)
Dividends of subsidiaries								-	(23)	(23)
Translation		(28)	15		(3)	16		-		-
<b>Balance at 31 December 2013</b>	7,006	136	(3,061)	(1)	18	(25)	(994)	3,079	28	3,107
Loss for the year			(58)					(58)	19	(39)
Other comprehensive loss						(16)	(201)	(217)		(217)
Total comprehensive loss	-	-	(58)	-	-	(16)	(201)	(275)	19	(256)
Shares issued	35							35		35
Share-based payment for share awards net of exercised		6						6		6
Dividends of subsidiaries								-	(21)	(21)
Translation		(10)	10		(1)	1		-		-
<b>Balance at 31 December 2014</b>	7,041	132	(3,109)	(1)	17	(40)	(1,195)	2,845	26	2,871

(1) Other capital reserves includes a surplus on disposal of company shares held by companies prior to the formation of AngloGold Ashanti Limited of \$12m (2013: \$14m; 2012: \$17m), surplus on equity transaction of joint venture of \$36m (2013: \$36m; 2012: \$36m), share of associates and joint ventures other comprehensive loss of \$1m (2013: \$2m; 2012: \$1m), equity items for share-based payments of \$82m (2013: \$85m; 2012: \$123m) and other reserves.

(2) Included in accumulated losses are retained earnings totaling \$184m (2013: \$83m; 2012: \$181m) arising at equity accounted investments which may not be remitted without third party consent.

(3) Cash flow hedge reserve represents the effective portion of fair value gains or losses in respect of cash flow hedges that expired in prior periods. The cash flow hedge reserve shall remain in equity and will unwind over the life of Serra Grande mine.

(4) Available-for-sale reserve represents fair value gains or losses on available-for-sale financial assets.

(5) On 28 June 2012, AngloGold Ashanti Limited acquired the remaining 50% shareholding in the Serra Grande mine from Kinross Gold Corporation for \$220m less \$5m for dividends declared and paid to minorities.

(6) In early December 2012, AngloGold Ashanti Limited disposed of a 5% interest in Rand Refinery (Pty) Limited, resulting in Rand Refinery (Pty) Limited being reported as an associate.

(7) Includes share awards exercised and delivery of 18,140,000 shares to settle the outstanding 6% Mandatory Convertible Subordinated Bonds.

(8) Includes reassessment of estimated vesting profile related to the accelerated share options.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

ANGLOGOLD ASHANTI LIMITED

**Notes to the consolidated financial statements**

**FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012**

**1 ACCOUNTING POLICIES**

**Statement of compliance**

The consolidated and company financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board (IASB) in the English language, the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, Financial reporting Pronouncements as issued by Financial Reporting Standards Council, JSE listings requirements and in the manner required by the South African Companies Act, 2008.

**New standards and interpretations issued**

The financial statements have been drawn up on the basis of accounting standards, interpretations and amendments effective at the beginning of the accounting period on 1 January 2014. The new standards, interpretations and amendments effective from 1 January 2014 had no impact on the group.

AngloGold Ashanti Limited is in the process of assessing the significance of new standards, interpretations and amendments to standards in issue that are not yet adopted.

**1.1 BASIS OF PREPARATION**

The financial statements are prepared according to the historical cost convention, except for the revaluation of certain financial instruments to fair value. The group's accounting policies as set out below are consistent in all material respects with those applied in the previous year.

The group financial statements are presented in US dollars.

The group financial statements incorporate the financial statements of the company, its subsidiaries and its interests in joint ventures and associates. The financial statements of all material subsidiaries, the Environmental Rehabilitation Trust Fund and joint ventures, are prepared for the same reporting period as the holding company, using the same accounting policies.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control would generally exist where the group owns more than 50% of the voting rights, unless the group and other investors collectively control the entity where they must act together to direct the relevant activities. In such cases, as no investor individually controls the entity the investment is accounted for as an equity method investment or a joint operation. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date on which control ceases. The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The acquisition of non-controlling interests is reflected as an equity transaction. The entire difference between the cost of the additional interest and the non-controlling interests' fair value of its share at the date of acquisition is reflected as a transaction between owners.

Disclosures for non-controlling interests are assessed by reference to consolidated non-controlling interest.

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Intra-group transactions, balances and unrealised gains and losses on transactions between group companies, including any resulting tax effect are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are accounted for at cost and are adjusted for impairments where appropriate in the company financial statements.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

**1.2 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

**Use of estimates**

The preparation of the financial statements requires the group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to Ore Reserve that are the basis of future cash flow estimates and unit-of-production depreciation, depletion and amortisation calculations; environmental, reclamation and closure obligations; estimates of recoverable gold and other materials in heap leach pads; asset impairments/ reversals (including impairments of goodwill); and write-downs of inventory to net realisable value. Other estimates include post-employment, post-retirement and other employee benefit liabilities and deferred taxation.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As a global company, the group is exposed to numerous legal risks. The outcome of currently pending and future proceedings cannot be predicted with certainty. Thus, an adverse decision in a lawsuit could result in additional costs that are not covered, either wholly or partly, under insurance policies and that could significantly influence the business and results of operations.

The judgements that management has applied in the application of accounting policies, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

***Carrying value of goodwill and tangible assets***

The majority of mining assets are amortised using the units-of-production method where the mine operating plan calls for production from a well-defined proved and probable Ore Reserve.

For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated mine life based on proved and probable Ore Reserve as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable Ore Reserve. This would generally arise when there are significant changes in any of the factors or assumptions used in estimating Ore Reserve.

These factors could include:

- changes in proved and probable Ore Reserve;
- the grade of Ore Reserve may vary significantly from time to time;
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites; and
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Changes in proved and probable Ore Reserve could similarly impact the useful lives of assets amortised on the straight-line method, where those lives are limited to the life of the mine.

The group has a number of surface mining operations that are in the production phase for which production stripping costs are incurred. The benefits that accrue to the group as a result of incurring production stripping costs include (a) ore that can be used to produce inventory and (b) improved access to further quantities of material that will be mined in future periods.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

The production stripping costs relating to improved access to further quantities in future periods are capitalised as a stripping activity asset, if and only if, all of the following are met:

It is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow to the group;

The group can identify the component of the orebody for which access has been improved; and

The costs relating to the stripping activity associated with that component or components can be measured reliably.

Components of the various orebodies at the operations of the group are determined based on the geological areas identified for each of the orebodies and are reflected in the Ore Reserve reporting of the group. In determining whether any production stripping costs should be capitalised as a stripping activity asset, the group uses three operational guidance measures; two of which relate to production measures, while the third relates to an average stripping ratio measure.

Once determined that any portion of the production stripping costs should be capitalised, the group uses the average stripping ratio of the component or components to which the production stripping costs relate to determine the amount of the production stripping costs that should be capitalised. Stripping activity assets are amortised on the units-of-production method based on the Ore Reserve of the component or components of the orebody to which these assets relate.

This accounting treatment is consistent with that for stripping costs incurred during the development phase of a mine, before production commences, except that stripping costs incurred during the development phase of a mine, before production commences, are amortised on the units-of-production method based on the Ore Reserve of the life of the mine as a whole.

Deferred stripping costs are included in Mine development costs, within tangible assets. These costs form part of the total investment in the relevant cash-generating unit, which is reviewed for impairment if events or a change in circumstances indicate that the carrying value may not be recoverable. Amortisation of stripping activity assets is included in operating costs.

An individual operating mine is not a typical going-concern business because of the finite life of its reserves. The allocation of goodwill to an individual mine will result in an eventual goodwill impairment due to the wasting nature of the mine reporting unit. In accordance with the provisions of IAS 36 Impairment of Assets, the group performs its annual impairment review of assigned goodwill during the fourth quarter of each year.

The group reviews and tests the carrying value of tangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time and impact the recoverable amounts. The cash flows and value in use are significantly affected by a number of factors including published reserves, resources, exploration potential and production estimates, together with economic factors such as spot and future gold prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure. Refer note 15 for estimates and assumptions used to calculate recoverable amounts. In addition the group considers the reversal of previously recognised impairments at each reporting date. At the reporting date the group assesses whether any of the indicators which gave rise to previously recognised impairments have changed such that the impairment loss no longer exists or may have decreased. The impairment loss is then assessed on the original factors for reversal and if indicated, such reversal is recognised.

The recoverable amount is estimated based on the positive indicators. If an impairment loss has decreased, the carrying amount is recorded at the recoverable amount as limited in terms of IAS 36.

The carrying amount of goodwill in the consolidated financial statements at 31 December 2014 was \$142m (2013: \$154m; 2012: \$195m). The carrying amount of tangible assets at 31 December 2014 was \$4,863m (2013: \$4,815m; 2012: \$7,776m). The impairment and derecognition of goodwill and tangible assets recognised in the consolidated financial statements for the year ended 31 December 2014 were nil (2013: \$15m; 2012: nil) and \$4m (2013: \$2,978m; 2012: \$356m) respectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)****Production start date***

The group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined by the unique nature of each mine construction project and include factors such as the complexity of a plant and its location. The group considers various relevant criteria to assess when the mine is substantially complete and ready for its intended use and moves into the production stage. Some of the criteria would include but are not limited to the following:

- the level of capital expenditure compared to the construction cost estimates;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce gold in saleable form (within specifications and the de minimis rule); and
- ability to sustain ongoing production of gold.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalisable costs related to mining asset additions or improvements, underground mine development, deferred stripping activities, or Ore Reserve development.

***Income taxes***

The group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the group operates could limit the ability of the group to obtain tax deductions in future periods.

Carrying values of the group at 31 December 2014:

- deferred tax asset: \$127m (2013: \$177m; 2012: \$97m);
- deferred tax liability: \$567m (2013: \$579m; 2012: \$1,084m);
- taxation liability: \$66m (2013: \$81m; 2012: \$120m); and
- taxation asset: \$25m (2013: \$51m; 2012: \$54m).

Unrecognised value of deferred tax assets: \$563m (2013: \$414m; 2012: \$89m).

***Provision for environmental rehabilitation obligations***

The group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The group recognises management's best estimate for decommissioning and restoration obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates, inflation rates, foreign currency exchange rates and discount rates could affect the carrying amount of this provision.

The carrying amount of the rehabilitation obligations for the group at 31 December 2014 was \$851m (2013: \$728m; 2012: \$841m).

***Stockpiles, metals in process and ore on leach pad***

Costs that are incurred in or benefit the production process are accumulated as stockpiles, metals in process and ore on leach pads. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product, based on prevailing and long-term metals



prices, less estimated costs to complete production and bring the product to sale.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Stockpiles and underground metals in process are measured by estimating the number of tonnes added and removed from the stockpile and from underground, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile and underground ore tonnages are verified by periodic surveys.

Estimates of the recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads based on measured tonnes added to the leach pads, the grade of ore placed on the leach pads based on assay data and a recovery percentage based on metallurgical testing and ore type.

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of gold actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and engineering estimates are refined based on actual results over time.

Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realisable value are accounted for on a prospective basis.

The carrying amount of inventories (excluding finished goods and mine operating supplies) for the group at 31 December 2014 was \$1,106m (2013: \$1,125m; 2012: \$1,309m).

***Recoverable tax, rebates, levies and duties***

In a number of countries, particularly in Continental Africa, AngloGold Ashanti Limited is due refunds of indirect tax which remain outstanding for periods longer than those provided for in the respective statutes.

In addition, AngloGold Ashanti Limited has unresolved tax disputes in a number of countries, particularly in Continental Africa and in Brazil. If the outstanding input taxes are not received and the tax disputes are not resolved in a manner favourable to AngloGold Ashanti Limited, it could have an adverse effect upon the carrying value of these assets.

The carrying value of recoverable tax, rebates, levies and duties for the group at 31 December 2014 was \$169m (2013: \$229m; 2012: \$243m).

***Pension plans and post-retirement medical obligations***

The determination of AngloGold Ashanti Limited's obligation and expense for pension and provident funds, as well as post-retirement health care liabilities, depends on the selection of certain assumptions used by actuaries to calculate amounts. These assumptions include, among others, the discount rate, the expected long-term rate of return of plan assets, health care inflation costs, rates of increase in compensation costs and the number of employees who reach retirement age before the mine reaches the end of its life. While AngloGold Ashanti Limited believes that these assumptions are appropriate, significant changes in the assumptions may materially affect pension and other post-retirement obligations as well as future expenses, which may result in an impact on earnings in the periods that the changes in these assumptions occur.

The carrying value of the defined benefit plans (including the net asset position disclosed under non-current assets) at 31 December 2014 was \$122m (2013: \$111m; 2012: \$221m).

***Ore Reserve estimates***

An Ore Reserve estimate is an estimate of the amount of product that can be economically and legally extracted from the group's properties. In order to calculate the Ore Reserve, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and/or grade of the Ore Reserve requires the size, shape and depth of orebodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

The group is required to determine and report its Ore Reserve in accordance with the SAMREC code.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Because the economic assumptions used to estimate changes in the Ore Reserve from period to period, and because additional geological data is generated during the course of operations, estimates of the Ore Reserve may change from period to period. Changes in the reported Ore Reserve may affect the group's financial results and financial position in a number of ways, including the following:

- asset carrying values may be affected due to changes in estimated future cash flows;
- depreciation, depletion and amortisation charged in the income statement may change where such charges are determined by the units-of-production method, or where the useful economic lives of assets change;
- overburden removal costs, including production stripping activities, recorded on the statement of financial position or charged in the income statement may change due to changes in stripping ratios or the units-of-production method of depreciation;
- decommissioning site restoration and environmental provisions may change where changes in the estimated Ore Reserve affect expectations about the timing or cost of these activities; and
- the carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

***Development expenditure***

Development activities commence after project sanctioning by the appropriate level of management. Judgement is applied by management in determining when a project has reached a stage at which economically recoverable reserves exist such that development may be sanctioned. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having started the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to the income statement.

***Share-based payments***

The group issues equity-settled share-based payments to certain employees and third parties outside the group. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using the Black-Scholes option-pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The income statement charge for the year was \$39m (2013: \$30m; 2012: \$66m).

***Contingencies***

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. Such contingencies include, but are not limited to environmental obligations, litigation, regulatory proceedings, tax matters and losses resulting from other events and developments.

Firstly, when a loss is considered probable and reasonably estimable, a liability is recorded in the amount of the best estimate for the ultimate loss. The likelihood of a loss with respect to a contingency can be difficult to predict and determining a meaningful estimate of the loss or a range of loss may not always be practicable based on the information available at the time and the potential effect of future events and decisions by third parties that will determine the ultimate resolution of the contingency. It is not uncommon for such matters to be resolved over many years, during which time relevant developments and new information is continuously evaluated to determine both the likelihood of any potential loss and whether it is possible to reasonably estimate a range of possible losses. When a loss is probable but a reasonable estimate cannot be made, disclosure is provided.

In determining the threshold for disclosure on a qualitative and quantitative basis, management considers the potential for a disruptive effect on the normal functioning of the group and/or whether the contingency could impact investment decisions. Such qualitative matters considered are reputational risks, regulatory compliance issues and reasonable investor considerations. For quantitative purposes an amount of \$20m, has been considered.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Litigation and other judicial proceedings as a rule raise difficult and complex legal issues and are subject to uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each suit is brought and differences in applicable law. Upon resolution of any pending legal matter, the group may be forced to incur charges in excess of the presently established provisions and related insurance coverage. It is possible that the financial position, results of operations or cash flows of the group could be materially affected by the unfavourable outcome of litigation.

### **1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Equity-accounted investments**

##### ***Joint ventures***

A joint venture is an entity in which the group holds a long-term interest and which the group and one or more other ventures jointly control under a contractual arrangement, that provides for strategic, financial and operating policy decisions relating to the activities requiring unanimous consent of the parties sharing control. The group's interests in joint arrangements classified as joint ventures are accounted for using the equity method.

Profits and losses realised in connection with transactions between the group and joint ventures are eliminated in proportion to share ownership. Such profits and losses are deducted from the group's equity and related statement of financial position amount and released in the group accounts when the assets are effectively realised outside the group. Dividends received from joint ventures are included in operating activities in the cash flow statement.

Joint ventures are accounted for at cost and are adjusted for impairments where appropriate in the company financial statements.

##### ***Associates***

The equity method of accounting is used for an investment over which the group exercises significant influence and normally owns between 20% and 50% of the voting equity. Associates are equity-accounted from the effective date of acquisition to the effective date of disposal. If necessary, impairment losses on loans and equity are reported under share of profit and loss from investments accounted for using the equity method.

Profits and losses realised in connection with transactions between the group and associated companies are eliminated in proportion to share ownership. Such profits and losses are deducted from the group's equity and related statement of financial position amount and released in the group accounts when the assets are effectively realised outside the group. Dividends received from associates are included in investing activities in the cash flow statement.

As the group only has significant influence, it is unable to obtain reliable information at reporting period on a timely basis. The results of associates are equity-accounted from their most recent audited annual financial statements or unaudited interim financial statements, all within three months of the year end of the group. Adjustments are made to the associates' financial results for material transactions and events in the intervening period.

Associates are accounted for at cost and are adjusted for impairments where appropriate in the company financial statements.

##### ***Joint ventures and associates***

Any losses of equity-accounted investments are brought to account in the consolidated financial statements until the investment in such investments is written down to zero. Thereafter, losses are accounted for only insofar as the group is committed to providing financial support to such investees.

The carrying value of equity-accounted investments represents the cost of each investment, including goodwill, balance outstanding on loans advanced if the loan forms part of the net investment in the investee, any impairment losses recognised, the share of post-acquisition retained earnings and losses, and any other movements in reserves. The carrying value of equity-accounted investments is reviewed when indicators arise

and if any impairment in value has occurred; it is recognised in the period in which the impairment arose.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

**Unincorporated joint ventures joint operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the use of assets and obligations for the liabilities of the arrangement. The group accounts for activities under joint operations by recognising in relation to the joint operation, the assets it controls and the liabilities it incurs, the expenses it incurs and the revenue from the sale or use of its share of the joint operations output.

**Foreign currency translation*****Functional currency***

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the approximate exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the reporting period exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except for hedging derivative balances that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement*. Translation differences on these balances are reported as part of their fair value gain or loss.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in other comprehensive income within equity.

***Group companies***

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- share capital and premium are translated at historical rates of exchange at the reporting date;
- retained earnings are converted at historical average exchange rates;
- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement presented are translated at monthly average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing at the date of the transaction);
- all resulting exchange differences are recognised in other comprehensive income and presented as a separate component of equity (foreign currency translation); and
- other reserves, other than those translated above, are converted at the official closing rate at each reporting date. These resulting exchange differences are recognised in retained earnings.

Exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income on consolidation. For the company, the exchange differences on such monetary items are reported in the company income statement.



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When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

**Segment reporting**

An operating segment is a business activity whose results are regularly reviewed by the chief operating decision maker in order to make decisions about resources to be allocated to it and to assess its performance and for which discrete financial information is available. The chief operating decision maker has been determined to be the Executive Committee.

**Tangible assets**

Tangible assets are recorded at cost less accumulated amortisation and impairments/reversals. Cost includes pre-production expenditure incurred during the development of a mine and the present value of related future decommissioning costs.

Interest on borrowings relating to the financing of major capital projects under construction is capitalised during the construction phase as part of the cost of the project. Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction is interrupted for an extended period or when the asset is substantially complete. Other borrowing costs are expensed as incurred.

If there is an indication that the recoverable amount of any of the tangible assets is less than the carrying value, the recoverable amount is estimated and an allowance is made for the impairment in value.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the asset will flow to the group, and the cost of the addition can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

To the extent a legal or constructive obligation to a third party exists, the acquisition cost includes estimated costs of dismantling and removing the asset and restoring the site. A change in estimated expenditures for dismantling, removal and restoration is added to and/or deducted from the carrying value of the related asset. To the extent that the change would result in a negative carrying amount, this effect is recognised as income. The change in depreciation charge is recognised prospectively.

For assets amortised on the units-of-production method, amortisation is calculated to allocate the cost of each asset to its residual value over its estimated useful life.

For those assets not amortised on the units-of-production method, amortisation is calculated over their estimated useful life as follows:

- buildings up to life of mine;
- plant and machinery up to life of mine;
- equipment and motor vehicles up to five years;
- computer equipment up to three years; and
- leased assets over the shorter of the period of the lease and the useful life.

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

Assets are amortised to residual values. Residual values and useful lives are reviewed, and adjusted if appropriate, at the beginning of each financial year.

Gains and losses on disposals are determined by comparing net sale proceeds with the carrying amount. These are included in the income statement.

***Mine development costs***

Capitalised mine development costs include expenditure incurred to develop new orebodies, to define further mineralisation in existing orebodies and, to expand the capacity of a mine. Mine development costs include acquired proved and probable Ore Reserve at cost at the acquisition date. These costs are amortised from the date on which commercial production begins.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Depreciation, depletion and amortisation of mine development costs are computed by the units-of-production method based on estimated proved and probable Ore Reserve. The proved and probable Ore Reserve reflects estimated quantities of reserves which can be recovered economically in the future from known mineral deposits.

Capitalised mine development costs also include stripping activity assets relating to production stripping activities incurred in the production phase of open-pit operations of the group. Once determined that any portion of the production stripping costs should be capitalised, the group uses the average stripping ratio and the average mine costs per tonne of the component to which the production stripping costs relate to determine the amount of the production stripping costs that should be capitalised. Stripping activity assets are amortised on a units-of-production method based on the Ore Reserve of the component of the orebody to which these assets relate.

The average stripping ratio is calculated as the number of tonnes of waste material expected to be removed during the life of the component per tonne of ore mined from the component or components. The average mine cost per tonne of the component is calculated as the total expected costs to be incurred to mine the relevant component of the orebody, divided by the number of tonnes expected to be mined from the component. The average mine stripping ratio and the average mine cost per tonne of the component to which the stripping activity asset relates are recalculated annually in the light of additional knowledge and changes in estimates.

***Mine infrastructure***

Mine plant facilities, including decommissioning assets, are amortised using the lesser of their useful life or units-of-production method based on estimated proved and probable Ore Reserve. Other tangible assets comprising vehicles and computer equipment are depreciated by the straight-line method over their estimated useful lives.

***Land and assets under construction***

Land and assets under construction are not depreciated and are measured at historical cost less impairments.

***Mineral rights and dumps***

Mineral rights are amortised using the units-of-production method based on the estimated proved and probable Ore Reserve. Dumps are amortised over the period of treatment.

***Exploration and evaluation assets***

All exploration costs are expensed until it is concluded that a future economic benefit will more likely than not be realised. In evaluating if expenditures meet this criterion to be capitalised, several different sources of information are used depending on the level of exploration. While the criterion for concluding that expenditure should be capitalised is always probable, the information used to make that determination depends on the level of exploration.

Costs on greenfields sites, being those where the group does not have any mineral deposits which are already being mined or developed, are expensed as incurred until the group is able to demonstrate that future economic benefits are probable, which generally will be the establishment of proved and probable Ore Reserve at this location.

Costs on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, are expensed as incurred until the group is able to demonstrate that future economic benefits are probable, which generally will be the establishment of increased proved and probable Ore Reserve after which the expenditure is capitalised as a mine development cost.

Costs relating to extensions of mineral deposits, which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, are capitalised as a mine development cost.

Costs relating to property acquisitions are capitalised within development costs.

***Intangible assets***

***Acquisition and goodwill arising thereon***

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Where an investment in a subsidiary, joint venture or an associate is made, any excess of the consideration transferred over the fair value of the attributable Mineral Resource including value beyond proved and probable, exploration properties and net assets is recognised as goodwill. Goodwill in respect of subsidiaries is disclosed as goodwill. Goodwill relating to equity-accounted joint ventures and associates is included within the carrying value of the investment which is tested for impairment when indicators exist.

Goodwill relating to subsidiaries is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

***Royalty rate concession***

The royalty rate concession with the government of Ghana was capitalised at fair value at agreement date. Fair value represents a present value of future royalty rate concessions over 15 years. The royalty rate concession has been assessed to have a finite life and is amortised on a straight-line method over a period of 15 years, the period over which the concession runs. The related amortisation expense is charged through the income statement. This intangible asset is tested for impairment when there is an indicator of impairment.

***Software***

Software purchased, including direct costs associated with customisation and installation of the software, is capitalised.

Internally-developed software is capitalised when it meets the criteria for capitalisation. Other software development expenditure is charged to the income statement when incurred. Software is amortised on a straight-line basis over its useful life which is determined to be the lesser of the license period of the software; the manufacturer's announced upgrade that management intends to implement; or 3 years. Useful lives are reviewed, and adjusted if appropriate, annually.

**Impairment of assets**

Intangible assets that have an indefinite useful life and separately recognised goodwill are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

**Leased assets**

Assets subject to finance leases are capitalised at the lower of their fair value or the present value of minimum lease payments measured at inception of the lease with the related lease obligation recognised at the same amount. Capitalised leased assets are depreciated over the shorter of their estimated useful lives and the lease term. Finance lease payments are allocated using the rate implicit in the lease, which is included in finance costs, and the capital repayment, which reduces the liability to the lessor.

Operating lease rentals are charged against operating profits in a systematic manner related to the period the assets concerned will be used.

**Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as having been met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

**Exploration and research expenditure**

Pre-license costs are recognised in profit or loss as incurred. Exploration and research expenditure is expensed in the year in which it is incurred. These expenses include: geological and geographical costs, labour, Mineral Resource and exploratory drilling costs.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

**Inventories**

Inventories are valued at the lower of cost and net realisable value after appropriate allowances for redundant and obsolete items. Cost is determined on the following bases:

- metals in process are valued at the average total production cost at the relevant stage of production;
- gold doré/bullion is valued on an average total production cost method;
- ore stockpiles are valued at the average moving cost of mining and stockpiling the ore. Stockpiles are classified as a non-current asset where the stockpile exceeds current processing capacity;
- by-products, which include uranium oxide and sulphuric acid, are valued using an average total production cost method. By-products are classified as a non-current asset where the by-products on hand exceed current processing capacity;
- mine operating supplies are valued at average cost; and
- heap leach pad materials are measured on an average total production cost basis. The cost of materials on the leach pad from which metals are expected to be recovered in a period longer than 12 months is classified as a non-current asset.

A portion of the related depreciation, depletion and amortisation charge is included in the cost of inventory.

**Provisions**

Provisions are recognised when the group has a present obligation, whether legal or constructive, because of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised only when the reimbursement is virtually certain. The amount to be reimbursed is recognised as a separate asset. Where the group has a joint and several liability with one or more other parties, no provision is recognised to the extent that those other parties are expected to settle part or all of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Litigation and administrative proceedings are evaluated on a case-by-case basis considering the information available, including that of legal counsel, to assess potential outcomes. Where it is considered probable that an obligation will result in an outflow of resources, a provision is recorded for the present value of the expected cash outflows if these are reasonably measurable. These provisions cover the estimated payments to plaintiffs, court fees and the cost of potential settlements.

AngloGold Ashanti Limited does not recognise a contingent liability on its statement of financial position except in a business combination where the contingent liability represents a possible obligation.

**Employee benefits**

***Pension obligations***

Group companies operate various pension schemes. The schemes are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

A defined contribution plan is a pension scheme under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future contribution payments is available.

The asset/liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using





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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

the projected unit credit method. The value of any defined benefit asset recognised is restricted to the sum of any past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are immediately recorded in other comprehensive income.

***Other post-employment benefit obligations***

Some group companies provide post-retirement health care benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology on the same basis as that used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in other comprehensive income immediately. These obligations are valued annually by independent qualified actuaries.

***Termination benefits***

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. An entity shall recognise a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after reporting date are discounted to present value.

***Profit-sharing and bonus plans***

The group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the group's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

***Share-based payments***

The group's management awards certain employee bonuses in the form of equity-settled share-based payments on a discretionary basis.

The fair value of the equity instruments granted is calculated at measurement date, for transactions with employees this is at grant date. For transactions with employees, fair value is based on market prices of the equity instruments granted, if available, taking into account the terms and conditions upon which those equity instruments were granted. If market prices of the equity instruments granted are not available, the fair value of the equity instruments granted is estimated using an appropriate valuation model. Vesting conditions, other than market conditions, are not taken into account when estimating the fair value of shares or share options at measurement date.

Over the vesting period, the fair value at measurement date is recognised as an employee benefit expense with a corresponding increase in other capital reserves based on the group's estimate of the number of instruments that will eventually vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

When options are exercised or share awards vest, the proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

Where the terms of an equity settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of the modification.

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In the company financial statements, share-based payment arrangements with employees of other group entities are recognised by charging that entity its share of the expense and a corresponding increase in other capital reserves. When options are exercised or share awards vest, the proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***Environmental expenditure**

The group has long-term remediation obligations comprising decommissioning and restoration liabilities relating to its past operations which are based on the group's environmental management plans, in compliance with current environmental and regulatory requirements. Provisions for non-recurring remediation costs are made when there is a present obligation, it is probable that expenditure on remediation work will be required and the cost can be estimated within a reasonable range of possible outcomes. The costs are based on currently available facts, technology expected to be available at the time of the clean-up, laws and regulations presently or virtually certain to be enacted and prior experience in remediation of contaminated sites.

Contributions for the South African operations are made to Environmental Rehabilitation Trust Funds, created in accordance with local statutory requirements where applicable, to fund the estimated cost of rehabilitation during and at the end of the life of a mine. The amounts contributed to the trust funds are accounted for as non-current assets in the company. Interest earned on monies paid to rehabilitation trust funds is accrued on a time proportion basis and is recorded as interest income. For group purposes, the trusts are consolidated.

**Decommissioning costs**

The provision for decommissioning represents the cost that will arise from rectifying damage caused before production commences. Accordingly, a provision and a decommissioning asset is recognised and included within mine infrastructure. Decommissioning costs are provided at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The unwinding of the decommissioning obligation is included in the income statement. Estimated future costs of decommissioning obligations are reviewed regularly and adjusted as appropriate for new circumstances or changes in law or technology. Changes in estimates are capitalised or reversed against the relevant asset. Estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money.

Gains or losses from the expected disposal of assets are not taken into account when determining the provision.

**Restoration costs**

The provision for restoration represents the cost of restoring site damage after the start of production. Changes in the provision are recorded in the income statement as a cost of production.

Restoration costs are estimated at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices and adjusted for risks specific to the liability. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money.

**Revenue recognition**

Revenue is recognised at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to the group and revenue and costs can be reliably measured. The following criteria must also be present:

- the sale of mining products is recognised when the significant risks and rewards of ownership of the products are transferred to the buyer;
- dividends and royalties are recognised when the right to receive payment is established;
- interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group; and
- where a by-product is not regarded as significant, revenue is credited against cost of sales, when the significant risks and rewards of ownership of the products are transferred to the buyer.

**Taxation**

Deferred taxation is provided on all qualifying temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are only recognised to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Deferred tax assets and liabilities are measured at future anticipated tax rates, which have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised as income or expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period in other comprehensive income or directly in equity, or a business combination that is an acquisition.

Current tax is measured on taxable income at the applicable statutory rate enacted or substantively enacted at the reporting date. Interest and penalties, if any, are recognised in the income statement as part of taxation expense.

**Special items**

Items of income and expense that are material and require separate disclosure, in accordance with IAS 1.97, are classified as special items on the face of the income statement. Special items that relate to the underlying performance of the business are classified as operating special items and include impairment charges and reversals. Special items that do not relate to underlying business performance are classified as non-operating special items and are presented below operating profit (loss) on the income statement.

**Dividend distribution**

Dividend distribution to the group's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are declared by the board of directors of AngloGold Ashanti Limited.

**Financial instruments**

Financial instruments are initially measured at fair value when the group becomes a party to their contractual arrangements. Transaction costs are included in the initial measurement of financial instruments, except financial instruments classified as at fair value through profit or loss. The subsequent measurement of financial instruments is dealt with below.

A financial asset is derecognised when the right to receive cash flows from the asset has expired or the group has transferred its rights to receive cash and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

On derecognition of a financial asset, the difference between the proceeds received or receivable and the carrying amount of the asset is included in profit or loss.

On derecognition of a financial liability, the difference between the carrying amount of the liability extinguished or transferred to another party and the amount paid is included in profit or loss.

Regular way purchases and sales of all financial assets and liabilities are accounted for at settlement date.

***Derivatives and hedge accounting***

The group enters into derivatives to ensure a degree of price certainty and to guarantee a minimum revenue on a portion of future planned gold production. In addition, the group enters into derivatives to manage interest rate and currency risk.

The method of recognising fair value gains and losses depends on whether derivatives are classified as held for trading or are designated as hedging instruments, and if the latter, the nature of the risks being hedged. The group designates derivatives as either hedges of the variability in highly probable future cash flows attributable to a recognised asset or liability, or a forecast transaction (cash flow hedges); or hedges of the fair value of recognised asset or liability or a firm commitment (fair value hedges).

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For cash flow hedges, the effective portions of fair value gains or losses are recognised in other comprehensive income until the hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting or when the hedge transactions affect earnings. Any cumulative gain or loss existing in equity at that time remains in equity until the forecast transaction is recognised in the income statement. If a hedge of a forecast transaction subsequently results in

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

the recognition of a non-financial asset or liability, the associated cumulative gains and losses that were recognised directly in other comprehensive income are reclassified into earnings in the same periods during which the asset acquired or the liability assumed affects earnings for the period.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement. The ineffective portion of fair value gains and losses is reported in earnings in the period to which they relate. For fair value hedges, the gain or loss from changes in fair value of the hedged item is reported in earnings, together with the offsetting gains and losses from changes in fair value of the hedging instrument.

All other derivatives are classified as held for trading and are subsequently measured at their estimated fair value, with the changes in estimated fair value in the statement of financial position as either a derivative asset or derivative liability, including translation differences, at each reporting date being reported in earnings in the period to which it relates. Fair value gains and losses on these derivatives are included in gross profit in the income statement.

Commodity-based (normal purchase or normal sale) derivative contracts that meet the requirements of IAS 39 are recognised in earnings when they are settled by physical delivery.

The estimated fair values of derivatives are determined at discrete points in time based on the relevant market information. These estimates are calculated with reference to the market rates using industry standard valuation techniques.

***Other investments***

Listed equity investments and unlisted equity investments, other than investments in subsidiaries, joint ventures, and associates, are classified as available-for-sale financial assets and subsequently measured at fair value. Listed investments' fair values are calculated by reference to the quoted selling price at the close of business on the reporting date. Fair values for unlisted equity investments are estimated using methods reflecting the economic circumstances of the investee. Equity investments for which fair value cannot be measured reliably are recognised at cost less impairment. Changes in fair value are recognised in other comprehensive income in the period in which they arise. These amounts are removed from equity and reported in income when the asset is derecognised or when there is objective evidence that the asset is impaired based on a significant or prolonged decrease in the fair value of the equity instrument below its cost.

Investments which management has the intention and ability to hold to maturity are classified as held-to-maturity financial assets and are subsequently measured at amortised cost using the effective interest rate method. If there is evidence that held-to-maturity financial assets are impaired, the carrying amount of the assets is reduced and the loss recognised in the income statement.

***Other non-current assets***

Loans and receivables are subsequently measured at amortised cost using the effective interest rate method. If there is evidence that loans and receivables are impaired, the carrying amount of the assets is reduced and the loss recognised in the income statement.

Post-retirement assets are measured according to the employee benefits policy.

***Trade and other receivables***

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less accumulated impairment. Impairment of trade and other receivables is established when there is objective evidence as a result of a loss event that the group will not be able to collect all amounts due according to the original terms of the receivables. Objective evidence includes failure by the counterparty to perform in terms of contractual arrangements and agreed terms. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Impairments relate to specific accounts whereby the carrying amount is directly reduced. The impairment is recognised in the income statement.

***Cash and cash equivalents***

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. They are measured at amortised cost which is deemed to be fair value as they have a short-term maturity.

*Cash restricted for use*

Cash which is subject to legal or contractual restrictions on use is classified separately as cash restricted for use.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

***Financial liabilities***

Financial liabilities, other than derivatives and liabilities classified as at fair value through profit or loss, are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities permitted to be designated on initial recognition as being at fair value through profit or loss are recognised at fair value, with transaction costs being recognised in profit or loss, and are subsequently measured at fair value. Gains and losses on financial liabilities that are designated as at fair value through profit or loss are recognised in profit or loss as they arise. Fair value of a financial liability that is quoted in an active market is the current offer price times the number of units of the instrument held or issued.

Financial guarantee contracts are accounted for as financial instruments and measured initially at estimated fair value. They are subsequently measured at the higher of the amount determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, and the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with IAS 18 *Revenue*.

***Convertible bonds***

Convertible bonds, except equity components, are accounted for as liabilities. Option components are treated as derivative liabilities and carried at fair value, with changes in fair value recorded in the income statement as a separate instrument and reported separately except where the host contract is carried at fair value. The bond component is carried at amortised cost using the effective interest rate. Where the fair value option is elected, the bonds are carried at fair value with changes in fair value recorded in the income statement.

***Treasury shares***

The group's own equity instruments, which are reacquired or held by subsidiary companies (treasury shares), are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments.

***Fair value measurements***

The group measures financial instruments at fair value at each reporting date where relevant. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Accounting for BEE transactions**

Where equity instruments are issued to a BEE party at less than fair value, these are accounted for as share-based payments.

Any difference between the fair value of the equity instrument issued and the consideration received is accounted for as an expense in the income statement.

A restriction on the BEE party to transfer the equity instrument subsequent to its vesting is not treated as a vesting condition, but is factored into the fair value determination of the instrument.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 2 SEGMENTAL INFORMATION

AngloGold Ashanti Limited's operating segments are being reported based on the financial information provided to the Chief Executive Officer and the Executive Committee, collectively identified as the Chief Operating Decision Maker (CODM). Individual members of the Executive Committee are responsible for geographic regions of the business.

Group analysis by origin is as follows:

Figures in million US Dollars	Net operating assets			Total assets <sup>(2)(3)</sup>		
	2014	2013	2012	2014	2013	2012
South Africa <sup>(1)</sup>	1,754	1,941	2,619	2,124	2,325	3,082
Continental Africa <sup>(4)</sup>	1,424	1,339	3,184	3,239	3,391	4,846
Australasia <sup>(1)</sup>	672	776	684	906	1,108	1,045
Americas <sup>(1)</sup>	1,838	1,627	2,315	2,409	2,203	2,878
Other, including non-gold producing subsidiaries	37	39	60	456	647	888
	5,725	5,722	8,862	9,134	9,674	12,739

Non-current assets considered material, by country are:

South Africa	1,908	*2,098	*2,786
Foreign entities	5,263	*4,927	*7,041
DRC	1,369	1,241	
Ghana			1,388*
Tanzania			1,058
Australia	743	878	
Brazil	730	726*	1,059*
United States	805		
Other	1,616	2,082*	3,536*

\* The comparatives have been amended to exclude post-employment benefit assets and cash restricted for use.

Figures in million US Dollars	Amortisation			Capital expenditure		
	2014	2013	2012	2014	2013	2012
South Africa	258	253	302	264	451	583
Continental Africa <sup>(2)</sup>	281	254	285	454	839	925
Australasia	150	98	36	91	285	369
Americas <sup>(2)</sup>	192	201	213	394	410	409
Other, including non-gold producing subsidiaries	8	8	9	6	8	36
	889	814	845	1,209	1,993	2,322
Equity-accounted investments included above	(103)	(15)	(10)	(191)	(411)	(303)
	786	799	835	1,018	1,582	2,019

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 2 SEGMENTAL INFORMATION continued

	Gold production (attributable)		
	(000oz)		
	2014	2013	2012
South Africa	1,223	1,302	1,212
Continental Africa	1,597	1,460	1,521
Australasia	620	342	258
Americas	996	1,001	953
	4,436	4,105	3,944
Figures in million US Dollars	Gold income		
	2014	2013	2012
Geographical analysis of gold income by origin is as follows:			
South Africa	1,527	1,810	2,013
Continental Africa <sup>(2)</sup>	2,105	2,111	2,609
Australasia	785	441	426
Americas	1,270	1,425	1,656
	5,687	5,787	6,704
Equity-accounted investments included above (note 3)	(469)	(290)	(351)
	5,218	5,497	6,353
Foreign countries included in the above and considered material are:			
Brazil	684	758	851
Ghana		642	772
Tanzania	605	640	906
Geographical analysis of gold income by destination is as follows:			
South Africa	3,065	2,944	3,600
North America	704	1,064	1,197
Australia	775	435	426
Asia	414	399	387
Europe	429	355	404
United Kingdom	300	590	690
	5,687	5,787	6,704
Equity-accounted investments included above (note 3)	(469)	(290)	(351)
	5,218	5,497	6,353
Figures in million US Dollars	Gross profit (loss) <sup>(5)</sup>		
	2014	2013	2012
South Africa	216	510	651
Continental Africa <sup>(2)</sup>	469	475	959
Australasia	125	(9)	78
Americas <sup>(2)</sup>	309	516	736
Corporate and other	-	-	41
	1,119	1,492	2,465
Equity-accounted investments included above	(76)	(47)	(111)
	1,043	1,445	2,354

<sup>(1)</sup> Total assets includes allocated goodwill of \$10m (2013: \$10m; 2012: \$13m) for South Africa, \$124m (2013: \$136m; 2012: \$159m) for Australasia and \$8m (2013: \$8m; 2012: \$23m) for Americas (note 16).

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

<sup>(3)</sup> In 2014, pre-tax impairments, derecognition of goodwill, tangible assets and intangible assets of \$10m were accounted for in Continental Africa, whilst in 2013, \$3,029m were accounted for in South Africa (\$311m), Continental Africa (\$1,776m) and the Americas (\$942m).

<sup>(4)</sup> As at 31 December 2013, total assets included assets held for sale in respect of Navachab Mine of \$153m (note 25).

<sup>(5)</sup> The group's segment profit measure is gross profit, which excludes the results of associates and joint ventures. For a reconciliation of gross profit to profit before taxation, refer to group income statement.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>3 REVENUE</b>			
Revenue consists of the following principal categories:			
Gold income (note 2)	5,218	5,497	6,353
By-products (note 4)	132	149	206
- silver income	69	80	95
- uranium income	47	54	90
- sulphuric acid income	15	13	19
- other	1	2	2
Dividends received	-	5	7
Royalties received (note 7)	4	18	23
Interest received (note 33)	24	39	43
- loans and receivables <sup>(1)</sup>	9	23	13
- available-for-sale and held-to-maturity investments	6	8	5
- cash and cash equivalents	9	8	25
	<b>5,378</b>	<b>5,708</b>	<b>6,632</b>
<sup>(1)</sup> Interest received from loans and receivables comprises:			
- related parties	2	1	1
- unwinding of long-term receivables	-	5	4
- other loans	7	17	8
	<b>9</b>	<b>23</b>	<b>13</b>
<b>4 COST OF SALES</b>			
Cash operating costs <sup>(1)</sup>	3,240	3,247	3,129
Insurance reimbursement	-	-	(30)
By-products revenue (note 3)	(132)	(149)	(206)
	<b>3,108</b>	<b>3,098</b>	<b>2,893</b>
Royalties	131	129	164
Other cash costs	33	43	35
Share scheme and related costs	20	27	43
Total cash costs	<b>3,292</b>	<b>3,297</b>	<b>3,135</b>
Retrenchment costs	24	69	10
Rehabilitation and other non-cash costs	94	18	67
Production costs	<b>3,410</b>	<b>3,384</b>	<b>3,212</b>
Amortisation of tangible assets (notes 15 and 33)	750	775	830
Amortisation of intangible assets (notes 16 and 33)	36	24	5
Total production costs	<b>4,196</b>	<b>4,183</b>	<b>4,047</b>
Inventory change	(6)	(37)	(83)
	<b>4,190</b>	<b>4,146</b>	<b>3,964</b>
<sup>(1)</sup> Cash operating costs comprise:			
- salaries and wages	1,105	1,231	1,186
- stores and other consumables	702	747	746
- fuel, power and water	659	641	670
- contractors	531	632	560
- other	243	(4)	(33)
	<b>3,240</b>	<b>3,247</b>	<b>3,129</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million		2014	2013	2012
		US Dollars		
<b>5</b>	<b>CORPORATE ADMINISTRATION, MARKETING AND OTHER EXPENSES</b>			
	Corporate administration expenses	80	183	236
	Marketing expenses	1	6	10
	Share scheme and related costs	11	12	45
		92	201	291
<b>6</b>	<b>OTHER OPERATING EXPENSES</b>			
	Pension and medical defined benefit provisions	6	14	37
	Claims filed by former employees in respect of loss of employment, work-related accident injuries and diseases, governmental fiscal claims and care and maintenance of old tailings operations	15	5	10
	Other expenses	7	-	-
		28	19	47
<b>7</b>	<b>SPECIAL ITEMS</b>			
	Impairment and derecognition of goodwill, tangible and intangible assets (notes 13, 15 and 16)	10	3,029	346
	Impairment of other investments (notes 13)	2	30	16
	Impairment of other receivables	1	-	1
	Write-down of stockpiles and heap leach to net realisable value and other stockpile adjustments (note 20)	2	216	-
	Write-down of consumable stores inventories	5	-	-
	Net inventory write-off at Geita due to fire	-	1	-
	Net (profit) loss on disposal and derecognition of land, mineral rights, tangible assets and exploration properties (notes 13)	(25)	(2)	15
	Profit on partial disposal of Rand Refinery (Pty) Limited (note 13)	-	-	(14)
	Royalties received (note 3) <sup>(1)</sup>	(4)	(18)	(23)
	Indirect tax expenses and legal claims <sup>(2)</sup>	19	43	40
	Legal fees and other costs related to contract terminations and settlement costs <sup>(3)</sup>	30	19	21
	Retrenchment and related costs <sup>(4)</sup>	210	24	-
	Costs on early settlement of convertible bonds and transaction costs on the \$1.25bn bonds and standby facility	-	61	-
	Write off of a loan (Sokimo)	-	7	-
	Loss on sale of Navachab mine (note 25)	2	-	-
	Write off of deferred loan fees	8	-	-
		260	3,410	402

(1) Includes the Tau Lekoa royalty of \$4m (2013: \$5m; 2012: \$5m) and Boddington royalty of nil (2013: \$13m; 2012: \$18m).

(2) Indirect tax expenses and legal claims include the following:

- net impairment for non-recovery of VAT and fuel duties in Argentina, Brazil, Colombia, Guinea, Senegal and Tanzania of \$19m (2013: \$43m; 2012: \$29m); and

- the Westchester/Africore Limited legal claim of \$11m in 2012.

(3) Legal fees and other costs related to contract terminations and settlement cost include the following:

- Mongbwalu termination costs of \$29m (2013: \$15m; 2012: nil);

- the Mining & Building Contractors Limited (MBC) termination costs of nil (2013: \$1m; 2012: \$17m)

- contract settlement costs of \$4m in 2012; and

- other movements of \$1m (2013: \$3m; 2012: nil).

(4) The Obuasi mine was transitioned to limited operations during the year, as a result, all the employees were retrenched at a cost of \$210m.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>8 FINANCE COSTS AND UNWINDING OF OBLIGATIONS</b>			
<b>Finance costs</b>			
Finance costs on rated bonds and corporate notes	211	148	74
Finance costs on convertible bonds	-	18	27
Finance costs on bank loans and overdrafts	30	43	18
Finance costs on mandatory convertible bonds	-	26	37
Amortisation of fees	5	10	15
Finance lease charges	5	5	6
Other finance costs	1	2	2
	252	252	179
Amounts capitalised (note 15)	(1)	(5)	(12)
Total finance costs	251	247	167
<b>Unwinding of obligations, accretion of convertible bonds and other discounts</b>			
Unwinding of decommissioning obligation (note 28)	12	13	11
Unwinding of restoration obligation (note 28)	13	14	17
Unwinding of other provisions (note 28)	1	2	1
Accretion of convertible bonds discount	1	20	30
Discounting of long-term trade and other receivables	-	-	5
Total unwinding of obligations, accretion of convertible bonds and other discounts	27	49	64
Total finance costs, unwinding of obligations, accretion of convertible bonds and other discounts (note 33)	278	296	231
<b>9 SHARE OF ASSOCIATES AND JOINT VENTURES LOSS</b>			
Revenue	519	334	383
Operating costs, special items and other expenses	(523)	(315)	(326)
Net interest received	6	4	2
Profit before taxation	2	23	59
Taxation	(22)	(21)	(30)
(Loss) profit after taxation	(20)	2	29
Impairment of investments in associates (note 18)	(22)	(14)	(20)
Impairment of investments in joint ventures (notes 13 and 18)	(6)	(181)	(39)
Loss on disposal of loan to joint venture (notes 13 and 18)	-	-	(2)
Reversal of impairment in associate (notes 13 and 18)	3	-	2
Reversal of impairment in joint venture (notes 13 and 18)	20	31	-
(note 33)	(25)	(162)	(30)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>10 EMPLOYEE BENEFITS</b>			
Employee benefits including Executive Directors and Prescribed Officers salaries and other benefits	1,175	1,321	1,298
Health care and medical scheme costs			
- current medical expenses	70	72	77
- defined benefit post-retirement medical expenses	10	13	36
Pension and provident plan costs			
- defined contribution	60	64	69
- defined benefit pension plans	-	11	9
Retrenchment costs	234	82	10
Share-based payment expense (note 11)	39	30	66
Included in cost of sales, other operating expenses, special items and corporate administration, marketing and other expenses	1,588	1,593	1,565
<b>Actuarial defined benefit plan expense analysis</b>			
Defined benefit post-retirement medical			
- current service cost	-	1	1
- interest cost	10	12	13
- recognised past service cost	-	-	22
	10	13	36
Defined benefit pension plans			
- current service cost	4	6	7
- interest cost	20	24	27
- interest income	(24)	(21)	(25)
- recognised past service cost	-	2	-
	-	11	9
Actual return on plan assets			
- defined benefit pension and medical plans	26	64	45

Refer to note 35 for details of Directors and Prescribed Officers emoluments.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>11 SHARE-BASED PAYMENTS</b>			
<b>Share incentive schemes</b>			
No new share incentive schemes were approved by the shareholders of AngloGold Ashanti Limited during the current financial year. New awards were made under the amended BSP and LTIP plans. The total cost relating to employee share incentive schemes was \$39m (2013: \$30m; 2012: \$66m) and is made up as follows:			
Employee Share Ownership Plan (ESOP) - Free shares	-	3	4
Employee Share Ownership Plan (ESOP) - E ordinary shares to employees	-	2	4
Bonus Share Plan (BSP)	27	24	37
Long Term Incentive Plan (LTIP)	10	(1)	21
Share Retention Bonus Scheme	2	2	-
Total share-based payment expense	<b>39</b>	<b>30</b>	<b>66</b>

**Equity-settled share incentive schemes****Employee Share Ownership Plan (ESOP)**

On 12 December 2006, AngloGold Ashanti Limited announced the finalisation of the Bokamoso Employee Share Ownership Plan (Bokamoso ESOP) with the National Union of Mineworkers (NUM), Solidarity and United Association of South Africa (UASA). The Bokamoso ESOP creates an opportunity for AngloGold Ashanti Limited and the unions to ensure a closer alignment of the interest between South African-based employees and the company, and the seeking of shared growth solutions to build partnerships in areas of shared interest. Participation is restricted to those employees not eligible for participation in any other South African share incentive plan.

The company also undertook an empowerment transaction with a black economic empowerment investment vehicle, Izingwe, in 2006.

In order to facilitate this transaction the company established a trust to acquire and administer the ESOP shares. AngloGold Ashanti Limited allotted and issued free ordinary shares to the trust and also created, allotted and issued E ordinary shares to the trust for the benefit of employees. The company also created, allotted and issued E ordinary shares to Izingwe. The key terms of the E ordinary shares are:

- AngloGold Ashanti Limited will have the right to cancel the E ordinary shares, or a portion of them, in accordance with the ESOP and Izingwe cancellation formulae, respectively;
- the E ordinary shares will not be listed;
- the E ordinary shares which are not cancelled will be converted into ordinary shares; and
- the E ordinary shares will each be entitled to receive a dividend equal to one-half of the dividend per ordinary share declared by the company from time to time and a further one-half is included in the strike price calculation.

On 14 April 2011, AngloGold Ashanti Limited, NUM, Solidarity, UASA, Izingwe and the Bokamoso ESOP Board of Trustees announced the modification of the empowerment transactions concluded between the company and the unions, and the company and Izingwe respectively in 2006.

This modification was motivated by the fact that share price performance since the onset of the 2008 global financial crisis led to a situation where the first two tranches of E ordinary shares vested and lapsed at no additional value to Bokamoso ESOP beneficiaries and Izingwe.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 11 SHARE-BASED PAYMENTS continued

## Equity-settled share incentive schemes continued

## Employee Share Ownership Plan (ESOP) continued

In order to remedy this situation in a manner that would ensure an element of value accruing to participants, though at a reasonable incremental cost to AngloGold Ashanti Limited shareholders, the scheme was modified as follows:

all lapsed E ordinary shares that vested without value were reinstated;  
the strike (base) price was fixed at R320.00 per share for the Bokamoso ESOP and R330.00 for Izingwe;  
the notional interest charge that formed part of the original cancellation formula fell away;  
as previously, 50% of any dividends declared was used to reduce the strike price;  
as previously, the remaining 50% is paid directly to participants under the empowerment transaction; and  
the life span of the scheme was extended by an additional one year, the last vesting being in 2014, instead of 2013. A minimum pay out on vesting of the E ordinary shares has been set at R40.00 each and a maximum pay out of R70.00 each per E ordinary share for Izingwe and R90.00 each for members of the Bokamoso ESOP (i.e. employees), including the impact of the 50% of dividend flow. While the floor price provides certainty to all beneficiaries of the empowerment transactions, the creation of a ceiling serves to limit the cost to AngloGold Ashanti Limited and its shareholders.

The total incremental fair value of awards granted was R29.14 per share and was included in earnings up to the vesting date in 2014. The company recorded a charge of \$12m in 2011 to earnings as a result of the modification.

The award of free ordinary shares to employees

The fair value of each free share awarded on 1 November each year was as follows:

Award date	2006	2007	2008	2011
Calculated fair value	R320.00	R305.99	R188.48	R306.99

The fair value was equal to the market value at the date-of-grant. Dividends declared and paid to the trust were accrued and paid to ESOP members, pro rata to the number of shares allocated to them. An equal number of shares vested from 2009 and each subsequent year up to the expiry date of 1 November 2014.

Accordingly, for the awards issued, the following information is available:

	Number of shares	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)
	2014		2013		2012	
Awards outstanding at beginning of year	5,171	-	154,757	-	326,906	-
Awards reallocated during the year	486	-	726	-	10,311	-
Awards lapsed during the year	(486)	-	(726)	-	(10,311)	-
Awards exercised during the year	(5,171)	-	(149,586)	-	(172,149)	-
Awards outstanding at end of year	-	-	5,171	-	154,757	-

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During 2014, the rights to a total of 486 (2013: 726; 2012: 10,311) shares were surrendered by the participants. A cumulative total of nil (2013: 9,720; 2012: 10,968) shares were allotted to deceased, retired or retrenched employees. The income statement charge for the year was nil (2013: \$3m; 2012: \$4m).

The award of E ordinary shares to employees

Before the modification of the ESOP scheme the average fair value per share of the E ordinary shares awarded to employees on 1 November each year was as follows:

Award date	2006	2007	2008
Calculated fair value	R105.00	R79.00	R13.40

After the modification of the ESOP scheme during April 2011, the average fair value per share of the E ordinary shares was R49.57.

Dividends declared in respect of the E ordinary shares were firstly allocated to cover administration expenses of the trust, where after they accrued and were paid to ESOP members, pro rata to the number of shares allocated to them. At each anniversary over a six-year period which commenced on the third anniversary of the original 2006 award, the company cancelled the relevant number of E ordinary shares as stipulated by a cancellation formula.

Any E ordinary shares that remained in that tranche were converted to ordinary shares for the benefit of employees.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 11 SHARE-BASED PAYMENTS continued

## Equity-settled share incentive schemes continued

Accordingly, for the E ordinary shares issued, the following information is available:

	Number of shares	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)
	2014		2013		2012	
Awards outstanding at beginning of year	362,006	312.56	917,752	313.31	1,532,962	315.31
Awards granted during the year	-	312.56	-	-	-	-
Awards reallocated during the year	3,444	312.56	2,664	310.30	32,064	312.97
Awards lapsed during the year	(3,444)	312.56	(2,664)	310.30	(32,064)	312.97
Awards converted during the year	(362,006)	312.56	(555,746)	312.57	(615,210)	313.39
Awards outstanding at end of year	-	-	362,006	312.56	917,752	313.31

The weighted average exercise price was calculated as the initial grant price of R288.00 plus an interest factor less dividend apportionment up to April 2011. After that date, the exercise price was calculated at the modified price of R320.00 less dividend apportionment. The income statement charge for the year was less than \$1m (2013: \$2m; 2012: \$4m).

During 2013, the rights to a total of 3,444 (2013: 2,664; 2012: 32,064) shares were surrendered by participants. A total of 362,006 (2013: 555,746; 2012: 615,210) E ordinary shares were converted into 154,299 (2013: 145,018; 2012: 84,446) ordinary shares during the year. A total of nil (2013: nil; 2012: nil) shares were cancelled as the result of the exercise price exceeding the share price on conversion date.

*The award of E ordinary shares to Izingwe*

Before the modification of the scheme the average fair value of the E ordinary shares granted to Izingwe on 13 December 2006 was R90.00 per share. After the modification the average fair value of the E ordinary shares granted to Izingwe was R44.61 per share. Dividends declared in respect of the E ordinary shares were accrued and paid to Izingwe, pro rata to the number of shares allocated to them. At each anniversary over a six-year period which commenced on the third anniversary of the award, the company cancelled the relevant number of E ordinary shares as stipulated by a cancellation formula. Any E ordinary shares that remained in that tranche were converted to ordinary shares for the benefit of Izingwe.

Accordingly, for the awards issued, the following information is available:

	Number of shares	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)
	2014		2013		2012	
E ordinary shares outstanding at beginning of year	350,000	322.56	700,000	323.31	1,050,000	325.31
E Ordinary shares converted during the year	(350,000)	322.56	(350,000)	322.56	(350,000)	323.31
E ordinary shares outstanding at end of year	-	-	350,000	322.56	700,000	323.31

The weighted average exercise price was calculated as the initial grant price of R288.00 plus an interest factor less dividend apportionment up to April 2011. After that date, the exercise price was calculated at the modified price of R330.00 less dividend apportionment. \$19m was expensed at inception of the scheme in 2006.

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A total of 350,000 (2013: 350,000; 2012: 350,000) E ordinary shares were converted into 149,733 (2013: 91,683; 2012: 48,532) ordinary shares during the year. A total of nil (2013: nil; 2012: nil) shares were cancelled as the result of the exercise price exceeding the share price on conversion date.

The fair value of each share granted for the ESOP and Izingwe schemes was estimated on the date of grant using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of subjective assumptions, including the expected term of the option award and share price volatility. Expected volatility is based on the historical volatility of AngloGold Ashanti Limited's shares. These estimates involve inherent uncertainties and the application of management judgement. In addition, the company is required to estimate the expected forfeiture rate and only recognise expenses for those options expected to vest. As a result, if other assumptions had been used, the recorded share-based compensation expense could have been different from that reported.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**11 SHARE-BASED PAYMENTS** continued**Equity-settled share incentive schemes** continued*The award of E ordinary shares to Izingwe continued*

The Black-Scholes option-pricing model used the following assumptions, at grant date:

Award date	2006	2007	2008	2011
Risk-free interest rate	7.00%	7.00%	7.00%	6.63%
Dividend yield	2.30%	2.06%	1.39%	0.99%
Volatility factor of market share price	36.00%	33.00%	35.00%	33.50%

**Bonus Share Plan (BSP)**

The BSP is intended to provide effective incentives to eligible employees. An eligible employee is one who devotes substantially the whole of his working time to the business of AngloGold Ashanti Limited, any subsidiary of AngloGold Ashanti Limited or a company under the joint control of AngloGold Ashanti Limited, unless the board of directors (the board) excludes such a company. An award in terms of the BSP may be made at any date at the discretion of the board, the only vesting condition being three years' service for awards granted prior to 2008. For BSP awards granted between 2008 and 2012, 40% will vest after one year and the remaining 60% will vest after two years. An additional 20% of the original award will be granted to employees if the full award remains unexercised after three years. For BSP awards granted from 2013 onwards, 50% will vest after one year and the remaining 50% will vest after two years. The additional 20% retention award for holding the shares for 36 months falls away, and is replaced by the matching shares being a 120% as opposed to a 100%. For executives, the same principal will apply but the matching will be at 150%.

The board is required to determine a BSP award value and this will be converted to a share amount based on the closing price of AngloGold Ashanti Limited's shares on the JSE on the last business day prior to the date of grant. AngloGold Ashanti Limited's Remuneration Committee has at its discretion the right to pay dividends, or dividend equivalents, to the participants of the BSP. Having no history of any discretionary dividend payments, the fair value includes dividends and was used to determine the income statement expense.

Accordingly, for the awards issued, the following information is available:

Award date (unvested awards and awards vested

during the year)	2011	2012	2013	<b>2014</b>
Calculated fair value	R340.00	R 328.59	R 226.46	<b>R 198.05</b>
Vesting date 50% (2010, 2011, 2012 at 40%)	21 Feb 2012	21 Feb 2013	13 Mar 2014	<b>24 Feb 2015</b>
Vesting date 50% (2010, 2011, 2012 at 60%)	21 Feb 2013	21 Feb 2014	13 Mar 2015	<b>24 Feb 2016</b>
Vesting date (conditional 20%)	21 Feb 2014	21 Feb 2015	-	-
Expiry date	20 Feb 2021	20 Feb 2022	12 Mar 2023	<b>23 Feb 2024</b>

	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)	Number of shares
		<b>2014</b>		2013		2012

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Awards outstanding at beginning of year	<b>2,598,887</b>	-	2,156,456	-	1,825,378	-
Awards granted during the year	<b>1,983,469</b>	-	1,300,968	-	993,146	-
Awards lapsed during the year	<b>(408,491)</b>	-	(212,802)	-	(104,026)	-
Awards exercised during the year	<b>(868,350)</b>	-	(645,735)	-	(558,042)	-
Awards outstanding at end of year	<b>3,305,515</b>	-	2,598,887	-	2,156,456	-
Awards exercisable at end of year	<b>1,328,104</b>	-	1,217,468	-	880,774	-

During 2014, the rights to a total of 408,491 (2013: 212,802; 2012: 104,026) shares were surrendered by the participants. A cumulative total of 112,719 (2013: 158,408; 2012: 22,835) shares were allotted to deceased, retired or retrenched employees. The income statement charge for the year was \$27m (2013: \$24m; 2012: \$37m).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**11 SHARE-BASED PAYMENTS** continued**Equity-settled share incentive schemes** continued**Long Term Incentive Plan (LTIP)**

The LTIP is intended to provide effective incentives for executives to earn shares in the company based on the achievement of stretched company performance conditions. Participation in the LTIP will be offered to Executive Directors and selected senior management of participating companies. Participating companies include AngloGold Ashanti Limited, any subsidiary of AngloGold Ashanti Limited or a company under the joint control of AngloGold Ashanti Limited, unless the board excludes such a company.

An award in terms of the LTIP may be granted at any date during the year that the board of AngloGold Ashanti Limited determine and may even occur more than once a year. The board is required to determine an LTIP award value and this will be converted to a share amount based on the closing price of AngloGold Ashanti Limited's shares on the JSE on the last business day prior to the date of grant. AngloGold Ashanti Limited's Remuneration Committee has at its discretion the right to pay dividends, or dividend equivalents, to the participants of the LTIP. Having no history of any discretionary dividend payments, the fair value includes dividends and was used to determine the income statement expense.

The main performance conditions in terms of the LTIP issued in 2012 are:

- up to 30% of an award will be determined by the performance of total shareholder returns (TSR) compared with that of a group of comparative gold-producing companies;
- up to 30% of an award will be determined by real growth (above US inflation) in adjusted earnings per share over the performance period;
- up to 40% of an award will be dependent on the achievement of strategic performance measures which will be set by the Remuneration Committee; and
- three-years' service is required.

The main performance conditions in terms of the LTIP issued in 2013 are:

- up to 50% of an award will be determined by the performance of total shareholder returns (TSR) compared with that of a group of comparative gold-producing companies;
- up to 35% of an award will be dependent on the achievement of strategic performance measures that has been set by the Remuneration Committee;
- up to 15% of an award will be dependent on meeting the free cash flow generated from operations (before project capital) budget; and
- three-years' service is required.

The main performance conditions in terms of the LTIP issued in 2014 are:

- up to 50% of an award will be determined by the performance of total shareholder returns (TSR) compared with that of a group of comparative gold-producing companies;
- up to 50% of an award will be dependent on the achievement of strategic performance measures that has been set by the Remuneration Committee;
- a safety multiplier of 20% will be applied based on safety performance; and
- three-years' service is required.

Accordingly, for the awards made, the following information is available:

Award date (unvested awards and awards vested

during the year)	2011	2012	2013	<b>2014</b>
Calculated fair value	R340.00	R328.59	R 226.46	<b>R 198.05</b>
Vesting date	21 Feb 2014	21 Feb 2015	13 Mar 2016	<b>24 Feb 2017</b>
Expiry date	20 Feb 2021	20 Feb 2022	12 Mar 2023	<b>23 Feb 2024</b>

Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
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(ZAR)

(ZAR)

(ZAR)

	2014		2013		2012	
Awards outstanding at beginning of year	2,872,630	-	2,330,906	-	1,982,060	-
Awards granted during the year	2,217,675	-	1,815,497	-	983,554	-
Awards lapsed during the year	(916,790)	-	(998,091)	-	(294,216)	-
Awards exercised during the year	(209,153)	-	(275,682)	-	(340,492)	-
Awards outstanding at end of year	3,964,362	-	2,872,630	-	2,330,906	-
Awards exercisable at end of year	355,524	-	357,880	-	250,932	-

The income statement expense for the year was \$10m (2013: credit of \$1m; 2012: expense of \$21m).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**11 SHARE-BASED PAYMENTS** continued**Equity-settled share incentive schemes** continued**Share Retention Bonus Scheme**

This award is specifically to address the retention of executive management. Executives received an additional ad-hoc incentive comprising an LTIP award in March 2013 and a deferred cash portion delivered in August 2014. The scheme is a performance-based share award, equivalent to 60% of the executives' base pay as at 1 January 2013. Subject to performance criteria, these shares vested during September 2014. The cash portion was 40% of the executives' base pay (80% for the CFO based on the January 2013 total base pay inclusive of off-shore payments where applicable). The scheme was subject to delivery on key business imperatives and on delivery of adjusted headline earnings above a threshold of 50% of the approved targeted adjusted headline earnings over the performance period. Failure to meet any of the performance criteria resulted in the forfeiture of the retention bonus.

Accordingly, for the awards made, the following information is available:

Award date (unvested awards and awards vested during the year)	2013
Calculated fair value	R 226.46
Vesting date	Aug 2014
Expiry date	Aug 2017

	Number of shares	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)
	2014		2013	
Awards outstanding at beginning of year	159,984	-	-	-
Awards granted during the year	-	-	203,863	-
Awards lapsed during the year	(9,684)	-	(34,923)	-
Awards exercised during the year	-	-	(8,956)	-
Awards outstanding at end of year	150,300	-	159,984	-
Awards exercisable at end of year	150,300	-	-	-

The income statement charge for the year was \$2m (2013: \$2m; 2012: nil).

**Co-Investment Executive Share Plan (CIP)**

To assist executives in meeting their Minimum Shareholding Requirements (MSR's) with effect from February 2013, they were given the opportunity, on a voluntary basis, to participate in the Co-Investment Plan (CIP), and this has been adopted on the conditions below:

Executives will be allowed to take up to 50% of their after tax cash bonus to participate in a further matching scheme by purchasing shares in AngloGold Ashanti, and the company will match their initial investment into the scheme at 150%, with vesting over a two-year period in two equal tranches.

Accordingly, for the awards made, the following information is available:

Award date (unvested awards and awards vested during the year)	2014	2013
Calculated weighted average fair value	R193.34	R 226.46

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Vesting date	<b>2016</b>	2015
Expiry date	<b>2024</b>	2023

	Number of shares	Weighted average exercise price (ZAR)	Number of shares	Weighted average exercise price (ZAR)
	<b>2014</b>		<b>2013</b>	
Awards outstanding at beginning of year	<b>20,133</b>	-	-	-
Awards granted during the year	<b>50,083</b>	-	20,810	-
Awards lapsed during the year	<b>(1,287)</b>	-	(677)	-
Awards exercised during the year	<b>(12,226)</b>	-	-	-
Awards outstanding at end of year	<b>56,703</b>	-	20,133	-
Awards exercisable at end of year	-	-	-	-

The income statement charge for the year was less than \$1m (2013: less than \$1m; 2012: nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>12 TAXATION</b>			
South African taxation			
Mining tax	21	7	54
Non-mining tax <sup>(1)</sup>	5	1	18
Prior year under (over) provision	4	(26)	(3)
Deferred taxation			
Temporary differences <sup>(2)</sup>	(20)	(39)	65
Unrealised non-hedge derivatives and other commodity contracts	4	25	(10)
Change in estimated deferred tax rate <sup>(3)</sup>	(24)	-	(9)
Change in statutory tax rate <sup>(4)</sup>	-	-	(131)
	(10)	(32)	(16)
Foreign taxation			
Normal taxation	152	160	354
Prior year over provision	(17)	(8)	(9)
Deferred taxation			
Temporary differences <sup>(2)</sup>	130	(453)	(21)
Change in statutory tax rate	-	-	38
	265	(301)	362
	255	(333)	346
<b>Tax rate reconciliation</b>			
A reconciliation of the effective tax rate in the income statement to the prevailing estimated corporate tax rate is set out in the following table:			
	%	%	%
Effective tax rate	118	13	27
Disallowable items			
Derivative and other commodity contracts losses and fair value gains	(2)	(3)	6
Share of associates and joint ventures loss	(3)	2	(1)
Exploration, corporate and other disallowable expenses <sup>(5)</sup>	(6)	3	(9)
Foreign income tax allowances and rate differentials	(7)	(2)	(6)
Exchange variation and translation adjustments	(14)	-	(1)
Derecognition of deferred tax assets	(13)	13	-
Non-tax effective losses <sup>(5)</sup>	(64)	4	(2)
Capital allowances	9	(1)	1
Change in estimated deferred tax rate <sup>(3)</sup>	11	-	1
Change in statutory tax rate <sup>(4)</sup>	-	-	8
Other	(1)	(1)	4
Estimated corporate tax rate <sup>(1)</sup>	28	28	28

<sup>(1)</sup> The South African statutory tax rates are as follows:  
Non-mining statutory tax rate 28% (2013: 28%; 2012: 28%); and

Maximum statutory mining tax rate 34% (2013: 34%; 2012: 34%) - refer mining formula in footnote 4.

<sup>(2)</sup> Included in temporary differences in South African taxation is a tax credit on the impairment, derecognition and disposal of tangible assets of nil (2013: \$86m; 2012: \$16m). Included in temporary differences of foreign taxation is a net tax credit on the impairment and disposal of tangible assets of \$8m (2013: \$499m; 2012: \$90m) and write-down of inventories of \$9m (2013: \$68m; 2012: \$90m).

<sup>(3)</sup> In South Africa, the mining operations are taxed on a variable rate that increases as profitability increases. The tax rate used to calculate deferred tax is based on the group's current estimate of future profitability when temporary differences will reverse. Depending on the profitability of the operations, the tax rate can consequently be significantly different from year to year. The change in the estimated deferred tax rate at which the temporary differences will reverse amounts to a tax credit of \$24m (2013: nil; 2012: \$9m).

- (4) *Mining tax on mining income in South Africa is determined according to a formula based on profit and revenue from mining operations.*
- (5) *The comparatives have been amended to separately disclose amounts related to exploration, corporate and other disallowable expenses and non-tax effective losses for improved disclosure.*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**12 TAXATION** continued

All mining capital expenditure is deducted to the extent that it does not result in an assessed loss and depreciation is ignored when calculating the South African mining income. Capital expenditure not deducted from mining income is carried forward as unredeemed capital to be deducted from future mining income. South Africa operates under two tax paying operations, Vaal River Operation and West Wits Operation. Under ring-fencing legislation, each operation is treated separately and deductions can only be utilised against income generated by the relevant tax operation.

The formula for determining the South African mining tax rate is:

$$Y = 34 - 170/X \text{ (2013: } Y = 34 - 170/X; \text{ 2012: } Y = 34 - 170/X)$$

where Y is the percentage rate of tax payable and X is the ratio of mining profit net of any redeemable capital expenditure to mining revenue expressed as a percentage.

Figures in million	2014	2013	2012
		US Dollars	
<b>Analysis of unrecognised tax losses</b>			
Tax losses available to be utilised against future profits	-	-	5
- utilisation required within one year	235	171	-
- utilisation required between two and five years	1,635	1,221	263
- utilisation in excess of five years	1,870	1,392	268
Unrecognised value of deferred tax assets: \$563m (2013: \$414m; 2012: \$89m), mainly relating to tax losses incurred at Cripple Creek & Victor, Obuasi and Colombia.			

**13 (LOSS) EARNINGS PER ORDINARY SHARE**

US Cents

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

The calculation of basic (loss) earnings per ordinary share is based on (losses) profits attributable to equity shareholders of (\$58m) (2013: (\$2,230m); 2012: \$897m) and 407,729,050 (2013: 392,625,264; 2012: 386,766,345) shares being the weighted average number of ordinary shares in issue during the financial year.

(14) (568) 232

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

The calculation of diluted (loss) earnings per ordinary share is based on (losses) profits attributable to equity shareholders of (\$58m) (2013: (\$2,560m); 2012: \$747m) and 407,729,050 (2013: 405,546,908; 2012: 422,131,159) shares being the diluted number of ordinary shares.

(14) (631) 177

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

	Number of shares		
Ordinary shares	403,339,562	389,184,639	382,757,790
E ordinary shares <sup>(1)</sup>	585,974	1,460,705	2,392,316
Fully vested options <sup>(2)</sup>	3,803,514	1,979,920	1,616,239
Weighted average number of shares	407,729,050	392,625,264	386,766,345
Dilutive potential of share options <sup>(3)</sup>	-	-	1,840,199
Dilutive potential of convertible bonds	-	12,921,644	33,524,615
Diluted number of ordinary shares	407,729,050	405,546,908	422,131,159

Figures in million	US Dollars		
In calculating the diluted (loss) earnings attributable to equity shareholders, the following were taken into consideration:			
(Loss) profit attributable to equity shareholders	(58)	(2,230)	897
Interest expense of convertible bonds, where dilutive	-	26	63
Amortisation of issue cost and discount of convertible bonds	-	-	32

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Fair value adjustment on convertible bonds included in income	-	(356)	(245)
(Loss) profit attributable to equity shareholders used to calculate diluted earnings per share	<b>(58)</b>	(2,560)	747

The mandatory convertible bonds issued during 2010 (note 27) are not included in basic earnings per ordinary share as they contain features that could result in their settlement in cash and therefore do not meet the definition of an equity instrument. As they converted in 2013, they are partially included in that year.

- (1) As E ordinary shares participate in the profit available to ordinary shareholders, these shares were included in basic earnings per share.*
- (2) Employee compensation awards are included in basic earnings per share from the date that all necessary conditions have been satisfied and it is virtually certain that shares will be issued as a result of employees exercising their options.*
- (3) Share options could potentially dilute earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive in 2014 and 2013.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>13 (LOSS) EARNINGS PER ORDINARY SHARE</b> continued			
<b>Headline (loss) earnings</b>			
The (loss) profit attributable to equity shareholders was adjusted by the following to arrive at headline earnings:			
(Loss) profit attributable to equity shareholders	(58)	(2,230)	897
Impairment and derecognition of tangible and intangible assets (notes 7,15 and 16)	10	3,029	346
Tax on item above	(2)	(915)	(103)
Net amount	8	2,114	243
Net (profit) loss on disposal and derecognition of land, mineral rights, tangible assets and exploration properties (notes 7)	(25)	(2)	15
Tax on item above	8	-	(4)
Net amount	(17)	(2)	11
Impairment of other investments (notes 7 and 19)	2	30	16
Profit on partial disposal of Rand Refinery (Pty) Limited (note 7)	-	-	(14)
Impairment of investments in associates and joint ventures (notes 9 and 18)	1	195	59
Reversal of impairment in associates and joint ventures (notes 9 and 18)	(23)	(31)	(2)
Loss on disposal of loan to joint venture (notes 9 and 18)	-	-	2
Loss on sale of Navachab mine (note 7)	2	-	-
Special items of associates and joint ventures	6	2	(4)
	(79)	78	1,208
Headline earnings is calculated in accordance with Circular 2/2013 as issued by the South African Institute of Chartered Accountants (SAICA).			
Headline earnings is a requirement of the JSE Limited and is not a recognised measure under IFRS. Headline earnings as defined in Circular 2/2013 issued by SAICA, separates from earnings all separately identifiable remeasurements. It is not necessarily a measure of sustainable earnings.			
			US Cents
<b>Basic headline (loss) earnings per share</b>			
The calculation of basic headline (loss) earnings per ordinary share is based on basic headline (losses) earnings of (\$79m) (2013: \$78m; 2012: \$1,208m) and 407,729,050 (2013: 392,625,264; 2012: 386,766,345) shares being the weighted average number of ordinary shares in issue during the year.	(19)	20	312
<b>Diluted headline (loss) earnings per share</b>			
The calculation of diluted headline (loss) earnings per ordinary share is based on diluted headline (losses) earnings of (\$79m) (2013: (\$252m); 2012: \$1,058m) and 407,729,050 (2013: 405,546,908; 2012: 422,131,159) shares being the weighted average number of ordinary shares in issue during the year.	(19)	(62)	251
			US Dollars
In calculating diluted headline (loss) earnings, the following were taken into consideration:			
Headline (loss) earnings	(79)	78	1,208
Interest expense of convertible bonds, where dilutive	-	26	63
Amortisation of issue cost and discount of convertible bonds	-	-	32
Fair value adjustment on convertible bonds included in income	-	(356)	(245)
Diluted headline (loss) earnings	(79)	(252)	1,058



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Figures in million	2014	2013 US Dollars	2012
<b>14 DIVIDENDS</b>			
<b>Ordinary shares</b>			
No. 112 of 200 SA cents per share was declared on 14 February 2012 and paid on 16 March 2012 (26 US cents per share).	-	-	101
No. 113 of 100 SA cents per share was declared on 8 May 2012 and paid on 8 June 2012 (12 US cents per share).	-	-	45
No. 114 of 100 SA cents per share was declared on 3 August 2012 and paid on 14 September 2012 (12 US cents per share).	-	-	47
No. 115 of 50 SA cents per share was declared on 6 November 2012 and paid on 14 December 2012 (6 US cents per share).	-	-	22
No. 116 of 50 SA cents per share was declared on 18 February 2013 and paid on 28 March 2013 (5 US cents per share).	-	21	-
No. 117 of 50 SA cents per share was declared on 10 May 2013 and paid on 14 June 2013 (5 US cents per share).	-	19	-
<b>E ordinary shares</b>			
No. E12 of 100 SA cents per share was declared on 14 February 2012 and paid on 16 March 2012 (13 US cents per share).	-	-	-
No. E13 of 50 SA cents per share was declared on 8 May 2012 and paid on 8 June 2012 (6 US cents per share).	-	-	-
No. E14 of 50 SA cents per share was declared on 3 August 2012 and paid on 14 September 2012 (6 US cents per share).	-	-	-
No. E15 of 25 SA cents per share was declared on 6 November 2012 and paid on 14 December 2012 (3 US cents per share).	-	-	-
No. E16 of 25 SA cents per share was declared on 18 February 2013 and paid on 28 March 2013 (2.5 US cents per share).	-	-	-
No. E17 of 25 SA cents per share was declared on 10 May 2013 and paid on 14 June 2013 (2.5 US cents per share).	-	40	215

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 15 TANGIBLE ASSETS

Figures in million US Dollars	Mine development costs	Mine infra- structure	Mineral rights and dumps	Exploration and evaluation assets	Assets under construction	Land and buildings	Total
<b>Cost</b>							
Balance at 1 January 2012	7,432	3,603	1,050	34	531	72	12,722
<b>Additions</b>							
- project capital	133	51	-	-	601	6	791
- stay-in-business capital	624	328	-	2	192	3	1,149
Acquisition of subsidiary (note 34)	-	603	8	-	-	5	616
Disposals	(1)	(26)	-	-	-	-	(27)
Disposal of subsidiary (note 34)	-	(72)	-	-	-	(3)	(75)
Transfers and other movements <sup>(1)</sup>	111	243	(110)	-	(239)	(1)	4
Finance costs capitalised (note 8) <sup>(2)</sup>	-	-	-	-	12	-	12
Translation	(165)	(53)	(3)	(1)	(13)	(2)	(237)
<b>Balance at 31 December 2012</b>	<b>8,134</b>	<b>4,677</b>	<b>945</b>	<b>35</b>	<b>1,084</b>	<b>80</b>	<b>14,955</b>
<b>Accumulated amortisation and impairments</b>							
Balance at 1 January 2012	3,829	1,783	474	32	49	10	6,177
Amortisation for the year (notes 4 and 33)	541	279	8	-	-	2	830
Impairment and derecognition of assets (notes 7 and 13) <sup>(3)</sup>	254	87	-	-	15	-	356
Disposals	(1)	(25)	-	-	-	-	(26)
Disposal of subsidiary (note 34)	-	(22)	-	-	-	-	(22)
Transfers and other movements <sup>(1)</sup>	32	(8)	(41)	-	-	-	(17)
Translation	(95)	(19)	(2)	(1)	(1)	(1)	(119)
<b>Balance at 31 December 2012</b>	<b>4,560</b>	<b>2,075</b>	<b>439</b>	<b>31</b>	<b>63</b>	<b>11</b>	<b>7,179</b>
<b>Net book value at 31 December 2012</b>	<b>3,574</b>	<b>2,602</b>	<b>506</b>	<b>4</b>	<b>1,021</b>	<b>69</b>	<b>7,776</b>
<b>Cost</b>							
Balance at 1 January 2013	8,134	4,677	945	35	1,084	80	14,955
<b>Additions</b>							
- project capital	60	61	-	-	483	9	613
- stay-in-business capital	530	255	-	-	119	3	907
Disposals	(2)	(57)	-	-	(82)	-	(141)
Transfers and other movements <sup>(1)</sup>	(494)	310	17	-	(748)	(1)	(916)
Finance costs capitalised (note 8) <sup>(2)</sup>	-	-	-	-	5	-	5
Translation	(800)	(280)	(24)	(1)	(112)	(8)	(1,225)
<b>Balance at 31 December 2013</b>	<b>7,428</b>	<b>4,966</b>	<b>938</b>	<b>34</b>	<b>749</b>	<b>83</b>	<b>14,198</b>
<b>Accumulated amortisation and impairments</b>							
Balance at 1 January 2013	4,560	2,075	439	31	63	11	7,179
Amortisation for the year (notes 4 and 33)	483	282	8	-	-	2	775
Impairment and derecognition of assets (notes 7 and 13) <sup>(3)</sup>	1,357	964	451	-	196	10	2,978
Disposals	(1)	(31)	-	-	-	-	(32)
Transfers and other movements <sup>(1)</sup>	(885)	79	12	-	(126)	(3)	(923)
Translation	(496)	(75)	(14)	1	(7)	(3)	(594)
<b>Balance at 31 December 2013</b>	<b>5,018</b>	<b>3,294</b>	<b>896</b>	<b>32</b>	<b>126</b>	<b>17</b>	<b>9,383</b>
<b>Net book value at 31 December 2013</b>	<b>2,410</b>	<b>1,672</b>	<b>42</b>	<b>2</b>	<b>623</b>	<b>66</b>	<b>4,815</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 15 TANGIBLE ASSETS continued

Figures in million US Dollars	Mine development costs	Mine infra- structure	Mineral rights and dumps	Exploration and evaluation assets	Assets under construction	Land and buildings	Total
<b>Cost</b>							
Balance at 1 January 2014	7,428	4,966	938	34	749	83	14,198
<b>Additions</b>							
- project capital	19	-	-	-	268	2	289
- stay-in-business capital	428	116	-	1	177	2	724
Disposals	(1)	(25)	-	-	-	-	(26)
Transfers and other movements <sup>(1)</sup>	(281)	427	31	-	(405)	5	(223)
Finance costs capitalised (note 8) <sup>(2)</sup>	-	-	-	-	1	-	1
Translation	(355)	(115)	(11)	-	(33)	(4)	(518)
<b>Balance at 31 December 2014</b>	<b>7,238</b>	<b>5,369</b>	<b>958</b>	<b>35</b>	<b>757</b>	<b>88</b>	<b>14,445</b>
<b>Accumulated amortisation and impairments</b>							
Balance at 1 January 2014	5,018	3,294	896	32	126	17	9,383
Amortisation for the year (notes 4 and 33)	501	240	7	-	-	2	750
Impairment and derecognition of assets (notes 7 and 13) <sup>(3)</sup>	1	1	-	-	2	-	4
Disposals	(1)	(23)	-	-	-	-	(24)
Transfers and other movements <sup>(1)</sup>	(249)	37	(3)	-	(47)	-	(262)
Translation	(225)	(34)	(7)	-	(2)	(1)	(269)
<b>Balance at 31 December 2014</b>	<b>5,045</b>	<b>3,515</b>	<b>893</b>	<b>32</b>	<b>79</b>	<b>18</b>	<b>9,582</b>
<b>Net book value at 31 December 2014</b>	<b>2,193</b>	<b>1,854</b>	<b>65</b>	<b>3</b>	<b>678</b>	<b>70</b>	<b>4,863</b>

Included in the amounts for mine infrastructure are assets held under finance leases with a net book value of nil (2013: nil; 2012: \$40m). Included in the amounts for land and buildings are assets held under finance leases with a net book value of \$11m (2013: \$14m; 2012: \$19m).

The majority of the leased assets are pledged as security for the related finance leases.

No assets are encumbered by project finance.

<sup>(1)</sup> Transfers and other movements include amounts from deferred stripping, change in estimates of decommissioning assets, asset reclassifications and amounts written off.

Transfers to non-current asset held for sale comprise assets with a net book value of \$80m relating to Navachab which were transferred to non-current assets held for sale during 2013.

<sup>(2)</sup> The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 0.48% (2013: 5.06%; 2012: 6.54%). Interest capitalised relates to the MLE2 (Mine Life Expansion) project in North America. Interest capitalised in 2013 relates to the Tropicana project in Australia. Capitalisation of interest at Tropicana ceased in the last quarter of 2013 when the mine moved into production.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013 US Dollars	2012
<b>15 TANGIBLE ASSETS</b> continued			
<i>(3) Impairment and derecognition of assets and impairment reversal include the following:</i>			
<b>Impairment of cash generating units</b>			
<i>South Africa</i>			
<b>Moab Khotsong</b>	-	293	-
The Moab cash generating unit impairment is the result of changes to the mine plan following a revision to capital expenditure and from factors such as declining gold price, an increasing discount rate and reduction in market capitalisation. As a result, Moab's recoverable amount did not support its carrying value in 2013 and an impairment loss was recognised for mine development of \$290m and for mine infrastructure of \$3m. The recoverable amount was determined using a real pre-tax discount rate of 11.2% and was based on the impairment assumptions detailed in this note.			
<b>Great Noligwa mine</b>	-	-	31
In 2012, the Great Noligwa cash generating unit impairment resulted from a revised mine plan. Factors such as reduction in Ore Reserve resulting from resource model changes, abandonment of certain areas, grade factors and an increase in the cost of extraction affected the mine plan. As a result, Great Noligwa's recoverable amount did not support its carrying value and an impairment loss was recognised for mine development of \$25m and mine infrastructure of \$6m. The recoverable amount was determined using a real pre-tax discount of 13% and was based on the impairment assumptions detailed in his note.			
<i>Ghana</i>			
<b>Iduapriem</b>	-	74	-
The Iduapriem cash generating unit impairment is the result of factors such as declining gold price, an increasing discount rate and reduction in market capitalisation. As a result, Iduapriem's recoverable amount did not support its carrying value in 2013 and an impairment loss was recognised for mine development of \$74m. The recoverable amount was determined using a real pre-tax discount rate of 9.6% and was based on the impairment assumptions detailed in this note.			
<b>Obuasi</b>	-	993	-
The Obuasi cash generating unit impairment is the result of factors such as declining gold price, an increasing discount rate and reduction in market capitalisation. As a result, Obuasi's recoverable amount did not support its carrying value in 2013 and an impairment loss was recognised for mine development of \$377m, mine infrastructure of \$383m, mineral rights and dumps of \$231m and assets under construction of \$2m. The recoverable amount was determined using a real pre-tax discount rate of 8% and was based on the impairment assumptions detailed in this note.			
<i>Guinea</i>			
<b>Siguiri</b>	-	25	-
The Siguiri cash generating unit impairment is the result of factors such as declining gold price, an increasing discount rate and reduction in market capitalisation. As a result, Siguiri's recoverable amount did not support its carrying value in 2013 and an impairment loss was recognised for mine development of \$25m. The recoverable amount was determined using a real pre-tax discount rate of 18.1% and was based on the impairment assumptions detailed in this note.			
<i>Tanzania</i>			
<b>Geita</b>	-	555	-
The Geita cash generating unit impairment is the result of factors such as declining gold price, an increasing discount rate and reduction in market capitalisation. As a result, Geita's recoverable amount did not support its carrying value in 2013 and an impairment loss was recognised for mine development of \$187m, mine infrastructure of \$153m and mineral rights and dumps of \$215m. The recoverable amount was determined using a real pre-tax discount rate of 13.4% and was based on the impairment assumptions detailed in this note.			



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013 US Dollars	2012
<b>15 TANGIBLE ASSETS</b> continued			
<b>Impairment of cash generating units</b> continued			
<i>Americas</i>			
<i>Cripple Creek and Victor</i>			
The Cripple Creek and Victor cash generating unit impairment is the result of factors such as declining gold price, an increasing discount rate and reduction in market capitalisation. As a result, Cripple Creek and Victor's recoverable amount did not support its carrying value in 2013 and an impairment loss was recognised for mine development of \$203m, mine infrastructure of \$122m, mineral rights and dumps of \$5m, assets under construction of \$105m and land \$10m. The recoverable amount was determined using a real pre-tax discount rate of 6.2% and was based on the impairment assumptions detailed in this note.	-	445	-
<i>AngloGold Ashanti Mineração</i>			
The AngloGold Ashanti Mineração cash generating unit impairment is the result of factors such as declining gold price, an increasing discount rate and reduction in market capitalisation. As a result, AngloGold Ashanti Mineração's recoverable amount did not support its carrying value in 2013 and an impairment loss was recognised for mine development of \$150m and mine infrastructure of \$182m. The recoverable amount was determined using a real pre-tax discount rate of 9.1% and was based on the impairment assumptions detailed in this note.	-	332	-
<i>Cerro Vanguardia</i>			
The Cerro Vanguardia cash generating unit impairment is the result of factors such as declining gold price, an increasing discount rate and reduction in market capitalisation. As a result, Cerro Vanguardia's recoverable amount did not support its carrying value in 2013 and an impairment loss was recognised for mine development of \$45m, mine infrastructure of \$86m and assets under construction of \$1m. The recoverable amount was determined using a real pre-tax discount rate of 13.5% and was based on the impairment assumptions detailed in this note.	-	132	-
<b>Derecognition of assets</b>			
<i>South Africa</i>			
<i>Vaal River Surface operations - mine infrastructure and assets under construction</i>			
In 2013, due to changes in the mine plan the SX Replacement Project (South Uranium Plant) has been abandoned and will not generate future cash flows resulting in the derecognition of mine infrastructure of \$10m and assets under construction of \$4m.	-	14	-
<i>Kopanang - mine development costs</i>			
In 2012, due to changes in the mine plan, certain areas were abandoned and were not expected to generate future cash flows.	-	-	14
<i>Guinea</i>			
<i>Siguiri - mine development costs</i>			
In 2012, due to depleted reserves in Sintroko, Kozan and Kintinia pits, exploration and pit dewatering costs previously capitalised were not expected to generate future economic value. Certain areas were also abandoned due to safety-related concerns.	-	-	14
<i>Ghana</i>			
<i>Obuasi - mine development costs, mine infrastructure, and assets under construction</i>			
In 2012, due to a change in the mine plan, certain areas were abandoned mainly due to depletion of reserves and assets in poor physical condition or considered obsolete were also derecognised. A loss was recognised for mine development of \$201m, mine infrastructure \$80m and assets under construction \$15m.	-	-	296

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
		US Dollars	
<b>15 TANGIBLE ASSETS</b> continued			
<b>Derecognition of assets</b>			
<b>Democratic Republic of the Congo</b>			
<i>Mongbwalu - mine infrastructure and assets under construction</i>	-	105	-
In 2013, the Mongbwalu project in the Democratic Republic of the Congo was discontinued and will not generate future cash flows. A loss was recognised for mine infrastructure of \$21m and assets under construction \$84m.			
<b>Other</b>			
Derecognition of other mine development costs, mine infrastructure and assets under construction.	4	10	1
	4	2,978	356
<b>Impairment calculation assumptions - tangible assets and goodwill</b>			

Management assumptions for the value in use of tangible assets and goodwill include:

the gold price assumption represents management's best estimate of the future price of gold. In arriving at the estimated long-term gold price, management considered all available market information, including current prices, historical averages, and forward-pricing curves. A long-term real gold price of \$1,267/oz (2013: \$1,269/oz; 2012: \$1,584/oz) is based on a range of economic and market conditions that will exist over the remaining useful life of the assets.

Annual life of mine plans take into account the following:

proved and probable Ore Reserve;

value beyond proved and probable reserves (including exploration potential) determined using the gold price assumption referred to above;

In determining the impairment, the real pre-tax rate, per cash generating unit ranged from 7.1% to 16.3% which was derived from the group's weighted average cost of capital (WACC) and risk factors consistent with the basis used in 2013 and 2012. At 31 December 2014, the group WACC was 6.3% (real post-tax) which is 97 basis points lower than in 2013 of 7.3% in line with the change in market trading volatilities (2012: 5.3%), and is based on the average capital structure of the group and three major gold companies considered to be appropriate peers. In determining the WACC for each cash generating unit, sovereign and mining risk factors are considered to determine country specific risks. The country risk factor is based on the group's internal assessment of country risk relative to the issues experienced in the countries in which it operates and explores. Project risk has been applied to cash flows relating to certain mines that are deep level underground mining projects below infrastructure in South Africa and Continental Africa region;

foreign currency cash flows translated at estimated forward exchange rates and then discounted using appropriate discount rates for that currency;

cash flows used in impairment calculations are based on life of mine plans which range from 3 years to 46 years; and

variable operating cash flows are increased at local Consumer Price Index rates.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each cash generating unit. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. The cash flows are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot gold prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

Should management's estimate of the future not reflect actual events, further impairments may be identified. Factors affecting the estimates include:

changes in proved and probable Ore Reserve as well as value beyond proved and probable reserves;

the grade of Ore Reserve as well as value beyond proved and probable reserves may vary significantly from time to time;

differences between actual commodity prices and commodity price assumptions;

unforeseen operational issues at mine sites; and

changes in capital, operating mining, processing and reclamation costs and foreign exchange rates.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Based on an analysis carried out by the group in 2014, the carrying value and value in use of cash generating units with goodwill that were most sensitive to reasonably possible changes in the above assumptions is:

<b>Figures in million 2014</b>	<b>Carrying Value</b>	<b>Value in use</b>
	<b>US Dollars</b>	
First Uranium (Pty) Limited	369	450

As at 31 December 2014, the recoverable amount of First Uranium (Pty) Ltd exceeded its carrying amount by \$81 million. The First Uranium (Pty) Limited CGU had \$10m goodwill at that date. The key assumptions, methodology used to determine each key assumption are in line with those outlined above. Other than the gold price, management believes that it is not reasonably possible that there would be a change in other key assumptions such that the carrying amount would exceed the value in use.

It is estimated that a decrease of 6% in the long term real gold price would cause the recoverable amount of this cash generating unit to equal its carrying amount. The sensitivity analysis has been provided on the basis that the key assumption changes without a change in the other assumptions. However, for a change in each of the assumptions used, it is impracticable to disclose the consequential effect of changes on the other variable used to measure the recoverable amount because these assumptions and others used in impairment testing of tangible assets and goodwill are inextricably linked. In addition, for those cash generating units with a functional currency other than the US dollar, movements in the US dollar exchange rate will also be a critical factor in determining life of mine and production plans.

Therefore it is possible that outcomes within the next financial year that are different from the assumptions used in the impairment testing process for goodwill and tangible assets could require a material adjustment to the carrying amounts in future periods.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 16 INTANGIBLE ASSETS

Figures in million	Goodwill	Software and licenses US Dollars	Royalty tax rate concession and other	Total
<b>Cost</b>				
Balance at 1 January 2012	435	16	50	501
Additions	-	78	1	79
Acquisition of subsidiary (note 34)	14	-	-	14
Transfers and other movements <sup>(3)</sup>	-	-	7	7
Translation	2	(2)	-	-
<b>Balance at 31 December 2012</b>	<b>451</b>	<b>92</b>	<b>58</b>	<b>601</b>
<b>Accumulated amortisation and impairments</b>				
Balance at 1 January 2012	256	-	35	291
Amortisation for the year (notes 4 and 33)	-	-	5	5
Impairment reversal (notes 7 and 13) <sup>(2)</sup>	-	-	(10)	(10)
<b>Balance at 31 December 2012</b>	<b>256</b>	<b>-</b>	<b>30</b>	<b>286</b>
<b>Net book value at 31 December 2012 <sup>(1)</sup></b>	<b>195</b>	<b>92</b>	<b>28</b>	<b>315</b>
<b>Cost</b>				
Balance at 1 January 2013	451	92	58	601
Additions	-	67	1	68
Disposals	-	-	(1)	(1)
Transfers and other movements <sup>(3)</sup>	-	(3)	2	(1)
Transfer to asset held for sale	(2)	(2)	-	(4)
Translation	(33)	(13)	-	(46)
<b>Balance at 31 December 2013</b>	<b>416</b>	<b>141</b>	<b>60</b>	<b>617</b>
<b>Accumulated amortisation and impairments</b>				
Balance at 1 January 2013	256	-	30	286
Amortisation for the year (notes 4 and 33)	-	19	5	24
Impairment (notes 7 and 13)	15	33	3	51
Disposals	-	-	(1)	(1)
Transfers and other movements <sup>(3)</sup>	-	-	1	1
Transfer to asset held for sale	(2)	-	-	(2)
Translation	(7)	(2)	-	(9)
<b>Balance at 31 December 2013</b>	<b>262</b>	<b>50</b>	<b>38</b>	<b>350</b>
<b>Net book value at 31 December 2013 <sup>(1)</sup></b>	<b>154</b>	<b>91</b>	<b>22</b>	<b>267</b>
<b>Cost</b>				
Balance at 1 January 2014	<b>416</b>	<b>141</b>	<b>60</b>	<b>617</b>
Additions	-	5	-	5
Transfers and other movements <sup>(3)</sup>	-	13	-	13
Translation	(16)	(7)	-	(23)
<b>Balance at 31 December 2014</b>	<b>400</b>	<b>152</b>	<b>60</b>	<b>612</b>
<b>Accumulated amortisation and impairments</b>				
Balance at 1 January 2014	<b>262</b>	<b>50</b>	<b>38</b>	<b>350</b>
Amortisation for the year (notes 4 and 33)	-	31	5	36
Impairment (notes 7 and 13) <sup>(2)</sup>	-	-	6	6
Transfers and other movements <sup>(3)</sup>	-	3	(2)	1
Translation	(4)	(2)	-	(6)

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<b>Balance at 31 December 2014</b>	<b>258</b>	<b>82</b>	<b>47</b>	<b>387</b>
<b>Net book value at 31 December 2014 <sup>(1)</sup></b>	<b>142</b>	<b>70</b>	<b>13</b>	<b>225</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
		US Dollars	
<b>16 INTANGIBLE ASSETS</b> continued			
<i>(1) Net book value of goodwill allocated to each of the cash generating units (CGUs):</i>			
- Sunrise Dam	124	136	159
- AngloGold Ashanti Córrego do Sítio Mineração <sup>(4)</sup>	-	-	15
- First Uranium (Pty) Limited	10	10	13
- Serra Grande	8	8	8
(note 2)	142	154	195
Real pre-tax discount rates applied in impairment calculations on CGUs for which the carrying amount of goodwill is significant are as follows:			
- Sunrise Dam <sup>(5)</sup>	9.7%	7.1%	6.1%

- <sup>(2)</sup> As part of the stability agreement entered into in 2004, the Government of Ghana agreed to a concession on the royalty payments by maintaining a rate of 3% for 15 years from 2004. The impairment reversal during 2012 relates to the corporate tax rate concession which was granted at a rate of 30% for the Ashanti business combination in 2004. During 2005, the corporate tax rate in Ghana decreased to 25% and the tax rate concession, which expires in 2019, was fully impaired. During 2012, the corporate tax rate on mining companies was increased from 25% to 35% resulting in an impairment reversal. The 2014 business plan indicates that no tax payments are expected to be paid to the Government of Ghana until 2019, as a result the tax rate concession was fully impaired during 2014.
- <sup>(3)</sup> Transfers and other movements include amounts from asset reclassifications and amounts written off.
- <sup>(4)</sup> Goodwill has been allocated to its respective CGU s where it is tested for impairment as part of the CGU (note 15). The group reviews and tests the carrying value of goodwill on an annual basis for impairment. Following the impairment review in 2012, goodwill to the value of \$15m at AngloGold Ashanti Córrego do Sítio Mineração was impaired utilising a real pre-tax discount rate of 9.1% during 2013.
- <sup>(5)</sup> The discount rates for 2014 were determined on a basis consistent with that of 2013 and 2012. The value in use of the CGU is \$785m (2013: \$476m; 2012: \$1,543m).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 17 MATERIAL PARTLY-OWNED SUBSIDIARIES

Name	Non-controlling interest % holding			Country of incorporation and operation
	2014	2013	2012	
Cerro Vanguardia S.A. (CVSA)	7.5	7.5	7.5	Argentina
Société AngloGold Ashanti de Guinée S.A. (Siguiiri)	15.0	15.0	15.0	Republic of Guinea

On 28 June 2012, AngloGold Ashanti Limited acquired the remaining 50% stake in Serra Grande mine, resulting in it being a wholly owned subsidiary.

In early December 2012, AngloGold Ashanti Limited disposed of a 5% interest in Rand Refinery (Pty) Limited, with the remaining interest being accounted for as an associate (note 18).

Financial information of subsidiaries that have material non-controlling interests are provided below:

Figures in million	2014	2013	2012
	US Dollars		
<b>Profit allocated to material non-controlling interest</b>			
Cerro Vanguardia S.A.	6	1	12
Société AngloGold Ashanti de Guinée S.A.	17	6	8
<b>Accumulated balances of material non-controlling interests</b>			
Cerro Vanguardia S.A.	11	7	15
Société AngloGold Ashanti de Guinée S.A.	22	24	31

Summarised financial information of subsidiaries is as follows. The information is based on amounts including inter-company balances.

Figures in million	CVSA	Siguiiri
	US Dollars	
<b>Statement of profit or loss for 2014</b>		
Revenue	386	439
Profit for the year	83	80
<b>Total comprehensive income for the year, net of tax</b>	83	80
Attributable to non-controlling interests	6	17
Dividends paid to non-controlling interests	(3)	(18)
<b>Statement of profit or loss for 2013</b>		
Revenue	425	452
Profit for the year	14	39
<b>Total comprehensive income for the year, net of tax</b>	14	39
Attributable to non-controlling interests	1	6
Dividends paid to non-controlling interests	(8)	(14)
<b>Statement of profit or loss for 2012</b>		
Revenue	485	457
Profit for the year	150	72
<b>Total comprehensive income for the year, net of tax</b>	150	72
Attributable to non-controlling interests	12	8
Dividends paid to non-controlling interests	(10)	(6)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 17 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised financial information of subsidiaries is as follows. The information is based on amounts before inter-company eliminations.  
Figures in million

	CVSA	Siguri
	US Dollars	
<b>Statement of financial position as at 31 December 2014</b>		
Non-current assets	237	159
Current assets	154	155
Non-current liabilities	(100)	(91)
Current liabilities	(143)	(73)
<b>Total equity</b>	<b>148</b>	<b>150</b>
<b>Statement of financial position as at 31 December 2013</b>		
Non-current assets	192	151
Current assets	175	165
Non-current liabilities	(74)	(76)
Current liabilities	(181)	(51)
<b>Total equity</b>	<b>112</b>	<b>189</b>
<b>Statement of financial position as at 31 December 2012</b>		
Non-current assets	298	181
Current assets	207	211
Non-current liabilities	(102)	(86)
Current liabilities	(181)	(66)
<b>Total equity</b>	<b>222</b>	<b>240</b>
<b>Statement of cash flows for the year ended 31 December 2014</b>		
Cash inflow from operating activities	113	140
Cash outflow from investing activities	(30)	(30)
Cash outflow from financing activities	(59)	(110)
<b>Net increase in cash and cash equivalents</b>	<b>24</b>	<b>-</b>
<b>Statement of cash flows for the year ended 31 December 2013</b>		
Cash inflow from operating activities	116	94
Cash outflow from investing activities	(69)	(30)
Cash outflow from financing activities	(107)	(92)
<b>Net decrease in cash and cash equivalents</b>	<b>(60)</b>	<b>(28)</b>
<b>Statement of cash flows for the year ended 31 December 2012</b>		
Cash inflow from operating activities	300	72
Cash outflow from investing activities	(137)	(33)
Cash outflow from financing activities	(123)	(40)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>40</b>	<b>(1)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>18 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES</b>			
<b>Carrying value</b>			
Investments in associates	34	62	92
Investments in joint ventures	1,393	1,265	955
	1,427	1,327	1,047

Detailed disclosures are provided for the years in which investments in associates and joint ventures are considered to be material.

**Investments in material associates comprise:**

Name	Effective %			Description	Country of incorporation and operation
	2014	2013	2012		
<b>Unlisted associates</b>					
Rand Refinery (Pty) Limited	42.4	42.4	48.0	Smelting and refining of gold	South Africa
<b>Listed associates</b>					
Trans-Siberian Gold plc <sup>(1)</sup>		31.1	31.1	Exploration and mine development	United Kingdom operating in Russia

(1) For the 2014, year Trans-Siberian Gold plc is considered an immaterial associate.

Figures in million	2014	2013	2012
	US Dollars		
<b>Carrying value of associates</b>			
Rand Refinery (Pty) Limited (note 34) <sup>(1)</sup>	22	46	57
Trans-Siberian Gold plc <sup>(2)</sup>		7	22
Immaterial associates	12	9	13
	34	62	92

Equity accounting of Trans-Siberian Gold plc is based on results to 30 September.

Equity accounting of Rand Refinery is based on results from the unaudited management accounts to 30 November adjusted for the loan advanced in December 2014 as discussed below.

**Net (impairment) reversal of investments in associates**

Rand Refinery (Pty) Limited <sup>(1)</sup>	(21)	-	-
Trans-Siberian Gold plc		(13)	(17)
Other	2	(1)	(1)
(Notes 9 and 13)	(19)	(14)	(18)

(1) The carrying value of Rand Refinery includes a loan of \$44m. The loan was advanced in December 2014 and is repayable in December 2016 and accrues interest at JIBAR plus 3.5%. This loan was impaired by \$21m during the fourth quarter of 2014, after considering the current financial position and operating results of Rand Refinery (Note 9).

(2) At 31 December 2014, the fair value of the group's investment in Trans-Siberian Gold plc was \$6m (2013: \$14m; 2012: \$22m).

During the year, Rand Refinery identified a shortfall in the commodities that it warehouses for third parties and recognised the consequential expense in fulfilling its obligations to its depositors resulting in Rand Refinery financial results reporting a negative balance on shareholder's equity. As a result AngloGold Ashanti recognised its equity portion of this reported loss of \$51m, reducing its equity investment to nil. In order to fund the fulfilment of Rand Refinery's obligation to its depositors, the shareholders entered into a loan agreement. AngloGold Ashanti's share was \$44m and this was assessed for recoverability given the negative shareholders balance in the reported results of Rand Refinery. An impairment loss of \$21m was recorded on the loan. The cumulative and current year unrecognised share of losses of Rand Refinery is \$19m.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 18 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

Summarised financial information of associates is as follows (not attributable):

Figures in million	Rand Refinery (Pty) Limited US Dollars
<b>Statement of profit or loss for 2014</b>	
Revenue	31
Operating costs and expenses	(66)
Finance costs and unwinding of obligations	(1)
Interest received	1
Taxation	2
Loss for the year	(33)
Other comprehensive income for the year, net of tax	-
<b>Total comprehensive loss for the year, net of tax</b>	<b>(33)</b>
<b>Statement of profit or loss for 2013</b>	
Revenue	84
Operating (costs and expenses) income	(67)
Finance costs and unwinding of obligations	-
Interest received	1
Taxation	(4)
Profit (loss) for the year	14
Other comprehensive income for the year, net of tax	-
<b>Total comprehensive income (loss) for the year, net of tax</b>	<b>14</b>
<b>Statement of profit or loss for 2012</b>	
Revenue	-
Operating costs and expenses	-
Finance costs and unwinding of obligations	-
Taxation	-
Profit for the year	-
Other comprehensive income for the year, net of tax	(1)
<b>Total comprehensive (loss) income for the year, net of tax</b>	<b>(1)</b>

Figures in million	2014	2013	2012
	US Dollars		
<b>Aggregate statement of profit or loss for immaterial associates (attributable)</b>			
Revenue	26	7	13
Operating costs and expenses	(29)	(8)	(14)
Loss for the year	(3)	(1)	(1)
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive loss for the year, net of tax</b>	<b>(3)</b>	<b>(1)</b>	<b>(1)</b>
Dividends received from associates	-	-	1

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 18 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

Summarised financial information of associates is as follows (not attributable):

Figures in million	Rand Refinery (Pty) Limited US Dollars
<b>Statement of financial position as at 31 December 2014</b>	
Non-current assets	40
Current assets	14
Cash and cash equivalents	-
Total assets	54
Non-current financial liabilities	2
Other non-current liabilities	-
Current financial liabilities	96
Other current liabilities	-
Total liabilities	98
Net assets	(44)
Group's share of net assets	(19)
Loan to associate	44
Impairment of loan to associate	(21)
Unrecognised losses	19
Other	(1)
<b>Carrying amount of interest in associates</b>	<b>22</b>
<b>Statement of financial position as at 31 December 2013</b>	
Non-current assets	73
Current assets	19
Cash and cash equivalents	19
Total assets	111
Non-current financial liabilities	-
Other non-current liabilities	6
Current financial liabilities	-
Other current liabilities	18
Total liabilities	24
Net assets	87
Group's share of net assets	37
Goodwill	9
<b>Carrying amount of interest in associates</b>	<b>46</b>
<b>Statement of financial position as at 31 December 2012</b>	
Non-current assets	57
Current assets	35
Cash and cash equivalents	31
Total assets	123
Non-current financial liabilities	-
Other non-current liabilities	7
Current financial liabilities	23
Total liabilities	30
Net assets	93



Group's share of net assets	45
Goodwill	12
<b>Carrying amount of interest in associates</b>	<b>57</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 18 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

## Investments in material joint ventures comprise:

Name	Effective %			Description	Country of incorporation and operation
	2014	2013	2012		
Kibali Goldmines S.A. <sup>(1)</sup>	45.0	45.0	45.0	Exploration and mine development	The Democratic Republic of the Congo
Société des Mines de Morila S.A. (Morila) <sup>(2)</sup>		40.0	40.0	Commercial exploitation of gold	Mali
Société d'Exploitation des Mines d'Or de Sadiola S.A. (Sadiola) <sup>(2)</sup>		41.0	41.0	Commercial exploitation of gold	Mali

<sup>(1)</sup> AngloGold Ashanti Limited has a 50% interest in Kibali (Jersey) Limited (Kibali) which holds our effective 45% interest in Kibali Goldmines S.A.

<sup>(2)</sup> For the 2014 year, Morila and Sadiola are considered to be immaterial joint ventures.

Figures in million	2014	2013	2012
	US Dollars		
<b>Carrying value of joint ventures</b>			
Kibali	1,369	1,241	797
Morila		8	19
Sadiola		-	136
Immaterial joint ventures	24	16	3
	1,393	1,265	955
<b>Impairment of investments in joint ventures</b>			
Sadiola	-	(166)	-
Morila	-	(13)	-
Other	(6)	(2)	(39)
	(6)	(181)	(39)
<b>Loss on disposal of loan to joint venture</b>	-	-	(2)
<b>Recovery of a loan previously impaired</b>	20	31	-
(Notes 9 and 13)	14	(150)	(41)

The impairment indicators considered the current financial position and operating results. Impairments of \$6m (2013: \$181m; 2012: \$39m) were recorded and an impairment reversal of \$20m (2012: \$31m; 2012: nil) was recognised in the income statement.

## The cumulative unrecognised share of losses of the joint ventures for 2014:

Figures in million	2014	2013	2012
	US Dollars		
Sadiola	20	20	-
Yatela	-	9	-
	20	29	-

Summarised financial information of joint ventures is as follows (not attributable):

Figures in million	Kibali US Dollars
Revenue	650
Other operating costs and expenses	(305)
Amortisation of tangible and intangible assets	(140)
Finance costs and unwinding of obligations	(4)
Interest received	4
Taxation	(45)
Profit for the year	160
Other comprehensive income for the year, net of tax	-

**Total comprehensive income for the year, net of tax**

**160**

Dividends received from joint ventures

-

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 18 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

## Investments in material joint ventures comprise:

Figures in million	Kibali US Dollars
<b>Statement of profit or loss for 2013</b>	
Revenue	109
Other operating costs and expenses	(44)
Amortisation of tangible and intangible assets	(15)
Finance costs and unwinding of obligations	(1)
Interest received	4
Taxation	5
Profit (loss) for the year	58
Other comprehensive income for the year, net of tax	-
<b>Total comprehensive income (loss) for the year, net of tax</b>	<b>58</b>
Dividends received from joint ventures	-
<b>Statement of profit or loss for 2012</b>	
Revenue	-
Other operating costs and expenses	(2)
Amortisation of tangible and intangible assets	(2)
Finance costs and unwinding of obligations	-
Interest received	1
Taxation	-
(Loss) profit for the year	(3)
Other comprehensive income for the year, net of tax	-
<b>Total comprehensive (loss) income for the year, net of tax</b>	<b>(3)</b>
Dividends received from joint ventures	-

Figures in million	2014	2013	2012
		US Dollars	
<b>Aggregate statement of profit or loss for immaterial joint ventures (attributable)</b>			
Revenue	177	42	55
Other operating costs and expenses	(175)	(87)	(110)
Amortisation of tangible and intangible assets	(34)	(2)	(3)
Taxation	-	(2)	-
Loss for the year	(32)	(49)	(58)
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive loss for the year, net of tax</b>	<b>(32)</b>	<b>(49)</b>	<b>(58)</b>

Figures in million	Kibali US Dollars
<b>Statement of financial position as at 31 December 2014</b>	
Non-current assets	2,697
Current assets	231
Cash and cash equivalents	21
<b>Total assets</b>	<b>2,949</b>
Non-current financial liabilities	55
Other non-current liabilities	48
Current financial liabilities	8
Other current liabilities	118
<b>Total liabilities</b>	<b>229</b>
Net assets	2,720
Group's share of net assets	1,360
Other	9
<b>Carrying amount of interest in joint ventures</b>	<b>1,369</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***18 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES** *continued*

Summarised financial information of joint ventures is as follows (not attributable):

Figures in million	Kibali US Dollars
<b>Statement of financial position as at 31 December 2013</b>	
Non-current assets	2,353
Current assets	258
Cash and cash equivalents	5
<b>Total assets</b>	<b>2,616</b>
Non-current financial liabilities	54
Other non-current liabilities	8
Current financial liabilities	6
Other current liabilities	91
<b>Total liabilities</b>	<b>159</b>
Net assets	2,457
Group's share of net assets	1,229
Other	12
<b>Carrying amount of interest in joint ventures</b>	<b>1,241</b>
<b>Statement of financial position as at 31 December 2012</b>	
Non-current assets	1,599
Current assets	83
Cash and cash equivalents	12
<b>Total assets</b>	<b>1,694</b>
Non-current financial liabilities	53
Other non-current liabilities	5
Current financial liabilities	18
Other current liabilities	50
<b>Total liabilities</b>	<b>126</b>
Net assets	1,568
Group's share of net assets	784
Other	13
<b>Carrying amount of interest in joint ventures</b>	<b>797</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>19 OTHER INVESTMENTS</b>			
<b>Non-current investments</b>			
<b>Listed investments</b>			
<b>Available-for-sale</b>			
Balance at beginning of year	48	69	82
Additions	4	9	6
Acquisition of subsidiary (note 34)	-	-	3
Disposals	(1)	(2)	-
Fair value adjustments	1	4	(12)
Impairments (notes 7 and 13) <sup>(1)</sup>	(2)	(26)	(8)
Transfer to current investments	-	(1)	-
Translation	(3)	(5)	(2)
Balance at end of year	47	48	69
The available-for-sale non-current investments consist of ordinary shares and collective investment schemes and primarily comprise:			
International Tower Hill Mines Limited (ITH)	5	4	24
Corvus Gold Corporation	10	13	9
Various listed investments held by Environmental Rehabilitation Trust Fund	23	22	22
Other	9	9	14
	47	48	69
<b>(1) Impairment of investments due to a significant decline in market value</b>			
International Tower Hill Mines Limited	-	21	-
Corvus Gold Corporation	-	2	-
First Uranium Corporation	-	-	5
Other	2	3	3
	2	26	8
<b>Current investments</b>			
<b>Listed investments</b>			
<b>Available-for-sale</b>			
Balance at beginning of year	1	-	-
Transfer from non-current investments	-	1	-
Disposal	(1)	-	-
Balance at end of year	-	1	-
The available-for-sale current investments consist of ordinary shares and collective investment schemes and primarily comprise:			
RoxGold Inc.	-	1	-

The group's listed available-for-sale equity investments are susceptible to market price risk arising from uncertainties about the future values of the investments.

At the reporting date, the majority of equity investments were listed on the Toronto Stock Exchange and the JSE.

Based on the share price of ITH over the past year and carrying value at 31 December 2014 of \$5m, if ITH achieved the high that it achieved during 2014 of C\$1.31 per share, other comprehensive income (OCI) would increase by \$8m. If it achieved the low of C\$0.36 per share, OCI would decrease by \$2m. If the decrease was significant or prolonged, an impairment would be recorded.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**19 OTHER INVESTMENTS** continued

Based on the share price of Corvus Gold Corporation over the past year and carrying value at 31 December 2014 of \$10m, if Corvus Gold Corporation achieved the high that it achieved during 2014 of C\$2.18 per share, other comprehensive income (OCI) would increase by \$12m. If it achieved the low of C\$0.78 per share, OCI would decrease by \$2m. If the decrease was significant or prolonged, an impairment would be recorded.

The exposure to listed shares held by the Environmental Rehabilitation Trust Fund at fair value on the JSE was \$23m. An analysis based on the assumption that the equity index (ALSI on the JSE) had increased/decreased by 10% with all other variables held constant and all the group's JSE listed equity investments moved according to the ALSI, would impact OCI by \$2.3m. If the decrease was significant or prolonged, an impairment would be recorded.

Figures in million	2014	2013	2012
	US Dollars		
<b>Non-current investments</b>			
<b>Listed investments</b>			
<b>Held-to-maturity</b>			
Balance at beginning of year	6	7	8
Additions	2	5	-
Maturities	-	(6)	-
Amortisation of bonds	-	1	-
Translation	(1)	(1)	(1)
Balance at end of year	7	6	7
The held-to-maturity investment consists of government bonds held by the Environmental Rehabilitation Trust Fund administered by RMB Private Bank.			
The fair value of bonds held-to-maturity is \$9m (2013: \$8m; 2012: \$11m) and has a sensitivity of less than \$1m (2013: less than \$1m; 2012: less than \$1m) for a 1% change in interest rates.			
Book value of listed investments	54	55	76
Fair value of listed investments	56	57	80
<b>Unlisted investments</b>			
Balance at beginning of year	-	2	9
Impairment (notes 7 and 13)	-	(2)	(7)
Balance at end of year	-	-	2
The available-for-sale investments consisted primarily of XDM Resources Limited.			
<b>Held-to-maturity</b>			
Balance at beginning of year	77	89	87
Additions	74	77	91
Maturities	(71)	(72)	(85)
Accrued interest	1	-	-
Translation	(9)	(17)	(4)
Balance at end of year	72	77	89



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Figures in million	<b>2014</b>	2013	2012
	US Dollars		
<b>19 OTHER INVESTMENTS</b> continued			
<b>Non-current investments (continued)</b>			
<b>Unlisted investments (continued)</b>			
<b>Held-to-maturity investments (continued)</b>			
The held-to-maturity investments include:			
Negotiable Certificates of Deposit - Environmental Rehabilitation Trust Fund administered by RMB Private Bank	<b>67</b>	71	81
Nufcor Uranium Trust Fund	<b>3</b>	3	5
Other	<b>2</b>	3	3
	<b>72</b>	77	89
Book value of unlisted investments	<b>72</b>	77	91
Fair value of unlisted investments	<b>72</b>	77	91
Total book value of other investments (note 37)	<b>126</b>	132	167
Total fair value of other investments (note 37)	<b>129</b>	134	171

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

Figures in million	2014	2013	2012
		US Dollars	
<b>20 INVENTORIES</b>			
<b>Non-current</b>			
Raw materials			
- heap-leach inventory	521	479	436
- ore stockpiles	115	107	174
Total metal inventories	636	586	610
<b>Current</b>			
Raw materials			
- ore stockpiles	288	335	432
- heap-leach inventory	104	111	128
Work in progress			
- metals in process	78	93	139
Finished goods			
- gold doré/bullion	57	87	91
- by-products	6	8	11
Total metal inventories	533	634	801
Mine operating supplies	355	419	412
	888	1,053	1,213
Total inventories <sup>(1)</sup>	1,524	1,639	1,823

<sup>(1)</sup> The amount of the write-down of ore stockpiles, metals in process, gold doré/bullion, by-products and mine operating supplies to net realisable value, and recognised as an expense in special items and cost of sales is \$31m (2013: \$291m; 2012: \$5m).

**21 OTHER NON-CURRENT ASSETS**

AngloGold Ashanti Limited Pension Fund (note 29)	25	41	-
<b>Loans and receivables</b>			
Loan receivable at 31 December 2020 bearing interest at 8% per annum	-	-	6
Other non-interest bearing loans and receivables - receivable on various dates	-	-	1
	25	41	7

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Figures in million	2014	2013	2012
	US Dollars		
<b>22 TRADE AND OTHER RECEIVABLES</b>			
<b>Non-current</b>			
Prepayments and accrued income	10	10	31
Recoverable tax, rebates, levies and duties <sup>(1)</sup>	10	14	20
Reclamation sites trust fund	-	-	22
Deferred loan fees	-	5	6
	<b>20</b>	<b>29</b>	<b>79</b>
<b>Current</b>			
Trade and loan receivables	65	73	149
Prepayments and accrued income	39	73	86
Recoverable tax, rebates, levies and duties	159	215	223
Amounts due from related parties (note 35)	1	-	2
Interest receivable	1	-	1
Deferred loan fees	-	2	2
Other receivables	13	6	9
	<b>278</b>	<b>369</b>	<b>472</b>
<b>Total trade and other receivables</b>	<b>298</b>	<b>398</b>	<b>551</b>

Current trade and loan receivables are generally on terms less than 90 days.

There is no concentration of credit risk with respect to trade receivables, as the group has a large number of internationally dispersed customers.

There is a concentration of risk in respect of recoverable value added tax, fuel duties and appeal deposits from the Tanzanian government. The recoverable value added tax, fuel duties and appeal deposits are summarised as follows:

Recoverable value added tax	31	49	16
Recoverable fuel duties	-	18	35
Appeal deposits	4	4	4

<sup>(1)</sup> The outstanding amounts have been discounted to their present value at a rate of 10.96%.

**23 CASH RESTRICTED FOR USE**

<b>Non-current</b>			
Cash restricted by prudential solvency requirements	1	1	1
Cash balances held by Environmental Rehabilitation Trust Funds	35	30	28
	<b>36</b>	<b>31</b>	<b>29</b>
<b>Current</b>			
Cash restricted by prudential solvency requirements	13	11	11
Cash balances held by the Tropicana joint venture	1	34	23
Other	1	1	1
	<b>15</b>	<b>46</b>	<b>35</b>
<b>Total cash restricted for use (notes 37 and 38)</b>	<b>51</b>	<b>77</b>	<b>64</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

Figures in million

2014 2013 2012  
US Dollars**24 CASH AND CASH EQUIVALENTS**

Cash and deposits on call	374	431	595
Money market instruments	94	217	297
(notes 37 and 38)	468	648	892

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Cash and deposits on call	374	431	595
Money market instruments	94	217	297
Bank overdraft	-	(20)	-
	468	628	892

**25 NON CURRENT ASSETS AND LIABILITIES HELD FOR SALE****Navachab gold mine**

The Navachab gold mine is situated close to Karibib, about 170 kilometres northwest of the Namibian capital, Windhoek. It is included in the Continental Africa reporting segment. Navachab gold mine was previously recognised as a combination of tangible assets, goodwill, current assets, current and long-term liabilities. On 10 February 2014, AngloGold Ashanti announced that it signed a binding agreement to sell Navachab to a wholly-owned subsidiary of QKR Corporation Ltd (QKR). The purchase consideration consists of two components: an initial cash payment and a deferred consideration in the form of a net smelter return (NSR) (note 36).

On 30 June 2014, AngloGold Ashanti Limited announced that the sale had been completed in accordance with the sales agreement with all conditions precedent being met. Proceeds of \$105m was received and a loss on disposal of \$2m (note 7) was realised.

The carrying amount of major classes of assets and liabilities of Navachab include:

Tangible assets	72
Intangible assets	2
Inventories	75
Trade and other receivables	2
Cash and cash equivalents	2
Non-current assets held for sale (note 2)	153
Borrowings	10
Provisions	4
Deferred taxation	35
Trade and other payables	8
Non-current liabilities held for sale	57
Net non-current assets held for sale	96

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>26 SHARE CAPITAL AND PREMIUM</b>			
<b>Share capital</b>			
Authorised			
600,000,000 ordinary shares of 25 SA cents each	23	23	23
4,280,000 E ordinary shares of 25 SA cents each <sup>(1)</sup>	-	-	-
2,000,000 A redeemable preference shares of 50 SA cents each	-	-	-
5,000,000 B redeemable preference shares of 1 SA cent each	-	-	-
	<b>23</b>	<b>23</b>	<b>23</b>
Issued and fully paid			
404,010,360 (2013: 402,628,406; 2012: 383,320,962) ordinary shares of 25 SA cents each	16	16	16
Nil (2013: 712,006; 2012: 1,617,752) E ordinary shares of 25 SA cents each	-	-	-
2,000,000 (2013: 2,000,000; 2012: 2,000,000) A redeemable preference shares of 50 SA cents each	-	-	-
778,896 (2013: 778,896; 2012: 778,896) B redeemable preference shares of 1 SA cent each	-	-	-
	<b>16</b>	<b>16</b>	<b>16</b>
Treasury shares held within the group:			
2,778,896 (2013: 2,778,896; 2012: 2,778,896) A and B redeemable preference shares	-	-	-
Nil (2013: 5,171; 2012: 154,757) ordinary shares	-	-	-
Nil (2013: 362,006; 2012: 917,752) E ordinary shares	-	-	-
	<b>16</b>	<b>16</b>	<b>16</b>
<b>Share premium</b>			
Balance at beginning of year	7,058	6,805	6,766
Ordinary shares issued <sup>(2)</sup>	29	259	46
E ordinary shares issued and cancelled	(9)	(6)	(7)
	<b>7,078</b>	<b>7,058</b>	<b>6,805</b>
Less: held within the group			
Redeemable preference shares	(53)	(53)	(53)
Ordinary shares	-	(6)	(10)
E ordinary shares	-	(9)	(16)
Balance at end of year	<b>7,025</b>	<b>6,990</b>	<b>6,726</b>
<b>Share capital and premium</b>	<b>7,041</b>	<b>7,006</b>	<b>6,742</b>

(1) There are no E ordinary shares in issue.

(2) Includes share awards exercised and delivery of 18,140,000 shares during September 2013 to settle the outstanding 6% Mandatory Convertible Subordinated Bonds.

The rights and restrictions applicable to the A and B redeemable preference shares:

A redeemable preference shares are entitled to:

an annual dividend, after payment in full of the annual dividend on the B preference shares, equivalent to the balance of after tax profits from mining the Moab Mining Right Area; and  
on redemption, the nominal value of the shares and a premium per share equal to the balance of the net proceeds from disposal of assets relating to the Moab Mining Right Area, after redemption in full of the B preference shares and payment of the nominal value of the A preference shares.

B redeemable preference shares are entitled to:

an annual dividend limited to a maximum of 5% of their issue price from the period that profits are generated from the Moab Mining Right Area; and  
on redemption, the nominal value of the shares and a premium of up to R249.99 per share provided by the net proceeds from disposal of the assets relating to the Moab Mining Right Area.

The Moab Mining Right Area consists of the Moab Khotsong mine operations.

The B preference shares will only be redeemed from any net proceeds remaining after the disposal of the Moab Mining Right Area following permanent cessation of mining activities. The maximum redemption price will be R250 per share.

In the event of any surplus remaining after the redemption in full of the B preference shares, the A preference shares will be redeemable at such value as would cover the outstanding surplus.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>27 BORROWINGS</b>			
<b>Non-current</b>			
<b>Unsecured</b>			
<b>Debt carried at fair value</b>			
Mandatory convertible bonds - issued September 2010	-	-	588
Quarterly coupons were paid at 6% per annum and the conversion of the mandatory convertible bonds into ADSs was subject to shareholder approval, which was granted in October 2010. The bonds were US dollar-based.			
On 16 September 2013, AngloGold Ashanti Holdings Finance plc paid and discharged the 6% mandatory convertible bonds (which matured on 15 September 2013) by delivering 18,140,000 American Depository Shares, or ADSs, which represent an equivalent number of shares of the company's common stock, and the cash equivalent of 177,859 shares of AngloGold Ashanti Limited as determined in the manner set out in the indenture governing the mandatory convertible bonds.			
\$1.25bn bonds - issued July 2013	1,373	1,353	-
Semi-annual coupons are paid at 8.5% per annum. The bonds were issued on 30 July 2013, and unless the company redeems the bonds earlier they are repayable on 30 July 2020 and are US dollar-based.			
<b>Debt carried at amortised cost</b>			
Rated bonds - issued July 2012	755	755	753
Semi-annual coupons are paid at 5.125% per annum. The bonds were issued on 30 July 2012, are repayable on 1 August 2022 and are US dollar-based.			
Rated bonds - issued April 2010	998	997	996
Semi-annual coupons are paid at 5.375% per annum on \$700m 10-year bonds and at 6.5% per annum on \$300m 30-year bonds. The \$700m bonds are repayable in April 2020 and the \$300m bonds are repayable in April 2040. The bonds are US dollar-based.			
3.5% Convertible bonds - issued May 2009	-	-	685
Semi-annual coupons were paid at 3.5% per annum. The bonds were convertible into ADSs up to May 2014 and were US dollar-based. On 25 July 2013, AngloGold Ashanti Holdings plc commenced a cash tender offer to purchase any and all of the outstanding \$732.5m 3.5% convertible bonds due May 2014 of AngloGold Ashanti Holdings Finance plc at a purchase price of \$1,015 for each \$1,000 principal amount of bonds validly tendered. The offer expired on 21 August 2013 and AngloGold Ashanti Holdings plc purchased \$725.9m in aggregate principal amount of the bonds, representing 99.1% of the total issuance. In addition, holders received, in respect of their bonds that were accepted for purchase, accrued and unpaid interest on such bonds up to, but excluding, the settlement date of the tender offer. On 8 November 2013, AngloGold Ashanti Holdings Finance plc completed the redemption of all its outstanding 3.5% convertible bonds.			
Syndicated loan facility (\$1bn) LIBOR	92	-	-
Semi-annual interest paid at Libor plus 1.5% per annum. The applicable margin is subject to a ratings grid. The facility was issued on 17 July 2014 and is available until 17 July 2019. The loan is subject to debt covenant arrangements for which no default event occurred.			
Syndicated revolving credit facility (A\$600m)	-	489	261
Interest charged at BBSY plus 2.6% per annum. The applicable margin is subject to a ratings grid. The Australian dollar-based loan was repaid in July 2014. The loan is subject to debt covenant arrangements for which no default event occurred. This facility was settled on 15 August 2014 and replaced by a syndicated revolving credit facility of A\$500m.			
	255	-	-



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### Syndicated revolving credit facility (A\$500m)

Interest charged at BBSY plus 2% per annum. The applicable margin is subject to a ratings grid. The loan is repayable in July 2019 and is Australian dollar-based. The loan is subject to debt covenant arrangements for which no default event occurred.

### R750m bonds - issued December 2013

**65**      72      -

Quarterly coupons are paid at 3 month JIBAR plus 1.75% on R750m bonds and they are repayable on 9 December 2016. The bonds are SA rand-based.

### Other

**2**      2      3

Interest charged at various rates from 2.3% plus delta exchange rate on individual instalments per annum to 8.11% per annum. Repayment terms ranging from April 2014 to June 2020. All loans are Brazilian real-based.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>27 BORROWINGS</b> continued			
<b>Non-current (continued)</b>			
<b>Secured</b>			
<b>Finance leases</b>			
Turbine Square Two (Pty) Limited	22	25	31
The leases are capitalised at an implied interest rate of 9.8% per annum. Lease payments are due in monthly instalments terminating in March 2022 and are SA rand-based. The buildings financed are used as security for these loans (note 38).			
Other	4	5	9
Various loans with interest rates ranging from 5.5% to 15.5% per annum. These loans are repayable from 2015 to 2044. Some of these loans are secured by the financed assets.			
Navachab Lewcor Mining Contract	-	-	22
Interest charged at a rate of 8.4% per annum. Loans are repayable by April 2015 and are Namibian dollar-based. The equipment financed is used as security for these loans. Navachab was reclassified as held for sale during 2013 and disposed on 30 June 2014.			
California First National Bank	13	16	11
Interest charged at an average rate of 2.4% per annum. Loans are repayable in monthly instalments terminating in December 2019 and are US dollar-based. The equipment financed is used as security for these loans.			
Total non-current borrowings including current portion	3,579	3,714	3,359
Current portion of non-current borrowings included in current liabilities	(81)	(81)	(635)
Total non-current borrowings	3,498	3,633	2,724
<b>Current</b>			
Current portion of non-current borrowings included above	81	81	635
<b>Unsecured</b>			
Senior floating rate notes - DMTNP	15	54	84
Senior fixed rate notes - DMTNP	-	62	36
Syndicated Nedbank/ABSA demand facility	43	-	-
FirstRand Bank Limited demand facility	39	-	59
Standard Bank Argentina	-	15	-
Other loans	45	46	45
Total current borrowings	223	258	859
Total borrowings (notes 37 and 38)	3,721	3,891	3,583
<b>Amounts falling due</b>			
Within one year	223	258	859
Between one and two years	281	494	699
Between two and five years	154	88	277
After five years	3,063	3,051	1,748
(notes 37 and 38)	3,721	3,891	3,583

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Figures in million	<b>2014</b>	2013	2012
	US Dollars		
<b>27 BORROWINGS</b> continued			
<b>Currency</b>			
The currencies in which the borrowings are denominated are as follows:			
US dollar	<b>3,187</b>	3,186	3,086
Australian dollar	<b>255</b>	489	261
SA rand	<b>277</b>	213	210
Brazilian real	<b>2</b>	3	4
Namibian dollar	-	-	22
(notes 37 and 38)	<b>3,721</b>	3,891	3,583
<b>Undrawn facilities</b>			
Undrawn borrowing facilities as at 31 December are as follows:			
Syndicated revolving credit facility (\$1bn) - US dollar (entered in July 2014)	<b>900</b>	-	-
Syndicated revolving credit facility (\$1bn) - US dollar (facility cancelled in July 2014)	-	1,000	1,000
Syndicated revolving credit facility (A\$500m) - Australian dollar (entered into in July 2014)	<b>153</b>	-	-
Syndicated revolving credit facility (A\$600m) - Australian dollar (facility cancelled and repaid)	-	45	359
Syndicated revolving credit facility (R1.5bn) - SA rand	<b>87</b>	144	-
FirstRand Bank Limited - SA rand	<b>4</b>	48	30
	<b>1,144</b>	1,237	1,389

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>28 ENVIRONMENTAL REHABILITATION AND OTHER PROVISIONS</b>			
<b>Provision for decommissioning</b>			
Balance at beginning of year	256	306	240
Change in estimates <sup>(1)</sup>	41	(28)	53
Transfer of liability to asset held for sale	-	(2)	-
Acquisition of subsidiary (note 34)	-	-	6
Unwinding of decommissioning obligation (note 8)	12	13	11
Transfer of decommissioning obligation to a third party <sup>(2)</sup>	-	(5)	-
Utilised during the year	(3)	(3)	-
Translation	(10)	(25)	(4)
Balance at end of year	296	256	306
<b>Provision for restoration</b>			
Balance at beginning of year	472	535	507
Charge to income statement	36	1	18
Change in estimates <sup>(1)</sup>	51	(40)	(16)
Transfer of liability to asset held for sale	-	(2)	-
Acquisition of subsidiary (note 34)	-	-	34
Unwinding of restoration obligation (note 8)	13	14	18
Transfer of restoration liability to a third party <sup>(2)</sup>	-	(16)	-
Utilised during the year	(13)	(10)	(21)
Translation	(4)	(10)	(5)
Balance at end of year	555	472	535
<b>Other provisions</b>			
Balance at beginning of year	235	397	35
Charge to income statement	16	7	45
Change in estimates	4	(70)	(2)
Acquisition of subsidiary (note 34)	-	-	346
Transfer from (to) trade and other payables	-	5	(4)
Unwinding of other provisions (note 8)	1	2	1
Utilised during the year	(29)	(39)	(10)
Translation	(26)	(67)	(14)
Balance at end of year	201	235	397
Other provisions comprise the following:			
- provision for labour, environmental, tax and civil court settlements <sup>(3)</sup>	26	25	32
- commodity contract <sup>(4)</sup>	175	210	365
	201	235	397
<b>Total environmental rehabilitation and other provisions</b>	<b>1,052</b>	<b>963</b>	<b>1,238</b>

(1) The change in estimates is attributable to changes in discount rates due to changes in global economic assumptions and changes in mine plans resulting in a change in cash flows and changes in design of tailings storage facilities and in methodology following requests from the environmental regulatory authorities. These provisions are expected to unwind beyond the end of the life of mine.

(2) Transferred during 2013 to DRDGold Limited.

(3) Comprises claims filed by former employees in respect of loss of employment, work-related accident injuries and diseases, governmental fiscal claims relating to levies, surcharges, legal disputes and other closure related costs. The liability is expected to be settled over the next two-to five-year period.

(4) Chemwes (Pty) Limited, a subsidiary of First Uranium (Pty) Limited acquired by AngloGold Ashanti Limited during 2012, agreed to sell 25% of its production, capped at 312,500oz from 1 January 2012, to Franco-Nevada (Barbados) Corporation. Franco Nevada is required to pay \$400/oz which inflates at 1% compounded annually from 2013. These factors were considered in determining the commodity contract obligation. The provision is calculated as the present value of the portion which is deemed onerous in light of the current market conditions using a gold forward for the duration of the contract of \$1,184/oz (2013: \$1,206/oz; 2012: \$1,675/oz). As at 31 December 2014 the remaining production due to Franco Nevada is 243,064oz (2013: 266,627oz; 2012: 292,672oz).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million

2014 2013 2012  
US Dollars**29 PROVISION FOR PENSION AND POST-RETIREMENT BENEFITS****Defined benefit plans**

The group has made provision for pension, provident and medical schemes covering substantially all employees. The retirement schemes consist of the following:

AngloGold Ashanti Limited Pension Fund	(25)	(41)	24
Post-retirement medical scheme for AngloGold Ashanti Limited South African employees	135	137	183
Other defined benefit plans <sup>(1)</sup>	12	15	14
Sub-total	122	111	221
Transferred to other non-current assets (note 21):			
- AngloGold Ashanti Limited Pension Fund	25	41	-
	147	152	221

(1) Other defined benefit plans include the following:

- Obuasi Mines Staff Pension Scheme	9	12	11
- Retiree Medical Plan for North American employees	2	2	2
- Supplemental Employee Retirement Plan (SERP) for North America (USA) Inc. employees	1	1	1
	12	15	14

**AngloGold Ashanti Limited Pension Fund**

The plan is evaluated by independent actuaries on an annual basis as at 31 December of each year. The valuation as at 31 December 2014 was completed at the beginning of 2015 using the projected unit credit method. In arriving at their conclusions, the actuaries took into account reasonable long-term estimates of inflation, increases in wages, salaries and pensions, as well as returns on investments.

A formal statutory valuation is required by legislation every three years. The statutory valuation effective 31 December 2011 was completed in May 2012. The next statutory valuation of the Fund will have an effective date of no later than 31 December 2014 and is expected to be submitted to the Registrar of Pension Funds during 2015.

All South African pension funds are governed by the Pension Funds Act of 1956 as amended.

Information with respect to the AngloGold Ashanti Limited Pension Fund is as follows:

**Benefit obligation**

Balance at beginning of year	236	328	307
Current service cost	4	6	7
Interest cost	20	23	26
Participants contributions	1	1	1
Actuarial loss (gain)	18	(23)	22
Benefits paid	(16)	(38)	(18)
Translation	(25)	(61)	(17)
Balance at end of year	238	236	328

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>29 PROVISION FOR PENSION AND POST-RETIREMENT BENEFITS</b> continued			
AngloGold Ashanti Limited Pension Fund continued			
<b>Plan assets</b>			
Balance at beginning of year	277	304	284
Interest income	24	21	25
Return on plan assets net of interest income	4	6	6
Actuarial (loss) gain	(1)	38	14
Company contributions	3	7	7
Participants contributions	1	1	1
Benefits paid	(16)	(38)	(18)
Translation	(29)	(62)	(15)
Fair value of plan assets at end of year	263	277	304
Funded (unfunded) status at end of year	25	41	(24)
Net amount recognised	25	41	(24)
<b>Components of net periodic benefit cost</b>			
Interest cost	20	23	26
Current service cost	4	6	7
Interest income	(24)	(21)	(25)
Net periodic benefit cost	-	8	8
<b>Assumptions</b>			
Assumptions used to determine benefit obligations at the end of the year are as follows:			
Discount rate	8.75%	9.00%	8.25%
Rate of compensation increase <sup>(1)</sup>	8.25%	8.25%	8.00%
Expected long-term return on plan assets <sup>(2)</sup>	10.46%	10.46%	10.53%
Pension increase	6.25%	5.63%	5.40%
<b>Plan assets<sup>(3)</sup></b>			
AngloGold Ashanti Limited's pension plan asset allocations at the end of the year, by asset category, are as follows:			
Equity securities	56%	62%	56%
Debt securities	34%	34%	38%
Other	10%	4%	6%
	100%	100%	100%

(1) The short-term compensation rate increase is 6.4% (2013: 6.4%; 2012: 5.5%) and the long-term compensation rate increase is 8.25% (2013: 8.25%; 2012: 8.0%).

(2) The expected long-term return on plan assets is determined using the after tax yields of the various asset classes as a guide.

(3) The plan assets are measured at fair value. Fair values of the equity and debt instruments have been calculated by reference to quoted prices in active markets and fall within level 1 of the fair value hierarchy.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**29 PROVISION FOR PENSION AND POST-RETIREMENT BENEFITS** continued**Investment policy**

The Trustees have adopted a long-term horizon in formulating the Fund's investment strategy, which is consistent with the term of the Fund's liabilities. The investment strategy aims to provide a reasonable return relative to inflation across a range of market conditions.

The Trustees have adopted different strategic asset allocations for the assets backing pensioner and active member liabilities. The strategic asset allocation defines what proportion of the Fund's assets should be invested in each major asset class. The Trustees have then selected specialist investment managers to manage the assets in each asset class according to specific performance mandates instituted by the Trustees.

The Trustees have also put in place a detailed Statement of Investment Principles that sets out the Fund's overall investment philosophy and strategy.

Fund returns are calculated on a monthly basis, and the performance of the managers and Fund as a whole is formally reviewed by the Fund's Investment Sub-Committee at least every six months.

	Number of shares	Percentage of total assets	Fair value	Number of shares	Percentage of total assets	Fair value	Number of shares	Percentage of total assets	Fair value
US Dollars million	2014			2013			2012		
<b>Related parties</b>									
Investments held in related parties are summarised as follows:									
<b>Equity securities</b>									
AngloGold Ashanti Limited	442,694	1.5%	4	360,776	1.5%	4	184,432	1.9%	6
<b>Other investments exceeding 5% of total plan assets</b>									
<b>Bonds</b>									
IFM Corporate Bond Unit Trust	410,886,085	13.0%	35	291,175,811	10.2%	28	271,680,384	11.4%	35
Allan Gray Orbis Global Equity Fund	165,847	10.9%	29	224,509	14.5%	40	224,509	9.5%	29
Contrarius Global Equity Fund	847,460	11.2%	30	1,151,413	15.2%	42	1,151,413	9.2%	28
			94			110			92

**Cash flows****Contributions**

AngloGold Ashanti Limited expects to contribute \$3m to its pension plan in 2015.

Figures in million

2014



US Dollars

**Estimated future benefit payments**

The following pension benefit payments, which reflect the expected future service, as appropriate, are expected to be paid:

2015	<b>16</b>
2016	<b>17</b>
2017	<b>19</b>
2018	<b>20</b>
2019	<b>22</b>
Thereafter	<b>144</b>

**Sensitivity analysis**

AngloGold Ashanti Limited Pension Fund would be affected by changes in the actuarial assumptions of the discount rate and inflation rate used in the calculation of the net pension asset as follows:

The increase of 100 basis points in the discount rate will result in a net asset of \$54m, while a decrease of 100 basis points in the discount rate will result in a net obligation of \$12m.

The increase of 100 basis points in the inflation rate will result in a net obligation of \$10m, while a decrease of 100 basis points in the inflation rate will result in a net asset of \$53m.

The sensitivities may not be representative of the actual change in the obligation, as it is unlikely that the changes would occur in isolation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million

2014 2013 2012

US Dollars

**29 PROVISION FOR PENSION AND POST-RETIREMENT BENEFITS** continued**Post-retirement medical scheme for AngloGold Ashanti Limited South African employees**

The provision for post-retirement medical funding represents the provision for health care benefits for employees and retired employees and their registered dependents.

The post-retirement benefit costs are assessed in accordance with the advice of independent professionally qualified actuaries. The actuarial method used is the projected unit credit funding method. This scheme is unfunded. The last valuation was performed as at 31 December 2014.

Information with respect to the defined benefit liability is as follows:

**Benefit obligation**

Balance at beginning of year	137	183	157
Current service cost	-	1	1
Recognition of past service cost	-	-	22
Interest cost	10	12	13
Benefits paid	(10)	(12)	(15)
Actuarial loss (gain)	11	(12)	13
Translation	(13)	(35)	(8)
Balance at end of year	135	137	183
Unfunded status at end of year	(135)	(137)	(183)
Net amount recognised	(135)	(137)	(183)

**Components of net periodic benefit cost**

Current service cost	-	1	1
Interest cost	10	12	13
Recognition of past service cost	-	-	22
Net periodic benefit cost	10	13	36

**Assumptions**

Assumptions used to determine benefit obligations at the end of the year are as follows:

Discount rate	8.20%	8.76%	7.75%
Expected increase in health care costs	7.50%	7.25%	7.00%

**Assumed health care cost trend rates at 31 December:**

Health care cost trend assumed for next year	7.50%	7.25%	7.00%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	7.50%	7.25%	7.00%

Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A 1% point change in assumed health care cost trend rates would have the following effect:

Effect on total service and interest cost	1		
Effect on post-retirement benefit obligation	13		
	<b>1% point increase</b>		
Effect on total service and interest cost	(1)		
Effect on post-retirement benefit obligation	(11)		
	<b>1% point decrease</b>		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million

2014 2013 2012

US Dollars

**29 PROVISION FOR PENSION AND POST-RETIREMENT BENEFITS** continued

Post-retirement medical scheme for AngloGold Ashanti Limited South African employees continued

**Cash flows****Contributions**

AngloGold Ashanti Limited expects to contribute \$10m to the post-retirement medical plan in 2015.

**Estimated future benefit payments**

The following medical benefit payments, which reflect the expected future service, as appropriate, are expected to be paid:

2015	<b>10</b>		
2016	<b>10</b>		
2017	<b>11</b>		
2018	<b>11</b>		
2019	<b>11</b>		
Thereafter	<b>83</b>		

**Other defined benefit plans**

Information in respect of other defined benefit plans for the year ended 31 December 2014 has been aggregated in the tables of change in benefit obligations, change in plan assets and components of net periodic benefit cost and is as follows:

**Benefit obligation**

Balance at beginning of year	<b>22</b>	18	21
Recognition of past service cost	-	2	-
Interest cost	<b>1</b>	1	1
Actuarial (gain) loss	<b>(3)</b>	5	1
Transfer to third party	<b>(7)</b>	-	-
Disposal of subsidiary (note 34)	-	-	(2)
Benefits paid	<b>(1)</b>	(4)	(2)
Translation	-	-	(1)
Balance at end of year	<b>12</b>	22	18

**Plan assets**

Fair value of plan assets at beginning of year	<b>7</b>	4	9
Company contributions	-	2	-
Transfer to third party	<b>(7)</b>	-	-
Disposal of subsidiary (note 34)	-	-	(4)
Translation	-	1	(1)
Fair value of plan assets at end of year	-	7	4
Unfunded status at the end of year	<b>(12)</b>	(15)	(14)
Net amount recognised	<b>(12)</b>	(15)	(14)

**Components of net periodic benefit cost**

Recognition of past service cost	-	2	-
Interest cost	<b>1</b>	1	1
Net periodic benefit cost	<b>1</b>	3	1

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

Figures in million

**2014**

US Dollars

**29 PROVISION FOR PENSION AND POST-RETIREMENT BENEFITS** continued

**Other defined benefit plans** continued

**Cash flows**

The other retirement defined benefit plans are all closed to new members and current members are either retired or deferred members.

**Estimated future benefit payments**

The following pension benefit payments, which reflect the expected future service, as appropriate, are expected to be paid:

2015	<b>1</b>
2016	<b>1</b>
2017	<b>1</b>
2018	<b>1</b>
2019	<b>1</b>
Thereafter	<b>7</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***29 PROVISION FOR PENSION AND POST-RETIREMENT BENEFITS** continued**Defined contribution funds**

Contributions to the various retirement schemes are fully expensed during the year in which they are made and the cost of contributing to retirement benefits for the year amounted to \$60m (2013: \$62m; 2012: \$69m).

**South Africa**

AngloGold Ashanti Limited's operations in South Africa (Great Noligwa, Kopanang, Moab Khotsong, Mponeng, TauTona, First Uranium SA, Corporate and Other) contribute to various industry-based pension and provident retirement plans which cover substantially all employees and are defined contribution plans. These plans are all funded and the assets of the schemes are held in administrated funds separately from the group's assets. The cost of providing these benefits amounted to \$38m (2013: \$39m; 2012: \$46m).

**Continental Africa**

AngloGold Ashanti Limited's mines in Ghana (Iduapriem and Obuasi) contribute to a provident fund and a National Social Security plan for their employees which are defined contribution plans. The provident fund is administered by Boards of Trustees and invests mainly in Ghana government treasury instruments, fixed term deposits and other investments. The National Social Security contributions are however managed by the Social Security and National Insurance Trust (SSNIT) who are appointed by law. The cost of these contributions was \$4m (2013: \$6m; 2012: \$10m).

AngloGold Ashanti Limited's mine in Guinea (Siguiiri) contributes to a provident plan for their employees which is a defined contribution plan. The fund is administered by a Board of Trustees and invested mainly in Guinea government treasury instruments, fixed term deposits and other investments. A portion paid by Siguiiri is currently lodged at Ecobank as a fixed term deposit which generates interest. The cost of these contributions was \$3m (2013: \$2m; 2012: \$2m).

At AngloGold Ashanti Limited's mine in Namibia (Navachab), which was disposed of on 30 June 2014, the employees are members of a defined contribution provident fund. The fund is administered by the Old Mutual Life Assurance Company (Namibia) Limited. Both the company and the employees contribute to this fund. The cost to the group of these contributions amounted to \$1m (2013: \$1m; 2012: \$2m).

AngloGold Ashanti Limited's mine in Tanzania (Geita) contributes to pension plans for their employees which are defined contribution plans. There are two main Pension Funds (the Parastatal Provident Fund (PPF) and the National Social Security Fund (NSSF)) each established by an enacted law and managed by Boards of Trustees appointed to that effect. At the time of employment, an employee is at liberty to choose which pension fund to join, thereafter movements between the funds are prohibited by law. The funds invest mainly in Tanzania government treasury instruments, fixed term deposits and other investments. In 2005, Geita Gold Mine established its own supplementary provident scheme whereby all national employees may voluntarily join. The company contributes to the NSSF on behalf of expatriate employees. On termination of expatriate employment the company normally applies for a refund of contributions from the NSSF. The NSSF also administers this fund.

**Australasia**

AngloGold Ashanti Limited's operations in Australia (Sunrise Dam and Tropicana) contribute to various approved superannuation funds for the provision of benefits to employees and their dependents on retirement, disability or death. Contribution rates by the operation on behalf of employees meet compliance requirements under the Superannuation Guarantee. The contributions by the operations are legally enforceable to the extent required by the Superannuation Guarantee legislation and relevant employment agreements. The cost to the group of these contributions amounted to \$7m (2013: \$7m; 2012: \$6m).

**Americas**

AngloGold Ashanti Limited's mine in North America (Cripple Creek & Victor) sponsors a 401(k) savings plan whereby employees may contribute up to 60% of their salary, of which up to 5% is matched at a rate of 150% by AngloGold Ashanti Limited USA. AngloGold Ashanti Limited USA's contributions were \$5m (2013: \$3m; 2012: \$2m).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

AngloGold Ashanti Limited's mines in Brazil (AngloGold Ashanti Córrego do Sítio Mineração and Serra Grande) operate defined contribution arrangements for their employees. These arrangements are funded by the operations (basic plan) and operations/employees (optional supplementary plan). A PGBL (Plano Gerador de Benefício Livre) fund, similar to the American 401(k) type of plan was started in December 2001. Administered by Bradesco Vida e Previdência (which assumes the risk for any eventual actuarial liabilities), this is the only private pension plan sponsored by the group. Contributions amounted to \$3m (2013: \$4m; 2012: \$1m).

AngloGold Ashanti Limited's mine in Argentina (Cerro Vanguardia) does not have a retirement scheme for employees. Argentine nationals contribute to the obligatory Régimen Previsional Público fund which is administered by the state through the National Administrators of the Social Security (ANSES). Employees in Argentina contribute 11% of their salaries towards the Régimen Previsional Público fund and the company makes a contribution of 17% of an employee's salary to the same fund.

AngloGold Ashanti Limited's operations in Colombia offer a Voluntary Pension Fund to their employees. The fund is administered by Porvenir. The employees can contribute up to 10% of their salary and the company contributes 50% of this amount. On termination of employment the participant may apply to withdraw from the fund.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>30 DEFERRED TAXATION</b>			
Deferred taxation relating to temporary differences is made up as follows:			
<b>Liabilities</b>			
Tangible assets	833	840	1,568
Inventories	32	38	64
Derivatives	1	-	2
Other	49	23	15
	<b>915</b>	<b>901</b>	<b>1,649</b>
<b>Assets</b>			
Provisions	326	320	512
Derivatives	2	1	1
Tax losses	52	73	109
Other	95	105	40
	<b>475</b>	<b>499</b>	<b>662</b>
Net deferred taxation liability	<b>440</b>	<b>402</b>	<b>987</b>
Included in the statement of financial position as follows:			
Deferred tax assets	127	177	97
Deferred tax liabilities	567	579	1,084
Net deferred taxation liability	<b>440</b>	<b>402</b>	<b>987</b>
The movement on the deferred tax balance is as follows:			
Balance at beginning of year	402	987	1,069
Taxation of items included in income statement	90	(467)	(68)
Taxation on items included in other comprehensive income	(5)	18	-
Acquisition of subsidiary (note 34)	-	-	8
Disposal of subsidiary (note 34)	-	-	(2)
Transfer to liabilities held for sale	-	(39)	-
Translation	(47)	(97)	(20)
Balance at end of year	<b>440</b>	<b>402</b>	<b>987</b>

Provision has been made for South African income tax or foreign taxes that may result from future remittances of undistributed earnings of foreign subsidiaries or foreign corporate joint ventures, where the group is able to assert that the undistributed earnings are not permanently reinvested. In all other cases, the foreign subsidiaries reinvest the undistributed earnings into future capital expansion projects, maintenance capital and ongoing working capital funding requirements. Unrecognised taxable temporary differences pertaining to undistributed earnings totaled \$330m (2013: \$305m; 2012: \$450m).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million	2014	2013	2012
	US Dollars		
<b>31 TRADE, OTHER PAYABLES AND DEFERRED INCOME</b>			
<b>Non-current</b>			
Accruals	8	1	9
Deferred income	-	-	1
Other payables	7	3	-
	15	4	10
<b>Current</b>			
Trade payables	397	487	590
Accruals	261	294	325
Deferred income	-	-	3
Other payables	37	39	61
	695	820	979
Total trade, other payables and deferred income	710	824	989
Current trade and other payables are non-interest bearing and are normally settled within 60 days.			
<b>32 TAXATION</b>			
Balance at beginning of year	30	66	119
Refunds during the year	41	23	54
Payments during the year	(194)	(187)	(507)
Taxation of items included in the income statement	165	134	414
Disposal of subsidiary (note 34)	-	-	(4)
Translation	(1)	(6)	(10)
Balance at end of year	41	30	66
Included in the statement of financial position as follows:			
Taxation asset included in trade and other receivables	25	51	54
Taxation liability	66	81	120
	41	30	66
<b>33 CASH GENERATED FROM OPERATIONS</b>			
Profit (loss) before taxation	216	(2,533)	1,261
Adjusted for:			
Movement on non-hedge derivatives and other commodity contracts	(13)	(94)	35
Amortisation of tangible assets (notes 4 and 15)	750	775	830
Finance costs and unwinding of obligations (note 8)	278	296	231
Environmental, rehabilitation and other expenditure	32	(66)	(17)
Special items	31	3,399	402
Amortisation of intangible assets (notes 4 and 16)	36	24	5
Fair value adjustment on \$1.25bn bonds	17	58	-
Fair value adjustment on option component of convertible bonds	-	(9)	(83)
Fair value adjustment on mandatory convertible bonds	-	(356)	(162)
Interest received (note 3)	(24)	(39)	(43)
Share of associates and joint ventures loss (note 9)	25	162	30
Other non-cash movements	68	25	79
Movements in working capital	(43)	(250)	(218)
	1,373	1,392	2,350
Movements in working capital:			
Decrease (increase) in inventories	64	(142)	(324)
Decrease (increase) in trade and other receivables	52	69	(110)
(Decrease) increase in trade, other payables and deferred income	(159)	(177)	216
	(43)	(250)	(218)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

Figures in million

2012  
US Dollars**34 BUSINESS COMBINATIONS AND DISPOSALS****Acquisition of First Uranium (Pty) Limited**

On 20 July 2012, AngloGold Ashanti Limited acquired the entire share capital of First Uranium (Pty) Limited, a wholly owned subsidiary of Toronto-based First Uranium Corporation and the owner of Mine Waste Solutions, a recently commissioned tailings retreatment operation located in South Africa's Vaal River region and in the immediate proximity of AngloGold Ashanti's own tailings facilities, for an aggregate cash consideration of \$335m. The transaction was funded from cash reserves and debt facilities. The acquisition has been accounted for using the acquisition method.

The fair value of the identifiable assets and liabilities of First Uranium (Pty) Limited as at the date of acquisition was:

<b>Assets</b>	
Tangible assets (note 15)	616
Other investments (note 19)	3
Deferred tax (note 30)	52
Inventories	134
Trade and other receivables	2
Cash restricted for use	3
Cash and cash equivalents	5
	815
<b>Liabilities</b>	
Environmental rehabilitation and other provisions (note 28)	386
Loans from group companies	204
Deferred tax (note 30)	60
Trade and other payables	48
	698
Total identifiable net assets at fair value	117
Purchase consideration	131
Goodwill recognised on acquisition (note 16)	14
<b>Analysis of cash flows on acquisition:</b>	
Net cash acquired with the subsidiary	5
Cash paid - share capital acquired	(131)
Cash paid - loan acquired	(204)
	(330)

For the year ended 31 December 2012, First Uranium (Pty) Limited contributed \$41m of revenue and a profit of less than \$1m to the net profit before tax of the group. If the combination had taken place at the beginning of 2012, applying the group accounting policies, the group's profit for the year would have been \$920m and revenue would have been \$6,697m.

The transaction costs of \$3m have been expensed and are included in administrative expenses in the income statement and are part of operating activities in the statement of cash flows.

The goodwill of \$14m arising from the acquisition consists largely of the expected synergies arising from the immediate proximity of AngloGold Ashanti Limited's own tailings facilities to the Mine Waste Solutions plant that will allow processing of AngloGold Ashanti Limited's Vaal River tailings without having to build additional processing facilities. The processing of AngloGold Ashanti Limited's tailings will reduce the environmental liability associated with those tailings. In addition, the company is able to utilise its recently developed processes and recovery technology for tailings which will increase the ore recovery rates from both AngloGold Ashanti Limited and First Uranium (Pty) Limited tailings alike.

None of the goodwill recognised is expected to be deductible for income tax purposes. There have been no significant movements in goodwill or provisions except for the fair value movements related to the commodity contract since the date of acquisition.

Financial assets acquired includes trade and other receivables with a fair value of \$2m. All trade and other receivables are expected to be collectible.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million

2012  
US Dollars**34 BUSINESS COMBINATIONS AND DISPOSALS** continued*Part disposal of Rand Refinery (Pty) Limited*

In early December 2012, AngloGold Ashanti Limited disposed of a 5% interest in Rand Refinery (Pty) Limited (Rand Refinery) for a total cash consideration of \$6m. At 31 December 2012, AngloGold Ashanti Limited held a remaining interest of 48.03% and this interest was accounted for as an associate.

The carrying value of the identifiable assets and liabilities of Rand Refinery as at the date of disposal was:

<b>Assets</b>	
Tangible assets (note 15)	53
Other non-current assets (note 21)	2
Non-current assets held for sale	1
Inventories	22
Trade and other receivables	13
Cash and cash equivalents	31
	122
<b>Liabilities</b>	
Deferred tax (note 30)	2
Trade and other payables	22
Taxation (note 32)	4
	28
Total identifiable net assets	94
Consideration received	6
Fair value of residual value of investment (note 18)	57
Non-controlling interest	45
Less: net assets disposed	(94)
Total gain on disposal	14
Total gain on disposal	14
Realised gain	5
Unrealised gain	9

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million

2014 2013 2012  
US Dollars**35 RELATED PARTIES**

Material related party transactions were as follows (not attributable):

	2014	2013	2012
<b>Sales and services rendered to related parties</b>			
Joint ventures	10	18	18
<b>Purchases and services acquired from related parties</b>			
Associates	7	7	4
<b>Outstanding balances arising from sale of goods and services due by related parties</b>			
Joint ventures	4	3	2
Amounts owed to/due by related parties above are unsecured and non-interest bearing.			
<b>Loans advanced to associates</b>			
Oro Group (Pty) Limited	1	1	2
The loan bears a market related interest rate determined by the Oro Group (Pty) Limited's board of directors and is repayable at its discretion.			
Rand Refinery (Pty) Limited	22	-	-
A shareholder loan of \$44m was advanced to Rand Refinery (Pty) Limited during December 2014 and is repayable in December 2016. The loan accrues interest at JIBAR plus 3.5%. An amount of \$21m was recognised as an impairment in 2014.			
<b>Loans advanced to joint ventures</b>			
Société d'Exploitation des Mines d'Or de Sadiola S.A.	-	-	36
In 2012, a loan of \$12m, that was repayable on demand and bearing interest at LIBOR plus 2% per annum, was fully impaired. During 2014 an amount of \$20m was recovered on the previously impaired loan.			
AuruMar (Pty) Limited	-	-	2
The loan was interest free and had no fixed terms of repayment. The loan was repaid during 2013.			

Loans advanced to associates and joint ventures are included in the carrying value of investments in associates and joint ventures (note 18).

**Guarantees**

Details of guarantees to related parties are included in note 36.

**Agreement with Izingwe Property Managers (Pty) Limited**

AngloGold Ashanti entered into an agreement ( Agreement ) with Izingwe Property Managers (Pty) Limited (Izingwe Property ) under which Izingwe Property assists AngloGold Ashanti in planning, design, development and construction of 200 units of housing in South Africa for employees of AngloGold Ashanti. Izingwe Property's roles are those of development and project manager and main contractor. To date \$1.9m has been paid to Izingwe Property pursuant to the agreement. The contract was completed on 27 October 2014. Mr Sipho Pityana, Chairman of the company, is Chairman and a 44% shareholder in Izingwe Holdings (Pty) Limited ( Izingwe ), AngloGold Ashanti's BEE partner. Izingwe Capital (Pty) Limited, an associate company of Izingwe is the majority shareholder of Izingwe Property.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***35 RELATED PARTIES** continued**Executive contracts**

All members of the Executive Committee have permanent employment contracts which entitle them to standard group benefits as defined by their specific region and participation in the company's short term incentive scheme, the Bonus Share Plan (BSP), and the Long Term Incentive Plan (LTIP). All recently updated Executive Committee contracts include details on participation in the Co-investment Plan (CIP) and the applicable Minimum Share Holder Requirement (MSR).

South African executives (with the exception of the CEO and CFO who are remunerated 100% in South Africa) have dual contracts, which reflect the percentage of their time focused on offshore business requirements.

The executive contracts are reviewed annually and currently continue to include a change of control provision. The change of control is subject to the following triggers:

The acquisition of all or part of AngloGold Ashanti; or

A number of shareholders holding less than 35% of the company's issued share capital consorting to gain a majority of the board and make management decisions; and

The contracts of Executive Committee members are either terminated or their role and employment conditions are curtailed.

In the event of a change of control becoming effective, the executive will in certain circumstances be subject to both the notice period and the change of control contract terms. The notice period applied per category of executive and the change of control periods as at 31 December 2014 were as follows:

Executive Committee member	Notice period	Change of control
CEO	12 months	12 months
CFO	6 months	6 months
EXCO	6 months	6 months

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 35 RELATED PARTIES continued

## Directors and other key management personnel

Details relating to Directors and Prescribed Officers emoluments and shareholdings in the company are disclosed below:

## Executive Directors and Prescribed Officers remuneration

Figures in thousand	Appointed with effect from	Resigned/retired with effect from	Performance related Salary <sup>(1)</sup> payments <sup>(2)</sup>	Pension scheme benefits	Other benefits and encashed leave <sup>(3)</sup>	Sub total	Pre-tax gain on share options	Total SA Rands	Total US Dollars <sup>(4)</sup>	
										2014
<b>Executive Directors</b>										
S Venkatakrisnan <sup>(5)</sup>	Full year		12,000	-	2,970	1,149	16,119	-	16,119	1,488
RN Duffy <sup>(6)</sup>		30-Sep-14	7,033	2,533	1,441	142	11,149	-	11,149	1,030
KC Ramon <sup>(7)</sup>	1-Oct-14		1,750	1,284	219	14	3,267	-	3,267	302
			20,783	3,817	4,630	1,305	30,535	-	30,535	2,820
<b>Prescribed Officers</b>										
I Boninelli	Full year		5,720	2,870	608	99	9,297	-	9,297	858
CE Carter <sup>(8)</sup>	Full year		6,891	3,043	732	1,046	11,712	864	12,576	1,161
GJ Ehm <sup>(20)</sup>	Full year		8,038	7,247	293	10,975	26,553	1,002	27,555	2,544
RW Largent <sup>(9)</sup>	Full year		12,503	6,615	211	5,388	24,717	968	25,685	2,372
DC Noko	Full year		5,590	5,162	594	744	12,090	-	12,090	1,116
MP O Hare	Full year		7,367	3,475	1,509	109	12,460	-	12,460	1,151
ME Sanz Perez	Full year		5,700	3,999	606	157	10,462	-	10,462	966
YZ Simelane <sup>(10)</sup>		31-Jul-14	2,229	-	501	11,602	14,332	4,182	18,514	1,710
			54,038	32,411	5,054	30,120	121,623	7,016	128,639	11,878
<b>Total Executive Directors and Prescribed Officers remuneration ZAR</b>			<b>74,821</b>	<b>36,228</b>	<b>9,684</b>	<b>31,425</b>	<b>152,158</b>	<b>7,016</b>	<b>159,174</b>	<b>14,698</b>
<b>Total Executive Directors and Prescribed Officers remuneration USD</b>			<b>6,909</b>	<b>3,345</b>	<b>894</b>	<b>2,902</b>	<b>14,050</b>	<b>648</b>	<b>14,698</b>	

Figures in thousand	Appointed with effect from	Resigned/retired with effect from	Performance related Salary <sup>(1)</sup> payments <sup>(2)</sup>	Pension scheme benefits	Other benefits and encashed leave <sup>(3)</sup>	Sub total	Pre-tax gain on share options	Total SA Rands	Total US Dollars <sup>(4)</sup>	
										2013
<b>Executive Directors</b>										
M Cutifani		31-Mar-13	3,639	-	664	1,915	6,218	19,293	25,511	2,651
RN Duffy	Full year		6,589	2,659	1,341	152	10,741	-	10,741	1,116
AM O Neill <sup>(11)</sup>		2-Aug-13	10,256	-	145	5,171	15,572	18,421	33,993	3,532
S Venkatakrisnan	Full year		13,135	-	2,704	2,117	17,956	-	17,956	1,866
			33,619	2,659	4,854	9,355	50,487	37,714	88,201	9,165
<b>Prescribed Officers</b>										
I Boninelli	Full year		5,200	3,691	553	58	9,502	-	9,502	987
CE Carter	Full year		6,457	2,234	686	487	9,864	3,048	12,912	1,342
GJ Ehm	Full year		7,349	4,433	232	85	12,099	-	12,099	1,257
RW Largent	Full year		10,037	4,358	1,662	2,647	18,704	2,952	21,656	2,251
M MacFarlane <sup>(12)</sup> <sup>(13)</sup>		30-Jun-13	2,292	-	284	3,367	5,943	-	5,943	618

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DC Noko	Full year	4,792	1,802	509	10	7,113	-	7,113	739
MP O Haré <sup>(4)</sup>	Full year	6,697	2,719	1,363	117	10,896	517	11,413	1,186
ME Sanz Perez	Full year	4,864	3,573	517	53	9,007	-	9,007	936
YZ Simelane	Full year	3,865	909	787	214	5,775	-	5,775	600
		51,553	23,719	6,593	7,038	88,903	6,517	95,420	9,916
<b>Total Executive Directors and Prescribed Officers remuneration ZAR</b>		85,172	26,378	11,447	16,393	139,390	44,231	183,621	19,081
<b>Total Executive Directors and Prescribed Officers remuneration USD</b>		8,851	2,741	1,189	1,703	14,484	4,597	19,081	

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- (12) *M MacFarlane commuted between Canada and South Africa and the company carried the cost of flights and hotel accommodation in South Africa; these are excluded for reporting purposes.*
- (13) *Other benefits of M MacFarlane include separation payments of a severance package and pay in lieu of leave.*
- (14) *In 2013, MP O Hare had a once off pension payment in recognition of previous service paid into the AngloGold Ashanti Pension Fund to the value of R7.4m. This has not been included for reporting purposes.*
- (15) *These executives applied all of the after tax proceeds from the sale of their options to acquire ordinary shares in AngloGold Ashanti as follows: Messrs Cutifani 51,692; and Venkatakrisnan 42,157; and Carter 19,541.*
- (16) *Received retention bonus.*
- (17) *Cash paid in lieu of LTIP for 2012.*
- (18) *Received a sign-on bonus.*
- (19) *Received the remainder of sign-on bonus in July 2012 (paid over 24 months).*
- (20) *G Ehm other benefits is inclusive of surplus leave sale.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 35 RELATED PARTIES continued

## Directors and other key management personnel continued

Details relating to Directors and Prescribed Officers emoluments and shareholdings in the company are disclosed below:

## Executive Directors and Prescribed Officers once-off retention bonus payment

Figures in thousand	Appointed with effect from	Resigned/retired with effect from	Cash Retention Bonus ZAR	Cash Retention Bonus expressed in US dollars	Long Term Incentive Plan - Retention Bonus Share Awards
					Number of shares
			2014		
<b>Executive Directors</b>					
S Venkatakrisnan	Full year		-	-	23,687
RN Duffy		30-Sep-14	2,636	243	17,458
			2,636	243	41,145
<b>Prescribed Officers</b>					
I Boninelli	Full year		2,080	192	13,777
CE Carter	Full year		2,583	239	17,106
GJ Ehm	Full year		2,688	248	15,469
RW Largent	Full year		4,027	372	20,185
DC Noko	Full year		1,917	177	12,697
MP O Hare	Full year		2,679	247	17,744
ME Sanz Perez	Full year		1,838	170	12,177
			17,812	1,645	109,155
			20,448	1,888	150,300 <sup>(1)</sup>

<sup>(1)</sup> Refer to note 11 for the Long Term Incentive Plan Retention Bonus Shares.

<sup>(2)</sup> S Venkatakrisnan received the LTIP share portion and no cash as this will be delivered in deferred restricted shares in the second quarter of 2015.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 35 RELATED PARTIES continued

## Directors and other key management personnel continued

## Number of options and awards granted

	Balance at 1 January 2014	Granted during 2014	Exercised during 2014	Pre-tax gains on share options exercised (\$000)	Lapsed during 2014	Balance as at 31 December 2014 <sup>(1)</sup>
<b>Executive Directors</b>						
S Venkatakrishnan	220,393	166,625	-	-	20,159	366,859
RN Duffy <sup>(3)</sup>	166,543	92,361	-	-	14,754	244,150
KC Ramon <sup>(4)</sup>	-	50,201	-	-	-	50,201
	<b>386,936</b>	<b>309,187</b>	<b>-</b>	<b>-</b>	<b>34,913</b>	<b>661,210</b>
<b>Prescribed Officers<sup>(2)</sup></b>						
I Boninelli	82,472	73,930	-	-	4,825	151,577
CE Carter	112,389	88,001	4,481	80	39,074	156,835
GJ Ehm	122,462	103,913	5,360	93	7,316	213,699
RW Largent	113,073	161,509	4,790	89	9,184	260,608
MP O Hare	133,616	95,877	-	-	5,134	224,359
DC Noko	45,334	68,178	-	-	-	113,512
ME Sanz Perez	67,880	73,107	-	-	5,279	135,708
YZ Simelane <sup>(5)</sup>	74,035	39,091	39,875	386	73,251	-
	<b>751,261</b>	<b>703,606</b>	<b>54,506</b>	<b>648</b>	<b>144,063</b>	<b>1,256,298</b>
Other management	4,550,186	3,188,351	1,023,416	16,614	1,212,452	5,502,669
<b>Total share incentive scheme</b>	<b>5,688,383</b>	<b>4,201,144</b>	<b>1,077,922</b>	<b>17,262</b>	<b>1,391,428</b>	<b>7,420,177</b>

	Balance at 1 January 2013	Granted during 2013	Exercised during 2013	Pre-tax gains on share options exercised (\$000)	Lapsed during 2013	Balance as at 31 December 2013 <sup>(1)</sup>
<b>Executive Directors</b>						
M Cutifani <sup>(6)</sup>	271,891	5,429	88,594	2,005	188,726	-
RN Duffy	109,648	65,193	-	-	8,298	166,543
AM O Neiff <sup>(7)</sup>	150,113	124,961	129,284	1,914	145,790	-
S Venkatakrishnan	136,395	99,043	-	-	15,045	220,393
	668,047	294,626	217,878	3,919	357,859	386,936
<b>Prescribed Officers<sup>(2)</sup></b>						
I Boninelli	30,158	52,314	-	-	-	82,472
CE Carter	66,331	66,929	13,609	317	7,262	112,389
GJ Ehm	68,471	59,443	-	-	5,452	122,462
RW Largent	56,206	76,865	12,537	306	7,461	113,073
MP O Hare	74,619	66,699	2,306	54	5,396	133,616
M MacFarlane <sup>(8)</sup>	-	42,765	-	-	42,765	-
DC Noko	-	45,334	-	-	-	45,334
ME Sanz Perez	21,793	46,087	-	-	-	67,880
YZ Simelane	42,969	36,218	-	-	5,152	74,035
	360,547	492,654	28,452	677	73,488	751,261
Other management	3,551,735	2,533,048	684,413	12,227	850,184	4,550,186
<b>Total share incentive scheme</b>	<b>4,580,329</b>	<b>3,320,328</b>	<b>930,743</b>	<b>16,823</b>	<b>1,281,531</b>	<b>5,688,383</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 35 RELATED PARTIES continued

## Directors and other key management personnel continued

## Number of options and awards granted continued

	Balance at 1 January 2012	Granted during 2012	Exercised during 2012	Pre-tax gains on share options exercised (\$000)	Lapsed during 2012	Balance as at 31 December 2012 <sup>(1)</sup>
<b>Executive Directors</b>						
M Cutifani	258,210	112,183	86,293	2,800	12,209	271,891
S Venkatakrishnan	160,966	52,176	70,375	2,283	6,372	136,395
	419,176	164,359	156,668	5,083	18,581	408,286
<b>Prescribed Officers<sup>(2)</sup></b>						
I Boninelli	8,568	21,590	-	-	-	30,158
CE Carter	76,627	25,507	32,621	1,058	3,182	66,331
RN Duffy	85,394	27,790	-	-	3,536	109,648
GJ Ehm	48,845	22,286	-	-	2,660	68,471
RW Largent	88,331	26,083	52,069	1,711	6,139	56,206
RL Lazare <sup>(9)</sup>	41,573	1,901	34,279	1,243	9,195	-
M MacFarlane <sup>(10)</sup>	-	-	-	-	-	-
MP O Hare	54,281	22,809	-	-	2,471	74,619
AM O Neill	108,544	45,512	-	-	3,943	150,113
DC Noko <sup>(11)</sup>	-	-	-	-	-	-
ME Sanz Perez	8,406	13,387	-	-	-	21,793
YZ Simelane	32,008	13,350	-	-	2,389	42,969
	552,577	220,215	118,969	4,012	33,515	620,308
Other management	3,006,829	1,592,126	670,004	23,155	377,216	3,551,735
<b>Total share incentive scheme</b>	<b>3,978,582</b>	<b>1,976,700</b>	<b>945,641</b>	<b>32,250</b>	<b>429,312</b>	<b>4,580,329</b>

(1) The latest expiry date of all options/awards granted and outstanding at 31 December 2014 is 24 February 2024 (2013: 13 March 2023; 2012: 21 February 2022).

(2) Pursuant to the Companies Act, which came into effect on 1 May 2011, companies are required to identify and disclose the remuneration for the prescribed officers of the company.

(3) No longer an executive director with effect from 30 September 2014.

(4) Appointed as executive director with effect from 1 October 2014.

(5) No longer a prescribed officer and left the employ of AngloGold Ashanti with effect from 31 July 2014.

(6) No longer an executive director with effect from 31 March 2013.

(7) No longer an executive director with effect 15 July 2013 and went on early retirement from 2 August 2013.

(8) No longer a prescribed officer and left the employ of AngloGold Ashanti with effect from 30 June 2013.

(9) No longer a prescribed officer with effect from 31 March 2012.

(10) M MacFarlane was appointed to the Executive Committee with effect from 1 June 2012 and therefore had no holdings/grants in 2012.

(11) D Noko was appointed to the Executive Committee with effect from 15 June 2012 and therefore had no holdings/grants in 2012.

Subsequent to year end and up to 19 March 2015, no options/awards have been exercised by Executive Directors and Prescribed Officers, except for Charles Carter who exercised 38,873 awards for a pre-tax gain of \$461,084, Michael O Hare who exercised 294 awards for a pre-tax gain of \$2,997 and Ronald Largent who exercised 33,882 awards for a pre-tax gain of \$393,269.

A total of 1,902,542 (2013: 1,668,617; 2012: 1,264,872) options/awards out of the 7,420,177 (2013: 5,688,383; 2012: 4,580,329) options/awards granted and outstanding at 31 December 2014 are fully vested.

Awards granted since 2005 have been granted at no cost to participants.

Non-Executive Directors are not eligible to participate in the share incentive scheme.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 35 RELATED PARTIES continued

## Directors and other key management personnel continued

## Awards granted in respect of the previous year's financial results:

Issued in	Total <sup>(1)(8)</sup> 2015	Value (\$000) <sup>(3)(8)</sup>	Total <sup>(2)</sup> 2014	Value (\$000) <sup>(3)</sup>	Total <sup>(4)</sup> 2013	Value (\$000) <sup>(3)</sup>
<b>Executive Directors</b>						
M Cutifani <sup>(6)</sup>	-	-	-	-	5,429	148
S Venkatakrishnan	233,565	2,670	166,625	3,471	99,043	2,736
RN Duffy	1,481	42	92,361	1,918	65,193	1,801
KC Ramon	114,637	1,288	-	-	-	-
AM O'Neill <sup>(7)</sup>	-	-	-	-	124,961	3,452
	349,683	3,999	258,986	5,389	294,626	8,137
<b>Prescribed Officers</b>						
I Boninelli	95,191	1,094	73,930	1,523	52,314	1,445
CE Carter	122,367	1,374	88,001	1,832	66,929	1,849
GJ Ehm	120,469	1,374	103,913	2,158	59,443	1,642
RW Largent <sup>(5)</sup>	213,018	2,393	161,509	3,323	76,865	2,124
MP O'Hare	1,268	36	95,877	1,985	66,699	1,843
M MacFarlane	-	-	-	-	42,765	1,182
DC Noko	93,843	1,054	68,178	1,403	45,334	1,253
ME Sanz Perez	94,304	1,074	73,107	1,504	46,087	1,273
YZ Simelane	-	-	39,091	816	36,218	1,001
	740,460	8,399	703,606	14,544	492,654	13,612
<b>Total awards to executive management</b>	1,090,143	12,399	962,592	19,933	787,280	21,749

(1) Includes awards granted in respect of the 20% top-up for the 2012 BSP awards.

(2) Includes awards granted in respect of the 20% top-up for the 2011 BSP awards, 2014 BSP matching awards and 2014 LTIP (inclusive of the 60% share retention bonus awards; the 40% deferred cash portion will be reported in the year of payment, i.e. 2015).

(3) The 2014; 2013 and 2012 values have been converted using an average exchange rates of R10.8295:\$1 (2013: R9.6231:\$1; 2012: R8.1961: \$1).

(4) Includes awards granted in respect of the 20% top-up for the 2010 BSP awards.

(5) Received a cash payment in lieu of the 2010 BSP top-up due to US tax restrictions.

(6) No longer an executive director with effect from 31 March 2013.

(7) No longer an executive director with effect from 2 August 2013.

(8) BSP 2015 will be awarded after the Annual General Meeting to be held on 6 May 2015, subject to approval by the shareholders to renew the authority of placing 5% of the shares in issue under the control of the directors.

**Non-Executive Director remuneration**

The table below details the fees and allowances paid to Non-Executive Directors:

**Non-Executive Directors fees and allowances**

Figures in thousand <sup>(1)</sup> US Dollars	Director fees	Committee fees 2014	Travel allowance	Total	Total 2013	Total 2012
SM Pityana <sup>(2)</sup>	334	86	10	430	186	175
TT Mboweni - Retired on 14 May 2014 <sup>(3)</sup>	50	25	-	75	344	357
FB Arisman	-	-	-	-	120	251
R Gasant	117	63	8	188	131	118

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NP January-Bardill	117	60	10	187	140	146
MJ Kirkwood	121	91	51	263	266	94
WA Nairn	-	-	-	-	71	178
LW Nkuhlu <sup>(4)</sup>	148	90	8	246	184	178
F Ohene-Kena	-	-	-	-	54	118
RJ Ruston	117	81	42	240	251	189
DL Hodgson	88	27	10	125	-	-
<b>Total</b>	<b>1,092</b>	<b>523</b>	<b>139</b>	<b>1,754</b>	1,747	1,804

<sup>(1)</sup> Directors' compensation is disclosed in US dollars, the amounts reflected are the values calculated using the exchange rate of R10.8295:\$1 (2013: R9.6231:\$1; 2012: R8.1961: \$1).

<sup>(2)</sup> On 17 February 2014, Sipho Pityana was appointed chairman of the board.

<sup>(3)</sup> Fees are disclosed only for the period from or to which, office is held.

<sup>(4)</sup> Prof. Nkuhlu assumed the role of Lead Independent Director February 2014, and Deputy Chairman in March 2014.

Non-Executive Directors do not hold service contracts with the company. Executive Directors do not receive payment of directors' fees or committee fees.

At the Annual General Meeting of shareholders held on 14 May 2014, shareholders approved an increase in directors' fees with effect from 1 May 2014. Directors' fees for committees may vary depending on the number of committees on which the Non-Executive Director is a member and whether he/she is the Chairman or a member of the committee.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 35 RELATED PARTIES continued

## Directors and Prescribed Officers interests in AngloGold Ashanti shares

The interests of directors, prescribed officers and their associates in the ordinary shares of the company at 31 December 2014, which individually did not exceed 1% of the company's issued ordinary share capital, were:

	31 December 2014		31 December 2013		31 December 2012	
	Beneficial holding Direct	Beneficial holding Indirect	Beneficial holding Direct	Beneficial holding Indirect	Beneficial holding Direct	Beneficial holding Indirect
<b>Non-Executive Directors</b>						
DL Hodgson	1,500	-	-	-	-	-
MJ Kirkwood <sup>(1)</sup>	8,000	-	3,000	-	-	-
LW Nkuhlu	3,000	-	-	3,000	-	800
RJ Ruston <sup>(2)</sup>	-	1,000	-	1,000	-	-
FB Arisman	-	-	-	-	-	4,984
<b>Total</b>	<b>12,500</b>	<b>1,000</b>	<b>3,000</b>	<b>4,000</b>	<b>-</b>	<b>5,784</b>
<b>Executive Directors</b>						
RN Duffy	-	-	1,180	-	-	-
M Cutifani	-	-	-	-	61,692	-
S Venkatakrishnan	86,009	-	78,437	-	52,508	-
AM O'Neill	-	-	-	-	-	7,000
<b>Total</b>	<b>86,009</b>	<b>-</b>	<b>79,617</b>	<b>-</b>	<b>114,200</b>	<b>7,000</b>
<b>Company Secretary</b>						
ME Sanz Perez	7,506	-	1,135	-	-	-
<b>Total</b>	<b>7,506</b>	<b>-</b>	<b>1,135</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prescribed Officers</b>						
I Boninelli	5,728	2,247	-	1,284	-	-
CE Carter	32,253	-	36,500	-	25,078	-
GJ Ehm <sup>(3)</sup>	8,155	-	1,213	-	-	-
MP O'Hare	2,247	-	1,379	-	-	-
RW Largent <sup>(4)</sup>	10,410	-	1,910	-	-	-
DC Noko	3,690	-	615	-	-	-
<b>Total</b>	<b>62,483</b>	<b>2,247</b>	<b>41,617</b>	<b>1,284</b>	<b>25,078</b>	<b>-</b>
<b>Grand total</b>	<b>168,498</b>	<b>3,247</b>	<b>125,369</b>	<b>5,284</b>	<b>139,278</b>	<b>12,784</b>

Mr SM Pityana, Non-Executive Director of AngloGold Ashanti, had an indirect beneficial holding in the company given that he is a trustee and beneficiary of a trust which holds a 44% interest in Izingwe, the company's BEE partner. As at 31 December 2014, Izingwe held nil E ordinary shares in the issued capital of the company (2013: 350,000 E ordinary shares). The commercial transaction between AngloGold Ashanti and Izingwe was concluded on 27 October 2014.

<sup>(1)</sup> Held on the New York stock exchange as 8,000 American Depositary Shares (ADSs) (1 ADS is equivalent to 1 ordinary share)

<sup>(2)</sup> Held on the Australian stock exchange as 5,000 CHESS Depositary Receipts (5 CDIs are equivalent to 1 ordinary share)

<sup>(3)</sup> Held on the Australian stock exchange as 36,067 CHESS Depositary Receipts (5 CDIs are equivalent to 1 ordinary share) and on the JSE as 942 ordinary shares

<sup>(4)</sup> Held on the New York stock exchange as 10,410 American Depositary Shares (ADSs) (1 ADS is equivalent to 1 ordinary share)

Changes in directors and prescribed officers interests in AngloGold Ashanti shares after 31 December 2014:

	Date of transaction	Type of transaction	Number of shares	Direct/indirect beneficial holding
<b>Executive directors</b>				
S Venkatakrishnan <sup>(1)</sup>	25 February 2015	On-market purchase of AngloGold Ashanti restricted ordinary shares	56,690	Direct



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	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	1,502	Direct
KC Ramon	5 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	3,104	Direct

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Date of transaction	Type of transaction	Number of shares	Direct/indirect beneficial holding
<b>Company Secretary</b>				
ME Sanz Perez	26 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	2,465	Direct
	4 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	500	Direct
<b>Prescribed Officers</b>				
GJ Ehm	24 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	4,500	Direct
	25 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	877	Direct
	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	9,000	Direct
MP O Hare	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	408	Direct
	5 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	508	Direct
I Boninelli	26 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	2,558	Indirect
	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	560	Indirect
	10 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	7,839	Indirect
CE Carter	24 February 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	7,307	Direct
DC Noko	2 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	270	Direct
	3 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	11,895	Direct
	6 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	1,231	Direct
RW Largent	6 March 2015	On-market purchase of ordinary shares pursuant to the AngloGold Ashanti Co-Investment Plan	18,160	Direct

<sup>(1)</sup> Of the restricted 56,690 shares (in lieu of the BSP cash bonus), 17,203 shares are deemed to be the CEO's CIP investment for 2015.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

Figures in million

2014 2013 2012  
US Dollars**36 CONTRACTUAL COMMITMENTS AND CONTINGENCIES****Operating leases**

At 31 December 2014, the group was committed to making the following payments in respect of operating leases for, amongst others, the hire of plant and equipment and land and buildings. Certain contracts contain renewal options and escalation clauses for various periods of time.

**Expiry:**

- within one year	8	18	22
- between one and two years	2	8	3
- between two and five years	4	6	4
- after five years	-	3	3
	<b>14</b>	<b>35</b>	<b>32</b>

Operating lease charges included in profit before taxation amounts to \$19m (2013: \$34m; 2012: \$42m).

**Finance leases**

The group has finance leases for plant and equipment and buildings. The leases for plant and equipment and buildings have terms of renewal but no purchase options. Future minimum lease payments under finance lease contracts together with the present value of the net minimum lease payments are as follows:

US Dollars million	Minimum	Present	Minimum	Present	Minimum	Present
	payments	value	payments	value	payments	value
	2014	of	2013	of	2012	of
		payments		payments		payments
Within one year	8	5	10	7	20	15
After one year but not more than five years	29	20	29	20	44	32
More than five years	36	14	21	19	32	26
Total minimum lease payments	73	39	60	46	96	73
Amounts representing finance charges	(34)	-	(14)	-	(23)	-
Present value of minimum lease payments	39	39	46	46	73	73

Figures in million

2014 2013 2012  
US Dollars**Capital commitments***Acquisition of tangible assets*

Contracted for	178	437	1,075
Not contracted for	768	1,073	2,242
Authorised by the directors	946	1,510	3,317

*Allocated to:*

## Project capital

- within one year	430	431	1,092
- thereafter	335	714	1,708
	<b>765</b>	<b>1,145</b>	<b>2,800</b>

## Stay-in-business capital

- within one year	181	365	517
Share of underlying capital commitments of joint ventures included above	49	185	749

**Purchase obligations**

## Contracted for

- within one year	295	610	643
- thereafter	213	136	102
	<b>508</b>	<b>746</b>	<b>745</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**36 CONTRACTUAL COMMITMENTS AND CONTINGENCIES** continued**Purchase obligations** continued

Purchase obligations represent contractual obligations for the purchase of mining contract services, power, supplies, consumables, inventories, explosives and activated carbon.

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

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

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

**Contingencies**

	Guarantees and contingencies	Liabilities included in the statement of financial position	Guarantees and contingencies	Liabilities included in the statement of financial position	Guarantees and contingencies	Liabilities included in the statement of financial position
US Dollars million	2014		2013		2012	
<b>Contingent liabilities</b>						
Groundwater pollution <sup>(1)</sup>	-	-	-	-	-	-
Deep groundwater pollution - Africa <sup>(2)</sup>	-	-	-	-	-	-
Litigation - Ghana <sup>(3)</sup> <sup>(4)</sup>	97	-	97	-	-	-
Occupational Diseases in Mines and Works Act (ODMWA) litigation <sup>(5)</sup>	192	-	-	-	-	-
Other tax disputes - AngloGold Ashanti Brasil Mineração Ltda <sup>(6)</sup>	32	-	38	-	38	-
Sales tax on gold deliveries - Mineração Serra Grande S.A. <sup>(7)</sup>	-	-	101	-	156	-
VAT disputes - Mineração Serra Grande S.A. <sup>(8)</sup>	15	-	16	-	19	-
Tax dispute - AngloGold Ashanti Colombia S.A. <sup>(9)</sup>	162	-	188	-	161	-
Tax dispute - Cerro Vanguardia S.A. <sup>(10)</sup>	53	-	63	-	-	-
<b>Contingent assets</b>						
Indemnity - Kinross Gold Corporation <sup>(11)</sup>						
	(9)	-	(60)	-	(90)	-
Royalty - Tau Leko Gold Mine <sup>(12)</sup>	-	-	-	-	-	-
Royalty - Navachab Mine QKR <sup>(13)</sup>	-	-	-	-	-	-
<b>Guarantees</b>						
<i>Financial guarantees</i>						
Oro Group (Pty) Limited <sup>(14)</sup>	9	-	10	-	12	-
	551	-	453	-	296	-



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*
**36 CONTRACTUAL COMMITMENTS AND CONTINGENCIES** *continued***Contingent liabilities**

- (1) Groundwater pollution - AngloGold Ashanti Limited has identified groundwater contamination plumes at certain of its operations, which have occurred primarily as a result of seepage from mine residue stockpiles. Numerous scientific, technical and legal studies have been undertaken to assist in determining the magnitude of the contamination and to find sustainable remediation solutions. The group has instituted processes to reduce future potential seepage and it has been demonstrated that Monitored Natural Attenuation (MNA) by the existing environment will contribute to improvements in some instances. Furthermore, literature reviews, field trials and base line modelling techniques suggest, but have not yet proven, that the use of phyto-technologies can address the soil and groundwater contamination. Subject to the completion of trials and the technology being a proven remediation technique, no reliable estimate can be made for the obligation.
- (2) Deep groundwater pollution - The group has identified a flooding and future pollution risk posed by deep groundwater in certain underground mines in Africa. Various studies have been undertaken by AngloGold Ashanti Limited since 1999. Due to the interconnected nature of mining operations, any proposed solution needs to be a combined one supported by all the mines located in these gold fields. As a result, in South Africa, the Mineral and Petroleum Resources Development Act (MPRDA) requires that the affected mining companies develop a Regional Mine Closure Strategy to be approved by the Department of Mineral Resources. In view of the limitation of current information for the accurate estimation of a liability, no reliable estimate can be made for the obligation.
- (3) Litigation - On 11 October 2011, AngloGold Ashanti (Ghana) Limited (AGAG) terminated Mining and Building Contractors Limited's (MBC) underground development agreement, construction on bulkheads agreement and diamond drilling agreement at Obuasi mine. The Parties reached agreement on the terms of the separation and concluded a separation agreement on 8 November 2012. On 23 July 2013 and 20 February 2014, AGAG was served with writs issued by MBC claiming a total of \$97m. AGAG filed a conditional entry of appearance and a motion of stay of proceedings pending arbitration. On 5 May 2014, the court denied AGAG's application to submit the matter to arbitration. AGAG subsequently appealed this decision to the Court of Appeal and filed a Stay of Proceedings at the lower court, which was granted on 11 June 2014. On 2 October 2014, AGAG was notified that the records had been transmitted to the Court of Appeal. However, as the transmitted records were incomplete, AGAG timely filed an application for the record to be amended prior to filing its statement of case. The matter remains pending.
- (4) Litigation - AGAG received a summons on 2 April 2013 from Abdul Waliyu and 152 others in which the plaintiffs allege that they were or are residents of the Obuasi municipality or its suburbs and that their health has been adversely affected by emissions and/or other environmental impacts arising in connection with the current and/or historical operations of the Pompora Treatment Plant (PTP) which was decommissioned in 2000. The plaintiffs' alleged injuries include respiratory infections, skin diseases and certain cancers. The plaintiffs have not filed their application for directions which was due by 31 October 2013. AGAG is allowing some time to pass prior to applying to have the matter struck out for want of prosecution. On 24 February 2014, executive members of the PTP (AGAG) Smoke Effect Association (PASEA), sued AGAG by themselves and on behalf of their members (undisclosed number) on grounds similar to those discussed above, as well as economic hardships as a result of constant failure of their crops. To date, plaintiffs have failed to amend their writ and file their statement of claim. In view of the limitation of current information for the accurate estimation of a liability, no reliable estimate can be made for AGAG's obligation in either matter.
- (5) Occupational Diseases in Mines and Works Act (ODMWA) litigation - On 3 March 2011, in *Mankayi vs. AngloGold Ashanti*, the Constitutional Court of South Africa held that section 35(1) of the Compensation for Occupational Injuries and Diseases Act, 1993 does not cover an employee who qualifies for compensation in respect of compensable diseases under the Occupational Diseases in Mines and Works Act, 1973 (ODMWA). This judgement allows such qualifying employee to pursue a civil claim for damages against the employer. Following the Constitutional Court decision, AngloGold Ashanti has become subject to numerous claims relating to silicosis and other Occupational Lung Diseases (OLD), including several potential class actions and individual claims.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***36 CONTRACTUAL COMMITMENTS AND CONTINGENCIES** *continued*

AngloGold Ashanti, Anglo American South Africa, Gold Fields, Harmony Gold and Sibanye Gold announced in November 2014 that they have formed an industry working group to address issues relating to compensation and medical care for OLD in the gold mining industry in South Africa. The companies have begun to engage all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended, and the status of the proceedings are set forth below. Essentially, the companies are seeking a comprehensive solution which deals both with the legacy compensation issues and future legal frameworks, and which, whilst being fair to employees, also ensures the future sustainability of companies in the industry.

On or about 21 August 2012, AngloGold Ashanti was served with an application instituted by Bangumzi Bennet Balakazi ( the Balakazi Action ) and others in which the applicants seek an order declaring that all mine workers (former or current) who previously worked or continue to work in specified South African gold mines for the period owned by AngloGold Ashanti and who have silicosis or other OLD constitute members of a class for the purpose of proceedings for declaratory relief and claims for damages. On 4 September 2012, AngloGold Ashanti delivered its notice of intention to defend this application.

In addition, on or about 8 January 2013, AngloGold Ashanti and its subsidiary Free State Consolidated Gold Mines (Operations) Limited, alongside other mining companies operating in South Africa, were served with another application to certify a class ( the Nkala Action ). The applicants in the case seek to have the court certify two classes, namely: (i) current and former mineworkers who have silicosis (whether or not accompanied by any other disease) and who work or have worked on certain specified gold mines at any time from 1 January 1965 to date; and (ii) the dependents of mineworkers who died as a result of silicosis (whether or not accompanied by any other disease) and who worked on these gold mines at any time after 1 January 1965. AngloGold Ashanti filed a notice of intention to oppose the application.

On 21 August 2013, an application was served on AngloGold Ashanti for the consolidation of the Balakazi Action and the Nkala Action, as well as a request for an amendment to change the scope of the classes the court was requested to certify in the previous applications that were initiated. The applicants now request certification of two classes (the silicosis class and the tuberculosis class ). The silicosis class would consist of certain current and former underground mineworkers who have contracted silicosis, and the dependents of certain deceased mineworkers who have died of silicosis (whether or not accompanied by any other disease). The tuberculosis class would consist of certain current and former mineworkers who have or had contracted pulmonary tuberculosis and the dependents of certain deceased mineworkers who died of pulmonary tuberculosis (but excluding silico-tuberculosis).

In the event the class is certified, such class of workers would be permitted to institute actions by way of a summons against AngloGold Ashanti for amounts as yet unspecified. The parties in the class action met with the court and have tentatively agreed on a timetable for the court process wherein the application to certify the class action will be heard in October 2015.

In October 2012, AngloGold Ashanti received a further 31 individual summonses and particulars of claim relating to silicosis and/or other OLD. The total amount claimed in the 31 summonses is approximately \$7 million as at the 31 December 2014 closing rate. On or about 3 March 2014, AngloGold Ashanti received an additional 21 individual summonses and particulars of claim relating to silicosis and/or other OLD. The total amount claimed in the 21 summonses is approximately \$4 million as at the 31 December 2014 closing rate. On or about 24 March 2014, AngloGold Ashanti received a further 686 individual summonses and particulars of claim relating to silicosis and/or other OLD. The total amount claimed in the 686 summonses is approximately \$100 million as at the 31 December 2014 closing rate. On or about 1 April 2014, AngloGold Ashanti received a further 518 individual summonses and particulars of claim relating to silicosis and/or other OLD. The total amount claimed in the 518 summonses is approximately \$81 million as at the 31 December 2014 closing rate.

On 9 October 2014, AngloGold Ashanti and the plaintiffs' attorneys agreed to refer all of the individual claims to arbitration. The court proceedings have been suspended as a result of entering into the arbitration agreement.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***36 CONTRACTUAL COMMITMENTS AND CONTINGENCIES** *continued*

It is possible that additional class actions and/or individual claims relating to silicosis and/or other OLD will be filed against AngloGold Ashanti in the future. AngloGold Ashanti will defend all current and subsequently filed claims on their merits. Should AngloGold Ashanti be unsuccessful in defending any such claims, or in otherwise favourably resolving perceived deficiencies in the national occupational disease compensation framework that were identified in the earlier decision by the Constitutional Court, such matters would have an adverse effect on its financial position, which could be material. The company is unable to reasonably estimate its share of the amounts claimed.

- (6) Other tax disputes - In November 2007, the Departamento Nacional de Produção Mineral (DNPM), a Brazilian federal mining authority, issued a tax assessment against AngloGold Ashanti Brazil Mineração Ltda (AABM) in the amount of \$18m (2013: \$19m; 2012: \$21m) relating to the calculation and payment by AABM of the financial contribution on mining exploitation (CFEM) in the period from 1991 to 2006. AngloGold Ashanti Limited's subsidiaries in Brazil are involved in various other disputes with tax authorities. These disputes involve federal tax assessments including income tax, royalties, social contributions and annual property tax. The amount involved is approximately \$14m (2013: \$19m; 2012: \$17m). Management is of the opinion that these taxes are not payable.
- (7) Sales tax on gold deliveries - In 2006, Mineração Serra Grande S.A. (MSG) received two tax assessments from the State of Goiás related to the payments of state sales taxes at the rate of 12% on gold deliveries for export from one Brazilian state to another during the period from February 2004 to the end of May 2006. The first and second assessments were approximately \$62m and \$39m as at 31 December 2013 and \$96m and \$60m as at 31 December 2012, respectively. Various legal proceedings have taken place over the years with respect to this matter, as previously disclosed. On 5 May 2014, the State of Goiás published a law which enables companies to settle outstanding tax assessments of this nature. Under this law, MSG settled the two assessments in May 2014 by paying \$14m in cash and by utilising \$29m of existing VAT credits. The utilisation of the VAT credits is subject to legal confirmation from the State of Goiás. Although the State has not yet provided confirmation, management has concluded that the likelihood of the State of Goiás declining the utilisation of the VAT credits or part thereof is remote. The cash settlement was further set off by an indemnity from Kinross of \$6m.
- (8) VAT disputes - MSG received a tax assessment in October 2003 from the State of Minas Gerais related to VAT on gold bullion transfers. The tax administrators rejected the company's appeal against the assessment. The company is now appealing the dismissal of the case. The assessment is approximately \$15m (2013: \$16m; 2012: \$19m).
- (9) Tax dispute - In January 2013, AngloGold Ashanti Colombia S.A. (AGAC) received notice from the Colombian Tax Office (DIAN) that it disagreed with the company's tax treatment of certain items in the 2010 and 2011 income tax returns. On 23 October 2013, AGAC received the official assessments from the DIAN which established that an estimated additional tax of \$27m (2013: \$35m; 2012: \$26m) will be payable if the tax returns are amended. Penalties and interest for the additional taxes are expected to be \$135m (2013: \$153m; 2012: \$135m), based on Colombian tax law. The company believes that it has applied the tax legislation correctly. AGAC requested in December 2013 that the DIAN reconsider its decision. In November 2014, DIAN affirmed its earlier ruling. AGAC has until 16 April 2015 to challenge the DIAN's decision by filing a lawsuit before the Administrative Tribunal of Cundinamarca (trial court for tax litigation).
- (10) Tax dispute - On 12 July 2013, Cerro Vanguardia S.A. received a notification from the Argentina Tax Authority (AFIP) requesting corrections to the 2007, 2008 and 2009 income tax returns of about \$14m (2013: \$18m) relating to the non-deduction of tax losses previously claimed on hedge contracts. The AFIP is of the view that the financial derivatives at issue should not have been accounted for as hedge contracts, as hedge contract losses could only be offset against gains derived from the same kind of hedging contracts. Penalties and interest on the disputed amounts are estimated at a further \$39m (2013: \$45m). A new notification was received on 16 July 2014 from the tax authorities that disallowed arguments from CVSA's initial response. CVSA prepared defense arguments and evidence which were filed on 8 September 2014. Management is of the opinion that the taxes are not payable. The government responded to the latest submission by CVSA on 22 December 2014, and continues to assert its position regarding the use of the financial derivatives. CVSA prepared a response to the government's findings which was filed on 9 March 2015.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

**36 CONTRACTUAL COMMITMENTS AND CONTINGENCIES** continued

**Contingent assets**

- (11) Indemnity - As part of the acquisition by AngloGold Ashanti Limited of the remaining 50% interest in MSG during June 2012, Kinross Gold Corporation (Kinross) has provided an indemnity to a maximum amount of BRL255m against the specific exposures discussed in items 7 and 8 above. In light of the settlement described in item 7 above at 31 December 2014, the company has estimated that the maximum contingent asset is \$9m (2013: \$60m; 2012: \$90m).
- (12) Royalty - As a result of the sale of the interest in the Tau Lekoa Gold Mine during 2010, the group is entitled to receive a royalty on the production of a total of 1.5Moz by the Tau Lekoa Gold Mine and in the event that the average monthly rand price of gold exceeds R180,000/kg (subject to an inflation adjustment). Where the average monthly rand price of gold does not exceed R180,000/kg (subject to an inflation adjustment), the ounces produced in that quarter do not count towards the total 1.5Moz upon which the royalty is payable. The royalty is determined at 3% of the net revenue (being gross revenue less state royalties) generated by the Tau Lekoa assets. Royalties on 507,471oz (2013: 413,246oz; 2012: 304,643oz) produced have been received to date.
- (13) Royalty As a result of the sale of Navachab during the second quarter of 2014, AngloGold Ashanti will receive a net smelter to return paid quarterly for seven years from 1 July 2016, determined at 2% of ounces sold during the relevant quarter subject to a minimum average gold price of \$1,350 and capped at a maximum of 18,750 ounces sold per quarter.

**Guarantees**

- (14) Provision of surety - The company has provided surety in favour of a lender on a gold loan facility with its associate Oro Group (Pty) Limited and one of its subsidiaries to a maximum value of \$9m (2013: \$10m; 2012: \$12m). The probability of the non- performance under the suretyships is considered minimal. The suretyship agreements have a termination notice period of 90 days.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***37 FINANCIAL RISK MANAGEMENT ACTIVITIES**

In the normal course of its operations, the group is exposed to gold price, other commodity price, foreign exchange, interest rate, liquidity, equity price and credit risks. In order to manage these risks, the group may enter into transactions which make use of both on- and off-balance sheet derivatives. The group does not acquire, hold or issue derivatives for speculative purposes. The group has developed a comprehensive risk management process to facilitate, control and monitor these risks. The board has approved and monitors this risk management process, inclusive of documented treasury policies, counterparty limits and controlling and reporting structures.

**Managing risk in the group**

Risk management activities within the group are the ultimate responsibility of the board of directors. The chief executive officer is responsible to the board of directors for the design, implementation and monitoring of the risk management plan. The Audit and Risk Committee is responsible for overseeing risk management plans and systems, as well as financial risks which include a review of treasury activities and the group's counterparties.

The financial risk management objectives of the group are defined as follows:

- safeguarding the group's core earnings stream from its major assets through the effective control and management of gold price risk, other commodity risk, foreign exchange risk and interest rate risk;
- effective and efficient usage of credit facilities in both the short and long-term through the adoption of reliable liquidity management planning and procedures;
- ensuring that investment and hedging transactions are undertaken with creditworthy counterparties; and
- ensuring that all contracts and agreements related to risk management activities are co-ordinated, consistent throughout the group and that they comply where necessary with all relevant regulatory and statutory requirements.

**Gold price and foreign exchange risk**

Gold price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in the price of gold. The group has transactional foreign exchange exposures, which arise from sales or purchases by an operating unit in currencies other than the unit's functional currency. The gold market is predominately priced in US dollars which exposes the group to the risk that fluctuations in the SA rand/US dollar, Brazilian real/US dollar, Argentinean peso/US dollar and Australian dollar/US dollar exchange rates may also have an adverse effect on current or future earnings. The group is also exposed to certain by-product commodity price risk.

**Cash flow hedges**

The group's cash flow hedges consist of a foreign exchange forward contract that is used to protect against exposures to variability in future foreign exchange and capital expenditure cash flows. The amounts and timing of future cash flows are projected for each portfolio of financial assets and liabilities on the basis of their contractual terms and other relevant factors, including estimates of prepayments and defaults. The contractual cash flows across all portfolios over time form the basis for identifying gains and losses on the effective portions of derivatives designated as cash flow hedges of forecast transactions. Gains and losses are initially recognised directly in other comprehensive income and reclassified to earnings as an adjustment to depreciation expense pertaining to capital expenditure, when the forecast transactions affect the income statement.

The group does not have any cash flow hedge contracts relating to product sales as at 31 December 2014. Cash flow hedge losses pertaining to capital expenditure of \$2m as at 31 December 2014 (2013: \$2m; 2012: \$3m) are expected to be reclassified from accumulated other comprehensive income and recognised as an adjustment to depreciation expense over the life of the Serra Grande mine.

The gains and losses on ineffective portions of such derivatives are recognised in the income statement. During the years 31 December 2013 and 2012 no gains or losses were recognised on non-hedge derivatives and other commodity contracts in the income statement due to hedge ineffectiveness.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in million

2014 2013 2012  
US Dollars

## 37 FINANCIAL RISK MANAGEMENT ACTIVITIES continued

## Non-hedge derivatives

## Gain (loss) on non-hedge derivatives and other commodity contracts is summarised as follows:

Gain (loss) on unrealised non-hedge derivatives and other commodity contracts	15	94	(35)
Gain (loss) on non-hedge derivatives and other commodity contracts per the income statement	15	94	(35)

The gain (loss) on non-hedge derivatives and other commodity contracts was mainly as a result of normal revaluation of commodity contracts resulting from changes in the prevailing forward gold price, exchange rates, interest rates and volatilities.

## Net open hedge position as at 31 December 2014

The group had no outstanding commitments against future production potentially settled in cash.

## Interest rate and liquidity risk

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk.

In the ordinary course of business, the group receives cash from the proceeds of its gold sales and is required to fund working capital requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve market-related returns while minimising risks. The group is able to actively source financing at competitive rates. The counterparties are financial and banking institutions and their credit ratings are regularly monitored.

As at 31 December 2014 the group had \$8m in bank accounts in Argentina that was subject to regulatory approvals before such funds could be transmitted in the form of dividends or loan repayments. During 2014 the group obtained various approvals to remit funds but has not received any approvals since October 2014.

The group has sufficient undrawn borrowing facilities available to fund working capital requirements (notes 27 and 38).

## The following are the contractual maturities of financial liabilities, including interest payments financial liabilities

	Within one year		Between one and two years		Between two and five years		After five years		Total
	million	Effective rate %	million	Effective rate %	million	Effective rate %	million	Effective rate %	
<b>2014</b>									
Financial guarantees <sup>(1)</sup>	9		-		-		-		9
Trade and other payables	686		-		-		-		686
Borrowings	374		507		776		3,682		5,339
- In USD	253	6.6	306	6.6	614	6.8	3,645	6.8	4,818
- AUD in USD equivalent	12	4.8	128	4.8	148	4.8	-	-	288
- ZAR in USD equivalent	108	7.8	73	8.5	13	10.6	36	11.1	230
- BRL in USD equivalent	1	5.2	-	-	1	3.6	1	2.8	3
<b>2013</b>									
Derivatives	10		-		-		-		10
Trade and other payables	797		-		-		-		797
Borrowings	440		727		704		3,868		5,739
- In USD	266	6.7	206	6.8	614	6.8	3,849	6.8	4,935
- AUD in USD equivalent	25	5.1	511	5.1	-		-		536
- ZAR in USD equivalent	127	7.1	9	7.7	89	8.3	18	9.8	243
- BRL in USD equivalent	1	6.5	1	5.0	1	4.5	1	4.5	4
- NAD in USD equivalent	21	22.7	-		-		-		21
<b>2012</b>									
Derivatives	-		-		-		1		1
Financial guarantees <sup>(1)</sup>	12		-		-		-		12
Trade and other payables	949		-		-		-		949
Borrowings	1,008		876		585		2,477		4,946
- In USD	793	5.1	848	4.9	293	5.5	2,450	5.5	4,384

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- AUD in USD equivalent	13	5.1	13	5.1	273	5.1	-	299
- ZAR in USD equivalent	189	6.3	4	9.8	15	9.8	27	235
- BRL in USD equivalent	3	8.0	1	7.5	-	-	-	4
- NAD in USD equivalent	10	8.4	10	8.4	4	8.4	-	24

<sup>(1)</sup> Not included in the statement of financial position

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**37 FINANCIAL RISK MANAGEMENT ACTIVITIES** continued**Credit risk**

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously. The group minimises credit risk by ensuring that credit risk is spread over a number of counterparties. These counterparties are financial and banking institutions. Counterparty credit limits and exposures are reviewed by the Audit and Risk Committee. Where possible, management ensures that netting agreements are in place. No set-off is applied to the statement of financial position due to the different maturity profiles of assets and liabilities.

**The combined maximum credit risk exposure of the group is as follows:**

Figures in million	2014	2013	2012
		US Dollars	
Other investments held to maturity	79	83	96
Other non-current assets	-	-	7
Trade and other receivables	80	79	183
Cash restricted for use (note 23)	51	77	64
Cash and cash equivalents (note 24)	468	648	892
Total financial assets	678	887	1,242
Financial guarantees	9	10	12

Trade and other receivables generally constituting indirect taxes recoverable from government entities that are past due but not impaired totaled \$61m (2013: \$94m; 2012: \$84m). Other receivables that are impaired totaled \$1m (2013: nil; 2012: \$1m) and other investments that are impaired totaled \$2m (2013: \$30m; 2012: \$16m). No other financial assets are past due but not impaired.

Trade receivables mainly comprise banking institutions purchasing gold bullion. Normal market settlement terms are two working days.

No impairment was recognised as the principal receivables continue to be in a sound financial position.

The group does not generally obtain collateral or other security to support financial instruments subject to credit risk, but monitors the credit standing of counterparties.

**Fair value of financial instruments**

The estimated fair values of financial instruments are determined at discrete points in time based on relevant market information.

The estimated fair value of the group's other investments and borrowings as at 31 December are as follows:

**Type of instrument**

Figures in million	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
US Dollars	2014		2013		2012	
<b>Financial assets</b>						
Other investments (note 19)	126	128	132	134	167	171
<b>Financial liabilities</b>						
Borrowings (note 27)	3,721	3,606	3,891	3,704	3,583	3,730
Derivatives	-	-	-	-	10	10

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***37 FINANCIAL RISK MANAGEMENT ACTIVITIES** *continued***Fair value of financial instruments continued***Type of instrument continued*

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

*Cash restricted for use, cash and cash equivalents, trade and other receivables and trade and other payables*

The carrying amounts approximate fair value.

*Investments and other non-current assets*

Listed equity investments classified as available-for-sale are carried at fair value in level 1 of the fair value hierarchy while fixed income investments and other non-current assets are carried at amortised cost. The fair value of fixed income investments has been calculated using market interest rates at the hierarchy level 2. The unlisted equity investments are carried at cost or fair value. Unlisted investments for which fair value can be reliably measured are carried at fair value while other unlisted investments for which there is no active market and the fair value cannot be reliably measured are carried at cost.

*Borrowings*

The \$1.25bn bonds were carried at fair value. The rated bonds are carried at amortised cost and their fair values are their closing market values at the reporting date. The interest rate on the remaining borrowings is reset on a short-term floating rate basis, and accordingly the carrying amount is considered to approximate fair value.

On 30 July, 2013, the group issued \$1.25bn aggregate principal amount of 8.5% notes. The notes were issued by AngloGold Ashanti Holdings plc, a wholly owned subsidiary of the group, at an issue price of 100% of the principal amount of the notes. The net proceeds from the offering were \$1.237bn, after deducting discounts and expenses. The notes are unsecured and fully and unconditionally guaranteed by AngloGold Ashanti Limited. There are no significant restrictions on the ability of AngloGold Ashanti Limited to obtain funds from its subsidiaries by dividend or loan.

These bonds contain certain embedded derivatives relating to early settlement provisions as described below. IFRS contains an election for the group to record the entire instrument at fair value as opposed to separating the embedded derivatives from the instrument.

The bonds mature on 30 July, 2020. However, at any time prior to 30 July, 2016, the group or AngloGold Ashanti Holdings plc may redeem the notes, in whole or in part, at a redemption price based on a make whole premium, plus accrued interest, if any, to the redemption date. At any time after 30 July, 2016, the group or AngloGold Ashanti Holdings plc may redeem the notes, in whole or in part, at the redemption prices set forth in the indenture. In addition, at any time prior to 30 July, 2016, the group or AngloGold Ashanti Holdings plc may redeem up to 35% of the original principal amount of the notes with the net proceeds from certain equity offerings by the group, at a price of 108.5% of the aggregate principal amount thereof, plus accrued interest, if any, to the redemption date, if at least 65% of the principal amount of the notes remains outstanding.

Upon the occurrence of both a change of control of the group and certain ratings downgrade, within a specified period, of the notes by each of Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, AngloGold Ashanti Holdings plc will be required to make an offer to purchase the notes at a price equal to 101 percent of its principal amount plus accrued interest, if any, to the date of repurchase. The notes were issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

In determining the fair value liability of the \$1.25 billion bonds, the group has measured the effect based on the ex-interest NYSE closing price on the reporting date. The ISIN bond code used by the NYSE for the \$1.25bn bonds is US03512TAD37. The accounting policy of the group is to recognise interest expense separately from the fair value adjustments in the income statement. Interest is recognised at a semi-annual coupon rate of 8.5% per annum.





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**37 FINANCIAL RISK MANAGEMENT ACTIVITIES** continued**Fair value of financial instruments** continued*Type of instrument continued*

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

\$1.25 billion bonds carried at fair value continued

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets out the group's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at 31 December:

*Type of instrument***Assets measured at fair value on a recurring basis**

Figures in million US Dollars	Level 1	Level 2 2014	Level 3	Total
<i>Available-for-sale financial assets</i>				
Equity securities	47	-	-	47
US Dollars		2013		
<i>Available-for-sale financial assets</i>				
Equity securities	49	-	-	49
US Dollars		2012		
<i>Available-for-sale financial assets</i>				
Equity securities	69	2	-	71

*Liabilities measured at fair value on a recurring basis***Assets measured at fair value on a recurring basis**

Figures in million US Dollars	Level 1	Level 2 2014	Level 3	Total
<i>Financial liabilities at fair value through profit or loss</i>				
\$1.25bn bonds	1,373	-	-	1,373
US Dollars		2013		
<i>Financial liabilities at fair value through profit or loss</i>				
\$1.25bn bonds	1,353	-	-	1,353
US Dollars		2012		
<i>Financial liabilities at fair value through profit or loss</i>				
Option component of convertible bonds	-	9	-	9
Embedded derivatives	-	1	-	1

Mandatory convertible bonds

588

-

-

588

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 37 FINANCIAL RISK MANAGEMENT ACTIVITIES continued

## Sensitivity analysis

\$1.25bn bonds

The \$1.25bn bonds valuation is primarily linked to market interest. A change of +0.5% and -0.5% in market interest rates will generally impact the fair value of the \$1.25bn liability in a stable environment by -\$25m and +\$25m respectively.

Interest rate risk on other financial assets and liabilities (excluding derivatives)

The group also monitors interest rate risk on other financial assets and liabilities.

The following table shows the approximate interest rate sensitivities of other financial assets and liabilities at 31 December (actual changes in the timing and amount of the following variables may differ from the assumed changes below). As the sensitivity is the same (linear) for both increases and decreases in interest rates only absolute numbers are presented.

	Change in interest rate %	Change in interest amount in currency million 2014	Change in interest amount US dollars million
<b>Financial assets</b>			
USD denominated	1.00	3	3
ZAR denominated <sup>(1)</sup>	1.50	2	-
BRL denominated	2.50	1	-
<b>Financial liabilities</b>			
ZAR denominated <sup>(1)</sup>	1.50	28	2
AUD denominated	1.00	3	3
USD denominated	1.00	1	1
		Change in interest amount in currency million 2013	Change in interest amount US dollars million
<b>Financial assets</b>			
USD denominated	1.00	4	4
ZAR denominated <sup>(1)</sup>	1.50	3	-
BRL denominated	2.50	1	-
<b>Financial liabilities</b>			
ZAR denominated <sup>(1)</sup>	1.50	20	2
AUD denominated	1.00	5	5
ARS denominated	2.00	3	-

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	Change in interest rate	Change in interest amount in currency	Change in interest amount US dollars
	%	million	million
<b>Financial assets</b>			
USD denominated	1.00	6	6
ZAR denominated <sup>(1)</sup>	1.50	3	-
BRL denominated	2.50	1	-
NAD denominated	1.50	-	-
<b>Financial liabilities</b>			
AUD denominated	1.00	3	3

<sup>(1)</sup> This is the only interest rate risk for the company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 37 FINANCIAL RISK MANAGEMENT ACTIVITIES continued

## Sensitivity analysis continued

**Foreign exchange risk**

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency.

The following table discloses the approximate foreign exchange risk sensitivities of borrowings at 31 December (actual changes in the timing and amount of the following variables may differ from the assumed changes below).

	Change in exchange rate 2014	Change in borrowings total	Change in exchange rate 2013	Change in borrowings total	Change in exchange rate 2012	Change in borrowings total
<b>Borrowings</b>						
USD denominated (R/\$)	Spot (+R1.50)	-	Spot (+R1.50)	-	Spot (+R1)	-
ZAR denominated (R/\$)	Spot (+R1.50)	(21)	Spot (+R1.50)	(27)	Spot (+R1)	(22)
BRL denominated (BRL/\$)	Spot (+BRL0.3)	-	Spot (+BRL0.3)	-	Spot (+BRL0.25)	-
NAD denominated (N/\$)	Spot (+NAD1.5)	-	Spot (+NAD1.50)	-	Spot (+NAD1)	(2)
AUD denominated (AUD/\$)	Spot (+AUD0.1)	(19)	Spot (+AUD0.1)	(40)	Spot (+AUD0.05)	(13)
ARS denominated (ARS/\$)	Spot (+ARS0.5)	-	Spot (+ARS0.5)	(1)	Spot (+ARS0.05)	-
USD denominated (R/\$)	Spot (-R1.50)	-	Spot (-R1.50)	-	Spot (-R1)	-
ZAR denominated (R/\$)	Spot (-R1.50)	28	Spot (-R1.50)	36	Spot (-R1)	28
BRL denominated (BRL/\$)	Spot (-BRL0.3)	-	Spot (-BRL0.3)	-	Spot (-BRL0.25)	1
NAD denominated (N/\$)	Spot (-NAD1.5)	-	Spot (-NAD1.5)	-	Spot (-NAD1)	3
AUD denominated (AUD/\$)	Spot (-AUD0.1)	23	Spot (-AUD0.1)	48	Spot (-AUD0.05)	14
ARS denominated (ARS/\$)	Spot (-ARS0.5)	-	Spot (-ARS0.5)	2	Spot (-ARS0.05)	-

The borrowings total in the denominated currency will not be influenced by a movement in its exchange rate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***38 CAPITAL MANAGEMENT**

The primary objective of managing the group's capital is to ensure that there is sufficient capital available to support the funding requirements of the group, including capital expenditure, in a way that optimises the cost of capital, maximises shareholders' returns and ensures that the group remains in a sound financial position.

The group manages and makes adjustments to the capital structure as opportunities arise in the market place, as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof.

The group had no major issuance of equity during the year.

During April 2011 AngloGold Ashanti Limited registered a R10bn Domestic Medium Term Note Programme (DMTNP) with the JSE. The DMTNP permits the group to access the South African debt capital market for funding required. The group has utilised the commercial paper under its R10bn DMTNP throughout the year in addition to other facilities, to provide for funding requirements of the South Africa region.

During July 2012, the group entered into a \$750m rated bond. Semi-annual coupons are paid at 5.125% per annum. The bonds are dollar based and unless the company redeems the bonds earlier they are repayable on 1 August 2022. The notes are fully and unconditionally guaranteed by the group.

During July 2013 the group entered into a \$1.25 billion unsecured bond. Semi-annual coupons are paid at 8.5% per annum. The bonds are dollar based and unless the company redeems the bonds earlier they are repayable on 30 July 2020. The notes are fully and unconditionally guaranteed by the group.

During December 2013, the group completed the following financing transactions:

the group entered into a five-year unsecured syndicated revolving credit facility (ZAR RCF) of R1.5bn (\$130m) with Nedbank and ABSA Bank which is currently charged at JIBAR plus 1.2% per annum. This facility will be used to fund the working capital and development costs associated with the group's mining operations within South Africa without eroding the group's headroom under its other facilities and exposing the group to foreign exchange gains/losses each quarter. The facility matures in December 2018; and an offering of R750m (\$65m) aggregate principal amount, unsecured notes due 2016 at JIBAR plus 1.75%.

The objective of the ZAR RCF in conjunction with the issue of R750m (\$65m) bonds was to provide a more permanent and reliable source of funds for the South African region as a result of the risk that the market will not always be available to roll or reissue paper upon future maturities.

During July 2014, the group completed the following financing transactions:

a \$1bn five year revolving credit facility with a syndicate of lenders which replaced its existing \$1bn revolving credit facility entered into in July 2012. The \$1bn facility entered into during July 2012 was cancelled on 17 July 2014. Amounts may be repaid and reborrowed under the facility during its five-year term and the facility bears interest at LIBOR plus 1.5%; and a five-year unsecured syndicated revolving credit facility of A\$500m (\$408m) with a group of banks which is currently charged at 200 basis points above BBSY. The interest margin will reduce should the group's credit rating improve from its current BB+/Baa3 status and increase should its credit rating worsen. This facility will be used to fund the working capital and development costs associated with the group's mining operations within Australia without eroding the group's headroom under its other facilities and exposing the group to foreign exchange gains/losses each quarter. The facility matures in July 2019. This facility replaced the A\$600m facility entered into in December 2011, which had similar conditions to the new revolving credit facility. The A\$600m facility was cancelled during August 2014.

*Amounts are converted to US dollars at year end exchange rates.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 38 CAPITAL MANAGEMENT continued

## Gearing ratio (Net debt to adjusted EBITDA)

Figures in million	2014	2013	2012
		US Dollars	
Borrowings (note 27)	3,721	3,891	3,583
Mandatory convertible bonds (note 27)	-	-	(588)
Corporate office lease (note 27)	(22)	(25)	(31)
Unamortised portion of the convertible and rated bonds	28	2	53
Fair value adjustment on \$1.25bn bonds	(75)	(58)	-
Cash restricted for use (note 23)	(51)	(77)	(64)
Cash and cash equivalents (note 24)	(468)	(648)	(892)
Bank overdraft	-	20	-
Net debt	3,133	3,105	2,061

The adjusted EBITDA calculation included in this note is based on the formula included in the Revolving Credit

Agreements for compliance with the debt covenant formula as specified in the Revolving Credit Agreements.

<b>Adjusted EBITDA<sup>(1)</sup></b>			
Profit (loss) on ordinary activities before taxation	216	(2,533)	1,261
Add back:			
Finance costs and unwinding of obligations	278	296	231
Interest received	(24)	(39)	(43)
Amortisation of tangible and intangible assets (note 4)	786	799	835
<b>Adjustments</b>			
Dividends received	-	(5)	(7)
Exchange loss (gain)	7	(14)	(8)
Fair value adjustment on the mandatory convertible bonds	-	(356)	(162)
Fair value adjustment on option component of convertible bonds	-	(9)	(83)
Fair value adjustment on \$1.25bn bonds	17	58	-
Impairment and derecognition of goodwill, tangible and intangible assets (note 7)	10	3,029	346
Impairment of other investments (note 7)	2	30	16
Write-down of stockpiles and heap leach to net realisable value and other stockpile adjustments (note 7)	2	216	-
Write-off of a loan (note 7)	-	7	-
Retrenchments at mining operations (note 4)	24	69	10
Retrenchments and related costs at Obuasi	210	-	-
Net (profit) loss on disposal and derecognition of assets (note 7)	(25)	(2)	15
Loss on sale of Navachab mine (note 7)	2	-	-
Profit on partial disposal of subsidiary Rand Refinery (Pty) Limited (note 7)	-	-	(14)
(Gain) loss on unrealised non-hedge derivatives and other commodity contracts	(15)	(94)	35
Associates and joint ventures exceptional (income) expense	(16)	164	57
Associates and joint ventures adjustments for amortisation, interest, taxation and other.	191	51	40
<b>Adjusted EBITDA (as defined in the Revolving Credit Agreement)</b>	<b>1,665</b>	<b>1,667</b>	<b>2,529</b>
<b>Gearing ratio (Net debt to adjusted EBITDA)</b>	<b>1.88:1</b>	<b>1.86:1</b>	<b>0.81:1</b>

<sup>(1)</sup> The presentation of adjusted EBITDA has been amended to reconcile from profit (loss) on ordinary activities before taxation instead of operating profit (loss).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

**39 SUBSEQUENT EVENTS**

**AngloGold Ashanti currently considers joint venturing or selling its interest in Cripple Creek & Victor (CC&V) mine**

The company has initiated a plan to identify a joint venture partner or a purchaser in respect of its interests in the Cripple Creek & Victor mine in Colorado in the United States for full value. The CC&V gold mine is a surface mining operation which provides oxidised ore to a crusher and valley leach facility, one of the largest in the world. It is included in the Americas reporting segment and was acquired by AngloGold Ashanti in 1999. The mine produced 211,000 ounces of gold in 2014. There can be no assurance, however, that a sale and purchase agreement for this transaction will be entered into or that any sales transaction will be completed.

**AngloGold Ashanti currently considers selling its interests in Société d Exploitation des Mines d Or de Sadiola S.A. (Sadiola) and Société d Exploitation des Mines d Or de Yatela S.A. (Yatela)**

The company currently intends to dispose of its 41% stake in Sadiola and its 40% stake in Yatela. The mines are both situated in western Mali and are included in the Continental Africa reporting segment. The Sadiola and Yatela mines produced 85,000 and 11,000 attributable ounces of gold, respectively, in 2014.

Management was approached by a potential buyer for both mines who meets management's qualifying criteria and has asked for a binding bid. There can be no assurance, however, that a sale and purchase agreement for these transactions will be entered into or that any sales transactions will be completed.

**40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION**

AngloGold Ashanti Holdings plc ( IOMco ), a 100 percent wholly-owned subsidiary of AngloGold Ashanti, has issued debt securities which are fully and unconditionally guaranteed by AngloGold Ashanti Limited (being the Guarantor ). See Note 27 and Note 36. IOMco is an Isle of Man registered company that holds certain of AngloGold Ashanti's operations and assets located outside South Africa (excluding certain operations and assets in the United States of America and Namibia which was sold effective 30 June 2014). The following is condensed consolidating financial information for the company as of 31 December 2014, 2013, and 2012 and for the years ended 31 December 2014, 2013 and 2012, with a separate column for each of AngloGold Ashanti Limited as Guarantor, IOMco as Issuer and the other subsidiaries of the company combined (the Non-Guarantor Subsidiaries ). For the purposes of the condensed consolidating financial information, the company carries its investments under the equity method. The following supplemental condensed consolidating financial information should be read in conjunction with the company's condensed consolidated financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION continued

Figures in million (US dollars)	2014	2014	2014	2014	2014
Condensed consolidating income statement	AngloGold Ashanti	IOMco	Other subsidiaries	Consolidation adjustments	Total
	(the Guarantor )	(the Issuer )	(the Non-Guarantor Subsidiaries )		
<b>Revenue</b>	<b>1,486</b>	<b>3</b>	<b>3,890</b>	<b>(1)</b>	<b>5,378</b>
Gold income	1,564	-	3,924	(270)	5,218
Cost of sales	(1,225)	-	(2,965)	-	(4,190)
Gain on non-hedge derivatives and other commodity contracts	-	-	15	-	15
<b>Gross profit</b>	<b>339</b>	<b>-</b>	<b>974</b>	<b>(270)</b>	<b>1,043</b>
Corporate administration, marketing and other income (expenses)	23	25	(61)	(79)	(92)
Exploration and evaluation costs	(22)	-	(122)	-	(144)
Other operating expenses	(12)	-	(16)	-	(28)
Special items	97	(937)	(290)	870	(260)
<b>Operating profit (loss)</b>	<b>425</b>	<b>(912)</b>	<b>485</b>	<b>521</b>	<b>519</b>
Dividends received	1	-	-	(1)	-
Interest received	4	3	17	-	24
Exchange gain (loss)	13	(1)	(19)	-	(7)
Finance costs and unwinding of obligations	(19)	(212)	(47)	-	(278)
Fair value adjustment on \$1.25bn bonds	-	(17)	-	-	(17)
Share of associates and joint ventures (loss) income	(31)	(3)	63	(54)	(25)
Equity (loss) income in subsidiaries	(319)	14	-	305	-
<b>Profit (loss) before taxation</b>	<b>74</b>	<b>(1,128)</b>	<b>499</b>	<b>771</b>	<b>216</b>
Taxation	3	12	(270)	-	(255)
<b>Profit (loss) after taxation</b>	<b>77</b>	<b>(1,116)</b>	<b>229</b>	<b>771</b>	<b>(39)</b>
Preferred stock dividends	(135)	-	(135)	270	-
<b>(Loss) profit for the year</b>	<b>(58)</b>	<b>(1,116)</b>	<b>94</b>	<b>1,041</b>	<b>(39)</b>
Allocated as follows:					
Equity shareholders	(58)	(1,116)	75	1,041	(58)
Non-controlling interests	-	-	19	-	19
	<b>(58)</b>	<b>(1,116)</b>	<b>94</b>	<b>1,041</b>	<b>(39)</b>
Comprehensive (loss) income	(275)	(1,148)	176	991	(256)
Comprehensive income attributable to non-controlling interests	-	-	(19)	-	(19)
Comprehensive (loss) income attributable to AngloGold Ashanti	<b>(275)</b>	<b>(1,148)</b>	<b>157</b>	<b>991</b>	<b>(275)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION continued

Figures in million (US dollars)	2013	2013	2013	2013	2013
Condensed consolidating income statement	AngloGold Ashanti	IOMco	Other subsidiaries	Consolidation	Total
			(the Non-Guarantor	adjustments	
	(the Guarantor )	(the Issuer )	Subsidiaries )		
<b>Revenue</b>	<b>1,762</b>	<b>3</b>	<b>3,945</b>	<b>(2)</b>	<b>5,708</b>
Gold income	1,747	-	3,864	(114)	5,497
Cost of sales	(1,302)	-	(2,844)	-	(4,146)
Gain on non-hedge derivatives and other commodity contracts	-	-	94	-	94
<b>Gross profit</b>	<b>445</b>	<b>-</b>	<b>1,114</b>	<b>(114)</b>	<b>1,445</b>
Corporate administration, marketing and other (expenses) income	(51)	6	(102)	(54)	(201)
Exploration and evaluation costs	(21)	(7)	(227)	-	(255)
Other operating expenses	(11)	(4)	(5)	1	(19)
Special items	(1,754)	(1,590)	(2,511)	2,445	(3,410)
<b>Operating loss</b>	<b>(1,392)</b>	<b>(1,595)</b>	<b>(1,731)</b>	<b>2,278</b>	<b>(2,440)</b>
Dividends received	7	-	-	(2)	5
Interest received	4	2	33	-	39
Exchange gain	10	1	3	-	14
Finance costs and unwinding of obligations	(23)	(155)	(118)	-	(296)
Fair value adjustment on \$1.25bn bonds	-	(58)	-	-	(58)
Fair value adjustment on option component of convertible bonds	-	-	9	-	9
Fair value adjustment on mandatory convertible bonds	-	-	356	-	356
Share of associates and joint ventures loss	(143)	(19)	-	-	(162)
Equity loss in subsidiaries	(689)	(1,287)	-	1,976	-
<b>Loss before taxation</b>	<b>(2,226)</b>	<b>(3,111)</b>	<b>(1,448)</b>	<b>4,252</b>	<b>(2,533)</b>
Taxation	53	(6)	286	-	333
<b>Loss after taxation</b>	<b>(2,173)</b>	<b>(3,117)</b>	<b>(1,162)</b>	<b>4,252</b>	<b>(2,200)</b>
Preferred stock dividends	(57)	-	(57)	114	-
<b>Loss for the year</b>	<b>(2,230)</b>	<b>(3,117)</b>	<b>(1,219)</b>	<b>4,366</b>	<b>(2,200)</b>
Allocated as follows:					
Equity shareholders	(2,230)	(3,117)	(1,249)	4,366	(2,230)
Non-controlling interests	-	-	30	-	30
	<b>(2,230)</b>	<b>(3,117)</b>	<b>(1,219)</b>	<b>4,366</b>	<b>(2,200)</b>
Comprehensive loss	(2,605)	(3,170)	(1,271)	4,471	(2,575)
Comprehensive income attributable to non-controlling interests	-	-	(30)	-	(30)
Comprehensive loss attributable to AngloGold Ashanti	(2,605)	(3,170)	(1,301)	4,471	(2,605)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION continued

Figures in million (US dollars)	2012	2012	2012	2012	2012
Condensed consolidating income statement	AngloGold Ashanti	IOMco	Other subsidiaries (the Non-Guarantor Subsidiaries )	Consolidation adjustments	Total
	(the Guarantor )	(the Issuer )			
<b>Revenue</b>	<b>2,093</b>	<b>3</b>	<b>4,537</b>	<b>(1)</b>	<b>6,632</b>
Gold income	2,014	-	4,423	(84)	6,353
Cost of sales	(1,323)	-	(2,641)	-	(3,964)
Loss on non-hedge derivatives and other commodity contracts	-	-	(35)	-	(35)
<b>Gross profit</b>	<b>691</b>	<b>-</b>	<b>1,747</b>	<b>(84)</b>	<b>2,354</b>
Corporate administration, marketing and other (expenses) income	(147)	15	(70)	(89)	(291)
Exploration and evaluation costs	(26)	(16)	(353)	-	(395)
Other operating expenses	(37)	-	(10)	-	(47)
Special items	(1,111)	(8)	(402)	1,119	(402)
<b>Operating (loss) profit</b>	<b>(630)</b>	<b>(9)</b>	<b>912</b>	<b>946</b>	<b>1,219</b>
Dividends received	8	-	-	(1)	7
Interest received	14	3	26	-	43
Exchange gain	23	-	4	(19)	8
Finance costs and unwinding of obligations	(16)	(90)	(125)	-	(231)
Fair value adjustment on option component of convertible bonds	-	-	83	-	83
Fair value adjustment on mandatory convertible bonds	-	-	162	-	162
Share of associates and joint ventures loss	(17)	(13)	-	-	(30)
Equity income in subsidiaries	1,529	460	-	(1,989)	-
<b>Profit before taxation</b>	<b>911</b>	<b>351</b>	<b>1,062</b>	<b>(1,063)</b>	<b>1,261</b>
Taxation	28	(5)	(369)	-	(346)
<b>Profit after taxation</b>	<b>939</b>	<b>346</b>	<b>693</b>	<b>(1,063)</b>	<b>915</b>
Preferred stock dividends	(42)	-	(42)	84	-
<b>Profit for the year</b>	<b>897</b>	<b>346</b>	<b>651</b>	<b>(979)</b>	<b>915</b>
Allocated as follows:					
Equity shareholders	897	346	633	(979)	897
Non-controlling interests	-	-	18	-	18
	<b>897</b>	<b>346</b>	<b>651</b>	<b>(979)</b>	<b>915</b>
Comprehensive income	780	342	673	(997)	798
Comprehensive income attributable to non-controlling interests	-	-	(18)	-	(18)
Comprehensive income attributable to AngloGold Ashanti	<b>780</b>	<b>342</b>	<b>655</b>	<b>(997)</b>	<b>780</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION continued

Figures in million (US dollars)	2014	2014	2014	2014	2014
Condensed consolidating statement of financial position	AngloGold Ashanti	IOMco	Other subsidiaries	Consolidation adjustments	Total
	(the Guarantor )	(the Issuer )	(the Non-Guarantor Subsidiaries )		
<b>ASSETS</b>					
<b>Non-current assets</b>					
Tangible assets	1,315	-	3,548	-	4,863
Intangible assets	31	-	197	(3)	225
Investments in associates and joint ventures	2,372	3,710	1,297	(5,952)	1,427
Other investments	2	4	122	(2)	126
Inventories	-	-	636	-	636
Trade and other receivables	-	-	20	-	20
Deferred taxation	-	-	127	-	127
Cash restricted for use	-	-	36	-	36
Other non-current assets	25	-	-	-	25
	<b>3,745</b>	<b>3,714</b>	<b>5,983</b>	<b>(5,957)</b>	<b>7,485</b>
<b>Current Assets</b>					
Inventories, trade and other receivables, intergroup balances and other current assets	526	1,929	1,434	(2,723)	1,166
Cash restricted for use	1	-	14	-	15
Cash and cash equivalents	52	260	156	-	468
	<b>579</b>	<b>2,189</b>	<b>1,604</b>	<b>(2,723)</b>	<b>1,649</b>
Non-current assets held for sale	-	-	-	-	-
	<b>579</b>	<b>2,189</b>	<b>1,604</b>	<b>(2,723)</b>	<b>1,649</b>
<b>Total assets</b>	<b>4,324</b>	<b>5,903</b>	<b>7,587</b>	<b>(8,680)</b>	<b>9,134</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital and premium	7,041	6,108	824	(6,932)	7,041
(Accumulated losses) retained earnings and other reserves	(4,195)	(3,536)	1,161	2,374	(4,196)
Shareholders' equity	<b>2,846</b>	<b>2,572</b>	<b>1,985</b>	<b>(4,558)</b>	<b>2,845</b>
Non-controlling interests	-	-	26	-	26
<b>Total equity</b>	<b>2,846</b>	<b>2,572</b>	<b>2,011</b>	<b>(4,558)</b>	<b>2,871</b>
Non-current liabilities	568	3,167	1,544	-	5,279
Current liabilities including intergroup balances	910	164	4,032	(4,122)	984
<b>Total liabilities</b>	<b>1,478</b>	<b>3,331</b>	<b>5,576</b>	<b>(4,122)</b>	<b>6,263</b>
<b>Total equity and liabilities</b>	<b>4,324</b>	<b>5,903</b>	<b>7,587</b>	<b>(8,680)</b>	<b>9,134</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION continued

Figures in million (US dollars)	2013	2013	2013	2013	2013
Condensed consolidating statement of financial position	AngloGold Ashanti	IOMco	Other subsidiaries	Consolidation adjustments	Total
	(the Guarantor )	(the Issuer )	(the Non-Guarantor Subsidiaries )		
<b>ASSETS</b>					
<b>Non-current assets</b>					
Tangible assets	1,457	-	3,358	-	4,815
Intangible assets	52	-	218	(3)	267
Investments in associates and joint ventures	2,581	3,401	1,153	(5,808)	1,327
Other investments	2	6	129	(6)	131
Inventories	-	-	586	-	586
Trade and other receivables	-	5	24	-	29
Deferred taxation	-	-	177	-	177
Cash restricted for use	-	-	31	-	31
Other non-current assets	41	-	-	-	41
	<b>4,133</b>	<b>3,412</b>	<b>5,676</b>	<b>(5,817)</b>	<b>7,404</b>
<b>Current Assets</b>					
Other investments	-	-	1	-	1
Inventories, trade and other receivables, intergroup balances and other current assets	492	2,391	1,703	(3,164)	1,422
Cash restricted for use	1	-	45	-	46
Cash and cash equivalents	39	409	200	-	648
	<b>532</b>	<b>2,800</b>	<b>1,949</b>	<b>(3,164)</b>	<b>2,117</b>
Non-current assets held for sale	5	-	153	(5)	153
	<b>537</b>	<b>2,800</b>	<b>2,102</b>	<b>(3,169)</b>	<b>2,270</b>
<b>Total assets</b>	<b>4,670</b>	<b>6,212</b>	<b>7,778</b>	<b>(8,986)</b>	<b>9,674</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital and premium	7,006	5,994	805	(6,799)	7,006
(Accumulated losses) retained earnings and other reserves	(3,927)	(2,990)	1,431	1,559	(3,927)
Shareholders' equity	<b>3,079</b>	<b>3,004</b>	<b>2,236</b>	<b>(5,240)</b>	<b>3,079</b>
Non-controlling interests	-	-	28	-	28
<b>Total equity</b>	<b>3,079</b>	<b>3,004</b>	<b>2,264</b>	<b>(5,240)</b>	<b>3,107</b>
Non-current liabilities	648	3,032	1,653	(2)	5,331
Bank overdraft	-	-	20	-	20
Current liabilities including intergroup balances	943	176	3,784	(3,744)	1,159
Non-current liabilities held for sale	-	-	57	-	57
<b>Total liabilities</b>	<b>1,591</b>	<b>3,208</b>	<b>5,514</b>	<b>(3,746)</b>	<b>6,567</b>
<b>Total equity and liabilities</b>	<b>4,670</b>	<b>6,212</b>	<b>7,778</b>	<b>(8,986)</b>	<b>9,674</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION continued

Figures in million (US dollars)	2012	2012	2012	2012	2012
<b>Condensed consolidating statement of financial position</b>					
	<b>AngloGold Ashanti</b>	<b>IOMco</b>	<b>Other subsidiaries</b>	<b>Consolidation</b>	<b>Total</b>
			(the Non-Guarantor Subsidiaries )	<b>adjustments</b>	
	(the Guarantor )	(the Issuer )			
<b>ASSETS</b>					
<b>Non-current assets</b>					
Tangible assets	2,018	-	5,758	-	7,776
Intangible assets	53	-	265	(3)	315
Investments in associates and joint ventures	4,577	4,391	882	(8,803)	1,047
Other investments	6	6	173	(18)	167
Inventories	-	-	610	-	610
Trade and other receivables	22	7	50	-	79
Deferred taxation	-	-	97	-	97
Cash restricted for use	-	-	29	-	29
Other non-current assets	-	1	6	-	7
	<b>6,676</b>	<b>4,405</b>	<b>7,870</b>	<b>(8,824)</b>	<b>10,127</b>
<b>Current Assets</b>					
Inventories, trade and other receivables, intergroup balances and other current assets	1,012	2,542	3,338	(5,207)	1,685
Cash restricted for use	1	-	34	-	35
Cash and cash equivalents	98	537	257	-	892
	<b>1,111</b>	<b>3,079</b>	<b>3,629</b>	<b>(5,207)</b>	<b>2,612</b>
Non-current assets held for sale	1	-	-	(1)	-
	<b>1,112</b>	<b>3,079</b>	<b>3,629</b>	<b>(5,208)</b>	<b>2,612</b>
<b>Total assets</b>	<b>7,788</b>	<b>7,484</b>	<b>11,499</b>	<b>(14,032)</b>	<b>12,739</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital and premium	6,742	5,599	805	(6,404)	6,742
(Accumulated losses) retained earnings and other reserves	(1,269)	(1,451)	3,339	(1,888)	(1,269)
Shareholders' equity	<b>5,473</b>	<b>4,148</b>	<b>4,144</b>	<b>(8,292)</b>	<b>5,473</b>
Non-controlling interests	-	-	21	-	21
<b>Total equity</b>	<b>5,473</b>	<b>4,148</b>	<b>4,165</b>	<b>(8,292)</b>	<b>5,494</b>
Non-current liabilities	827	1,722	2,752	(14)	5,287
Current liabilities including intergroup balances	1,488	1,614	4,582	(5,726)	1,958
<b>Total liabilities</b>	<b>2,315</b>	<b>3,336</b>	<b>7,334</b>	<b>(5,740)</b>	<b>7,245</b>
<b>Total equity and liabilities</b>	<b>7,788</b>	<b>7,484</b>	<b>11,499</b>	<b>(14,032)</b>	<b>12,739</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION continued

Figures in million (US dollars)	2014	2014	2014	2014	2014
Condensed consolidating statement of cash flow	AngloGold Ashanti	IOMco	Other subsidiaries (the Non-Guarantor Subsidiaries )	Consolidation adjustments	Total
	(the Guarantor )	(the Issuer )			
<b>Cash flows from operating activities</b>					
Cash generated from (used) by operations	344	(839)	961	907	1,373
Net movement in intergroup receivables and payables	(1)	419	437	(855)	-
Taxation refund	-	-	41	-	41
Taxation paid	(20)	(2)	(172)	-	(194)
Net cash inflow (outflow) from operating activities	<b>323</b>	<b>(422)</b>	<b>1,267</b>	<b>52</b>	<b>1,220</b>
<b>Cash flows from investing activities</b>					
Capital expenditure	(222)	-	(791)	-	(1,013)
Interest capitalised and paid	-	-	(1)	-	(1)
Expenditure on intangible assets	(5)	-	-	-	(5)
Proceeds from disposal of tangible assets	-	-	31	-	31
Other investments acquired	-	-	(79)	-	(79)
Proceeds from disposal of other investments	-	-	73	-	73
Investments in associates and joint ventures	-	(52)	(14)	1	(65)
Net loans (advanced) to repaid by associates and joint ventures	(43)	7	-	-	(36)
Dividends received	1	-	-	(1)	-
Proceeds from disposal of subsidiary	105	-	-	-	105
Reclassification of cash balances to held for sale assets	-	-	2	-	2
(Acquisition) disposal of subsidiary and loan	(116)	(3)	3	116	-
Decrease in cash restricted for use	-	-	24	-	24
Interest received	4	3	14	-	21
Net cash outflow from investing activities	<b>(276)</b>	<b>(45)</b>	<b>(738)</b>	<b>116</b>	<b>(943)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of share capital	-	114	-	(114)	-
Proceeds from borrowings	157	100	354	-	611
Repayment of borrowings	(171)	-	(590)	-	(761)
Finance costs paid	(14)	(205)	(26)	-	(245)
Revolving credit facility and bond transaction costs	-	(9)	-	-	(9)
Dividends paid	-	-	(17)	-	(17)
Intergroup dividends received (paid)	-	318	(318)	-	-
Net cash (outflow) inflow from financing activities	<b>(28)</b>	<b>318</b>	<b>(597)</b>	<b>(114)</b>	<b>(421)</b>
Net increase (decrease) in cash and cash equivalents	19	(149)	(68)	54	(144)
Translation	(6)	-	44	(54)	(16)
Cash and cash equivalents at beginning of year	39	409	180	-	628
Cash and cash equivalents at end of year	<b>52</b>	<b>260</b>	<b>156</b>	<b>-</b>	<b>468</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION continued

Figures in million (US dollars)	2013	2013	2013	2013	2013
Condensed consolidating statement of cash flow	AngloGold Ashanti	IOMco	Other subsidiaries (the Non-Guarantor Subsidiaries )	Consolidation adjustments	Total
	(the Guarantor )	(the Issuer )			
<b>Cash flows from operating activities</b>					
Cash generated from (used) by operations	391	(126)	997	130	1,392
Net movement in intergroup receivables and payables	140	(1,593)	1,512	(59)	-
Dividends received from joint ventures	-	18	-	-	18
Taxation refund	13	-	10	-	23
Taxation paid	(13)	(1)	(173)	-	(187)
Net cash inflow (outflow) from operating activities	<b>531</b>	<b>(1,702)</b>	<b>2,346</b>	<b>71</b>	<b>1,246</b>
<b>Cash flows from investing activities</b>					
Capital expenditure	(397)	-	(1,104)	-	(1,501)
Interest capitalised and paid	-	-	(5)	-	(5)
Expenditure on intangible assets	(26)	-	(42)	-	(68)
Proceeds from disposal of tangible assets	-	-	10	-	10
Other investments acquired	-	-	(91)	-	(91)
Proceeds from disposal of other investments	-	-	81	-	81
Investments in associates and joint ventures	-	(420)	(52)	-	(472)
Proceeds from disposal of associates and joint ventures	6	-	-	-	6
Net loans advanced to associates and joint ventures	(1)	(39)	-	32	(8)
Dividends received	7	-	-	(2)	5
Proceeds from disposal of subsidiary	2	-	-	-	2
Reclassification of cash balances to held for sale assets	-	-	(2)	-	(2)
Acquisition of subsidiary and loan	(168)	-	-	168	-
Increase in cash restricted for use	-	-	(20)	-	(20)
Interest received	4	2	17	-	23
Net cash outflow from investing activities	<b>(573)</b>	<b>(457)</b>	<b>(1,208)</b>	<b>198</b>	<b>(2,040)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of share capital	-	147	20	(167)	-
Proceeds from borrowings	504	1,500	340	-	2,344
Repayment of borrowings	(458)	(250)	(778)	-	(1,486)
Finance costs paid	(12)	(103)	(85)	-	(200)
Revolving credit facility and bond transaction costs	-	(36)	-	-	(36)
Dividends paid	(40)	-	(22)	-	(62)
Intergroup dividends received (paid)	-	773	(773)	-	-
Net cash (outflow) inflow from financing activities	<b>(6)</b>	<b>2,031</b>	<b>(1,298)</b>	<b>(167)</b>	<b>560</b>
Net decrease in cash and cash equivalents	(48)	(128)	(160)	102	(234)
Translation	(11)	-	83	(102)	(30)
Cash and cash equivalents at beginning of year	98	537	257	-	892
Cash and cash equivalents at end of year <sup>(1)</sup>	<b>39</b>	<b>409</b>	<b>180</b>	<b>-</b>	<b>628</b>

<sup>(1)</sup> Cash and cash equivalents are net of bank overdraft of \$20 million.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 40 SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION continued

Figures in million (US dollars)	2012	2012	2012	2012	2012
Condensed consolidating statement of cash flow	AngloGold Ashanti	IOMco	Other subsidiaries	Consolidation adjustments	Total
	(the Guarantor )	(the Issuer )	(the Non-Guarantor Subsidiaries )		
<b>Cash flows from operating activities</b>					
Cash generated from operations	658	-	1,628	64	2,350
Net movement in intergroup receivables and payables	(32)	(529)	585	(24)	-
Dividends received from joint ventures	-	89	-	(17)	72
Taxation refund	-	-	54	-	54
Taxation paid	(82)	(2)	(423)	-	(507)
Net cash inflow (outflow) from operating activities	<b>544</b>	<b>(442)</b>	<b>1,844</b>	<b>23</b>	<b>1,969</b>
<b>Cash flows from investing activities</b>					
Capital expenditure	(542)	-	(1,383)	-	(1,925)
Interest capitalised and paid	-	-	(12)	-	(12)
Expenditure on intangible assets	(45)	-	(34)	-	(79)
Proceeds from disposal of tangible assets	-	-	5	-	5
Other investments acquired	-	(2)	(95)	-	(97)
Proceeds from disposal of other investments	-	-	86	-	86
Investments in associates and joint ventures	(2)	(308)	(39)	-	(349)
Proceeds from disposal of associates and joint ventures	-	20	-	-	20
Net loans advanced to associates and joint ventures	(1)	(48)	-	(15)	(64)
Dividends received	7	-	-	-	7
Proceeds from disposal of subsidiary	433	-	-	(427)	6
Net cash in subsidiary disposed	-	-	(26)	-	(26)
Acquisition of subsidiary and loan	(673)	-	-	338	(335)
Increase in cash restricted for use	-	-	(3)	-	(3)
Interest received	12	2	22	-	36
Loans advanced	-	-	(45)	-	(45)
Net cash outflow from investing activities	<b>(811)</b>	<b>(336)</b>	<b>(1,524)</b>	<b>(104)</b>	<b>(2,775)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of share capital	2	330	7	(337)	2
Redemption of preference shares	-	(435)	-	435	-
Proceeds from borrowings	174	995	263	-	1,432
Repayment of borrowings	-	(200)	(17)	-	(217)
Finance costs paid	(4)	(64)	(77)	-	(145)
Acquisition of non-controlling interest	-	-	(215)	-	(215)
Revolving credit facility and bond transaction costs	-	(22)	(8)	-	(30)
Dividends paid	(215)	-	(21)	-	(236)
Intergroup dividends received (paid)	18	253	(255)	(16)	-
Net cash (outflow) inflow from financing activities	<b>(25)</b>	<b>857</b>	<b>(323)</b>	<b>82</b>	<b>591</b>
Net (decrease) increase in cash and cash equivalents	(292)	79	(3)	1	(215)
Translation	2	-	(6)	(1)	(5)
Cash and cash equivalents at beginning of year	388	458	266	-	1,112
Cash and cash equivalents at end of year	<b>98</b>	<b>537</b>	<b>257</b>	<b>-</b>	<b>892</b>

**KIBALI (JERSEY) LIMITED**

Consolidated Financial Statements for the Year Ended

31 December 2014

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## Statement of Responsibility by the Board of Directors

For the year ended 31 December 2014

The directors are responsible for preparing the financial statements for Kibali (Jersey) Limited ( the group ).

The directors have elected to prepare the financial statements for the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB) and include amounts based on judgements and estimates made by management.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and places considerable importance on maintaining a strong control environment. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements of the group and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The going concern basis has been adopted in preparing the financial statements for the group. The directors have no reason to believe that the group will not be a going concern in the foreseeable future based on forecasts and available cash resources including funding provided by joint venture partners. These financial statements support the viability of the group.

### Auditors

The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware of.

These financial statements for the group were approved by the Board of Directors on 27 March 2015 and are signed on its behalf by:

/s/ Graham Shuttleworth

Director

**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Kibali (Jersey) Limited

Kibali (Jersey) Limited

St Helier

Jersey

JE2 4WJ

Channel Islands

We have audited the accompanying consolidated statements of financial position of Kibali (Jersey) Limited as of December 31, 2014, 2013 and 2012 and the consolidated statements of comprehensive income, consolidated statements of changes in equity, and statements of consolidated cash flows for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kibali (Jersey) Limited at December 31, 2014, 2013 and 2012, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

/s/ BDO LLP

London

United Kingdom

27 March 2015

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012

	Note	2014 \$ 000	2013 \$ 000	2012 \$ 000
<b>REVENUE</b>				
Gold sales		650,283	109,229	-
Other Income	3	401	3,035	286
<b>TOTAL INCOME</b>		<b>650,684</b>	<b>112,264</b>	<b>286</b>
<b>COSTS AND EXPENSES</b>				
Mining and processing costs	4	412,441	52,885	-
Royalties		23,321	2,765	-
Exploration and corporate expenditure	5	6,149	5,911	5,530
Other expenses		3,544	725	-
<b>TOTAL COSTS</b>		<b>445,455</b>	<b>62,286</b>	<b>5,530</b>
Finance income	6	4,349	3,966	1,448
Finance costs	6	(4,955)	(1,252)	(14)
Finance (costs)/income - net		(606)	2,714	1,434
Share of profits of equity accounted Joint venture		155	136	54
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		<b>204,778</b>	<b>52,828</b>	<b>(3,756)</b>
Income tax (expense)/income	7	(45,038)	4,739	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>159,740</b>	<b>57,567</b>	<b>(3,756)</b>
<b>OTHER COMPREHENSIVE EXPENSE</b>				
Loss on available for sale financial asset		(72)	(799)	(364)
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>		<b>159,668</b>	<b>56,768</b>	<b>(4,120)</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>				
Attributable to:				
Owners of the parent		152,492	54,163	(3,429)
Non-controlling interest		7,248	3,404	(327)
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>		<b>159,740</b>	<b>57,567</b>	<b>(3,756)</b>
Attributable to:				
Owners of the parent		152,420	53,364	(3,793)
Non-controlling interest		7,248	3,404	(327)
		159,668	56,768	(4,120)

*The accompanying notes form part of these financial statements*

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012

	Note	2014 \$ 000	2013 \$ 000	2012 \$ 000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	8	1,868,137	1,553,575	810,797
Mineral properties	9	693,972	742,928	745,092
Long term ore stockpiles	12	72,594	-	-
Deferred tax assets	10	-	4,860	-
Investment in equity accounted joint venture	26	20	15	54
Other investments in joint venture	26	31,516	29,076	27,237
Total investment in joint venture	26	31,536	29,091	27,291
Trade and other receivables	11	30,900	22,929	15,938
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,697,139</b>	<b>2,353,383</b>	<b>1,599,118</b>
<b>CURRENT ASSETS</b>				
Inventories and ore stockpiles	12	61,732	112,405	5,735
Trade and other receivables	11	169,330	145,335	75,815
Available-for-sale financial asset	13	74	146	945
Cash and cash equivalents	14	20,908	4,681	11,913
<b>TOTAL CURRENT ASSETS</b>		<b>252,044</b>	<b>262,567</b>	<b>94,408</b>
<b>TOTAL ASSETS</b>		<b>2,949,183</b>	<b>2,615,950</b>	<b>1,693,526</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	15	5	4	3
Share premium	15	2,493,612	2,390,689	1,557,902
Retained earnings/(accumulated losses)		204,060	51,568	(2,595)
Other reserve		(3,144)	(3,072)	(2,273)
Equity attributable to owners of the parent		2,694,533	2,439,189	1,553,037
Non-controlling interest	16	25,522	18,274	14,870
<b>TOTAL EQUITY</b>		<b>2,720,055</b>	<b>2,457,463</b>	<b>1,567,907</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans and borrowings	17	55,133	53,430	53,388
Deferred tax liabilities	10	32,463	-	-
Provision for rehabilitation	18	15,341	8,210	4,652
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>102,937</b>	<b>61,640</b>	<b>58,040</b>
<b>CURRENT LIABILITIES</b>				
Loans and borrowings	17	7,999	5,600	12,295
Trade and other payables	19	111,566	91,126	55,284
Current tax payable		6,626	121	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>126,191</b>	<b>96,847</b>	<b>67,579</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,949,183</b>	<b>2,615,950</b>	<b>1,693,526</b>

*The accompanying notes form part of these financial statements*

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012

	Share		Retained	Total equity			Total
	Capital	Premium	earnings/ (accumulated losses)	Other Reserves	to owners of the parent	Non- Controlling Interest	
<b>\$ 000</b>							
<b>Balance at 1 January 2012</b>	<b>2</b>	<b>961,337</b>	<b>834</b>	<b>(1,909)</b>	<b>960,264</b>	<b>15,197</b>	<b>975,461</b>
Fair value movement on available for sale financial asset <sup>(1)</sup>	-	-	-	(364)	(364)	-	(364)
<i>Total other comprehensive expense</i>	-	-	-	(364)	(364)	-	(364)
Net loss for the year	-	-	(3,429)	-	(3,429)	(327)	(3,756)
<i>Total comprehensive expense</i>	-	-	(3,429)	(364)	(3,793)	(327)	(4,120)
Shares issued to equity owners	1	596,565	-	-	596,566	-	596,566
<b>Balance at 31 December 2012</b>	<b>3</b>	<b>1,557,902</b>	<b>(2,595)</b>	<b>(2,273)</b>	<b>1,553,037</b>	<b>14,870</b>	<b>1,567,907</b>
<b>Balance at 1 January 2013</b>	<b>3</b>	<b>1,557,902</b>	<b>(2,595)</b>	<b>(2,273)</b>	<b>1,553,037</b>	<b>14,870</b>	<b>1,567,907</b>
Fair value movement on available for sale financial asset <sup>1</sup>	-	-	-	(799)	(799)	-	(799)
<i>Total other comprehensive expense</i>	-	-	-	(799)	(799)	-	(799)
Net profit for the year	-	-	54,163	-	54,163	3,404	57,567
<i>Total comprehensive income</i>	-	-	54,163	(799)	53,364	3,404	56,768
Shares issued to equity owners	1	832,787	-	-	832,788	-	832,788
<b>Balance at 31 December 2013</b>	<b>4</b>	<b>2,390,689</b>	<b>51,568</b>	<b>(3,072)</b>	<b>2,439,189</b>	<b>18,274</b>	<b>2,457,463</b>
<b>Balance at 1 January 2014</b>	<b>4</b>	<b>2,390,689</b>	<b>51,568</b>	<b>(3,072)</b>	<b>2,439,189</b>	<b>18,274</b>	<b>2,457,463</b>
Fair value movement on available for sale financial asset <sup>1</sup>	-	-	-	(72)	(72)	-	(72)
<i>Total other comprehensive expense</i>	-	-	-	(72)	(72)	-	(72)
Net profit for the year	-	-	152,492	-	152,492	7,248	159,740
<i>Total comprehensive income</i>	-	-	152,492	(72)	152,420	7,248	159,668
Shares issued to equity owners	1	102,923	-	-	102,924	-	102,924
<b>Balance at 31 December 2014</b>	<b>5</b>	<b>2,493,612</b>	<b>204,060</b>	<b>(3,144)</b>	<b>2,694,533</b>	<b>25,522</b>	<b>2,720,055</b>

<sup>(1)</sup> Fair value on available-for-sale assets may be recycled through the income statement in the future if certain conditions arise.

### SHARE CAPITAL

The share capital comprises the issued ordinary shares of the company at par.

### SHARE PREMIUM

The share premium comprises the excess value recognised from the issue of ordinary shares at par.

### RETAINED EARNINGS/ (ACCUMULATED LOSSES)

Retained earnings/ (accumulated losses) comprises the group's cumulative accounting profits and losses since inception.

### OTHER RESERVES

Other reserves comprises the group's cumulative fair value movement on the available for sale financial asset since inception in Kilo Goldmines Limited.

### NON-CONTROLLING INTERESTS

The non-controlling interest represents the total carrying value of the 10% interest Société minière de Kilo Moto SARL ( SOKIMO ) has in Kibali Goldmines SA ( Kibali ), which is a subsidiary of Kibali (Jersey) Limited.

*The accompanying notes form part of these financial statements.*

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## STATEMENTS OF CONSOLIDATED CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 and 2012

		2014	2013	2012
		\$ 000	\$ 000	\$ 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash generated/(used in) by operations	24	329,644	(71,225)	(40,829)
Interest received		1,009	927	182
Finance cost paid		(4,727)	(5,139)	(822)
Dividends received from equity accounted joint venture		150	175	-
Income Tax paid		(1,211)	-	-
<b>Net cash flows (used in)/generated by operating activities</b>		<b>324,865</b>	<b>(75,262)</b>	<b>(41,469)</b>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>				
Additions of property, plant and equipment		(407,422)	(748,314)	(521,762)
Funds invested in equity accounted joint venture		-	-	(26,391)
<b>Net cash outflows used in investing activities</b>		<b>(407,422)</b>	<b>(748,314)</b>	<b>(548,153)</b>
<b>CASH FLOWS RELATING TO FINANCING ACTIVITIES</b>				
Proceeds from issue of ordinary shares		102,924	832,788	596,566
(Decrease)/increase in loans and borrowings		(4,140)	(16,444)	2,833
<b>Net cash inflows provided by financing activities</b>		<b>98,784</b>	<b>816,344</b>	<b>599,399</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>16,227</b>	<b>(7,232)</b>	<b>9,777</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>4,681</b>	<b>11,913</b>	<b>2,136</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>14</b>	<b>20,908</b>	<b>4,681</b>	<b>11,913</b>

*The accompanying notes form part of these financial statements.*

**1. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of Preparation**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively (IFRS)) issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.

After reviewing the group's and company's budget for the next financial year, and other longer term plans, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. The directors have no reason to believe that the group and company will not be a going concern in the foreseeable future based on forecasts and available cash resources.

**New standards and interpretations applied**

The IASB has issued the following new standards and amendments to published standards and interpretations to existing standards with effective dates on or prior to 1 January 2014 which have been adopted by the group for the first time this year.

<b>Accounting Standards</b>	<b>Impact</b>	<b>Effective period commencing on or after</b>
IAS 32	Amendment - Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36	Amendment - Recoverable amounts disclosures for non-financial assets	1 January 2014
IFRIC 21	Levies	1 January 2014

**Standards effective in future period**

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the group's activities and are mandatory for the group's accounting periods beginning after 1 January 2015 or later periods and which the group has decided not to adopt early. These include:

<b>Accounting Standards</b>	<b>Impact</b>	<b>Effective period commencing on or after</b>
Annual improvements to IFRSs 2010-2012 cycle (effective July 1, 2014); and Annual improvements to IFRSs 2011 - 2013 cycle (effective July 1, 2014).		
IAS 19	Amendment - Defined benefit plans: employee contributions	1 July 2014
IFRS 9	Financial instruments	1 January 2018
IFRS 11	Amendment - Accounting for acquisition of interests in joint operations	1 January 2016
IAS 16 & IAS 38	Amendments - Clarification of acceptable methods of depreciation and amortisation	1 January 2016
IFRS 15	Revenue from contracts with customers	1 January 2017
IAS 27	Amendment - Equity method in separate financial statements	1 January 2016

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

<b>Accounting Standards</b>	<b>Impact</b>	<b>Effective period commencing on or after</b>
IFRS 10 & IAS 28	Amendment Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
IAS 1	Amendment Disclosure initiative Annual improvements to IFRSs (2012-2014 cycle)	1 January 2016

The group is currently assessing the impact of these standards on the financial statements. At present, no impact is anticipated in respect of the standards and interpretations, given the nature of operations.

**Consolidation**

The consolidated financial information includes the financial statements of the company, its subsidiaries and the company's equity interest in joint ventures using uniform accounting policies for like transactions and other events in similar circumstances.

**Subsidiaries**

Subsidiaries are entities over which the group has the power to govern the financial and operating policies of the entity so as to obtain benefits from the activities and the ability to use its power over the investee to affect the amounts of the group's returns and generally accompanying an interest of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition costs are expensed. Identifiable assets acquired (including mineral property interests) and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill or other identifiable intangible assets. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

**Joint Ventures**

The group holds interests in one joint venture. In a joint venture the parties that have joint control of the arrangement (the joint venturers) have a right to the net assets of the arrangement. This right is accounted for in the consolidated financial statements using the equity method of accounting. Joint control is considered to exist when there is contractual joint control; control being the power to govern the financial and operating policies of an entity so as to obtain benefits from the activities and the ability to use its power over the investee to affect the amounts of the group's returns by the joint venturers.

Investments in additional joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associate or joint venture over the group's share of the fair value of the identifiable net assets of the associate or joint venture and is included in the carrying amount of the investments.

Joint ventures are accounted for using the equity method of accounting. In applying the equity method of accounting, the group's share of its associated companies and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from joint venture companies are adjusted against the carrying amount of the investments. When the group's share of losses in an associated or Joint Venture Company equals or

exceeds its interest in the associated or joint venture company, including any other unsecured non-current receivables, the group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the or Joint Venture Company. Unrealised gains on transactions between the group and its associated and joint venture companies are eliminated to the extent of the group's interest in the associated and joint venture companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Trading receivables and payables with joint ventures are classified within trade and other receivables and payables. The accounting policies of associated and joint venture companies have been changed where necessary to ensure consistency with the accounting policies adopted by the group.

Dividends received are classified as operating cash flows in the consolidated cash flow statement.

### **Segmental Reporting**

An operating segment is a group of assets and operations engaged in performing mining or advanced exploration that are subject to risks and returns that are different from those of other segments. Other parts of the business are aggregated and treated as part of a corporate segment. The group provides segmental information using the same categories of information which the group's chief operating decision maker utilises. The group's chief operating decision maker is considered by management to be the board of directors. The group has only one business segment, being that of gold mining. Segment analysis is based on the mining operations and exploration projects that have a significant amount of capitalised expenditure or other fixed assets.

### **Foreign Currency Translation**

#### *Functional and presentation currency*

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in US dollars, which is also the functional currency of the company, its significant subsidiaries and joint ventures.

#### *Transactions and balances*

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in other income and other expenses.

### **Royalties**

Royalty arrangements based on mineral production are in place at the operating mine. The primary type of royalty is a net smelter return royalty. Under this type of royalty the group pays the host country's government an amount calculated as the royalty percentage multiplied by the value of gold production at market gold prices less selling costs. Royalty expense is recorded when revenue from the sale of gold is recognised.

### **Intangible Assets**

#### *Mineral properties*

Mineral properties acquired are recognised at fair value at the acquisition date. Mineral properties are recognised at fair value if acquired as part of a business combination, whereas they are recognised at cost if acquired as an asset. Mineral properties are tested annually for impairment on the same basis that property, plant and equipment are when there is an indication of impairment. Mineral properties are amortised on a units of production basis from the point at which the mine commences production (refer to depreciation and amortisation policy below).

### **Property, Plant and Equipment**

#### *Long-lived assets and mine development costs*

Long-lived assets including development costs and mine plant facilities (such as freehold land, metallurgical plant, tailings facilities, raw water dams, power plant and mine infrastructure) are initially recorded at cost.

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Development of ore bodies includes the development cost of shaft systems and waste rock removal that allows access to reserves that are economically recoverable in the future.

Cost associated with underground development are capitalised when the works provide access to the ore body, whereas costs associated with ore extraction from operating ore body sections are treated as operating costs.

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Where relevant the estimated cost of dismantling the asset and remediating the site is included in the cost of property, plant and equipment, subsequently they are measured at cost less accumulated amortisation and impairment.

Development costs consist primarily of direct expenditure incurred to establish or expand productive capacity and are capitalised until commercial levels of production are achieved (refer to commercial production), after which the costs are amortised.

Costs are capitalised during the construction of a new mine until commercial levels of production are achieved (refer to commercial production below), after which the relevant costs are amortised. Costs are capitalised provided that the project is considered to be commercially, technically and economically viable. Such viability is deemed to be achieved when the group is confident that the project will provide a satisfactory return relative to its perceived risks and is sufficiently certain of economic production. Costs which are necessarily incurred while commissioning new assets, in the period before they are capable of operating in the manner intended by management, are capitalised under Long-lived assets and mine development costs. Development costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit.

#### *Commercial production*

The group assesses the stage of the mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of the mine construction project. The group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use, and moves into production stage. Some of the criteria would include but are not limited to the following:

- the level of capital expenditure compared to the construction cost estimates;
- completion of reasonable period of testing of the mine plant and equipment;
- ability to produce gold in saleable form; and
- ability to sustain ongoing commercial levels of gold production

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalisable costs related to mining asset additions or improvements, underground mine development or ore reserve development.

#### *Development expenditure approval*

Development activities commence after project sanctioning by the appropriate level of management. Judgement is applied by management in determining when a project has reached a stage at which economically recoverable reserves exists such that development may be sanctioned. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described below for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having started the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to the statement of comprehensive income.

#### *Stripping costs*

In surface mining operations, the group may find it necessary to remove waste materials to gain access to mineral ore deposits prior to and after production commences. This waste removal activity is known as stripping. Prior to production commencing from a pit, stripping costs are measured internally and capitalised until the point where the overburden has been removed and access to the ore commences. Subsequent to production, waste stripping continues, either as part of ore extraction as a run of mine activity or due to strategic decisions such as pit push-back campaigns. There are two benefits accruing to the group from stripping activity during the production phase: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. Economic ore extracted during this period and subsequently is accounted for as inventory. The production stripping costs relating to improved access to further quantities in future periods are capitalised as a stripping activity asset, if and only if, all of the following are met:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the group;
- the group can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component or components can be measured reliably.

In determining the relevant component of the ore body for which access is improved, the group componentises its mine into geographically distinct ore body sections or phases to which the stripping activities being undertaken within that component are allocated. Such phases are determined based on assessment of factors such as geology and mine planning.



Once determined that any portion of the production stripping costs should be capitalised, the group typically uses the average stripping ratio of the component or phase of the mine to which the production stripping cost related to determine the amount of the production stripping costs that should be capitalised.

The group depreciates the deferred costs capitalised as stripping assets on a unit of production method, with reference the ex-pit ore production from the relevant ore body component or phase.

#### *Short-lived assets*

Short-lived assets including non-mining assets are shown at cost less accumulated depreciation and impairment.

#### *Depreciation and amortisation*

Long-lived assets include mining properties, such as freehold land, metallurgical plant, tailings facilities, raw water dams, power plant and mine infrastructure, as well as mine development costs and are depreciated on a unit of production basis.

Depreciation and amortisation are charged over the life of the mine (or over the remaining useful life of the asset, if shorter) based on estimated ore tonnes contained in proven and probable reserves to be extracted using the relevant asset, to reduce the cost to estimated residual values. As an example, the open cast pit is depreciated over proven and probable reserves and tonnes milled from the open cast pit ore body. No future capital expenditure is included in the depreciable value. Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in the future from known mineral deposits. Only proven and probable reserves are used in the tonnes milled units of production depreciation calculation. Any changes to the expected life of the mine (or asset) are applied prospectively in calculating depreciation and amortisation charges.

Depreciation of construction and development costs for new mines commences when commercial production is achieved, as detailed above. Underground development costs are depreciated from the date the development provides access to operational areas and ore extraction begins from those areas. Other assets under construction, such as plant improvement projects, are depreciated from the date they are commissioned, based on assessment by the group's engineers.

Short-lived assets which include motor vehicles, office equipment and computer equipment are depreciated over estimated useful lives of between two to five years but limited to the remaining mine life. Residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Changes to the estimated residual values or useful lives are accounted for prospectively. Depreciation starts when the assets are ready and available for use.

#### *Impairment*

The carrying amount of the property, plant and equipment and investments in joint ventures of the group is compared to the recoverable amount of the assets whenever events or changes in circumstances indicate that the net book value may not be recoverable. The recoverable amount is the higher of value in use and the fair value less cost to sell. In assessing the value in use, the expected future cash flows from the assets is determined by applying a discount rate to the anticipated risk adjusted future cash flows. The discount rate used is derived from the group's weighted average cost of capital adjusted for asset specific factors as applicable.

Only proven and probable reserves are used in the calculations and the models used approved mine plans and exclude capital expenditure which enhance the assets or extract tonnes outside of such approved mine plans. An impairment is recognised in the statement of comprehensive income to the extent that the carrying amount exceeds the assets' recoverable amount. The revised carrying amounts are amortised in line with group accounting policies.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in the statement of comprehensive income and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. Assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) for purposes of assessing impairment. The estimates of future discounted cash flows are subject to risks and uncertainties including the future gold price. It is therefore reasonably possible that changes could occur which may affect the recoverability of property, plant and equipment, and investments in joint ventures.



## **Inventories**

Inventories include ore stockpiles, gold in process and doré, and supplies and spares and are stated at the lower of cost or net realisable value. The cost of ore stockpiles and gold produced is determined principally by the weighted average cost method using related production costs. Costs of stockpiles include costs incurred up to the point of stockpiling, such as mining and grade control costs, but exclude future costs of production.

Costs of stockpiles include costs incurred up to the point of stockpiling, such as mining and grade control costs, but exclude future costs of production. Ore extracted is allocated to separate stockpiles based on estimated grade, with grades below defined cut-off levels treated as waste and expensed. While held in physically separate stockpiles, the group blends the ore from each stockpile at an individual mine when feeding the processing plant to achieve the resultant gold content. In such circumstances, lower and higher grade ore stockpiles each represent a raw material, used in conjunction with each other, to deliver overall gold production, as supported by the relevant feed plan. At Kibali, full grade ore stockpile is above 0.64g/t and no marginal ore is stockpiled while mining oxide material.

The processing of ore in stockpiles occurs in accordance with the life of mine processing plan that has been optimised based on the known mineral reserves, current plant capacity and mine design. Ore tonnes contained in the stockpile which exceeds the annual tonnes to be milled as per the mine plan over the next twelve months, are classified as non-current in the statement of financial position.

Net realisable value of ore stockpiles is determined with reference to estimated contained gold and market gold prices applicable. Ore stockpiles which are blended together or with future ore mined when fed to the plant are assessed as an input to the gold production process to ensure the combined stockpiles are carried at the lower of cost and net realizable value. Ore stockpiles which are not blended in production are assessed separately to ensure they are carried at the lower of cost and net realizable value, although no such stockpiles are currently held.

Costs of gold inventories include all costs incurred up until production of an ounce of gold such as milling costs, mining costs and directly attributable mine general and administration costs but exclude transport costs, refining costs and royalties. Net realizable value is determined with reference to estimated contained gold and market gold prices.

Stores and materials consist of consumable stores and are valued at weighted average cost after appropriate impairment of redundant and slow moving items. Consumable inventory for which the group has substantially all the risks and rewards of ownership are brought onto the statement of financial position as current assets.

## **Interest/Borrowing Costs**

Interest is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity. Borrowing cost is expensed as incurred except to the extent that it relates directly to the construction of property, plant and equipment during the time that is required to complete and prepare the asset for its intended use, when it is capitalised as part of property, plant and equipment. Borrowing cost is capitalised as part of the cost of the asset where it is probable that the asset will result in economic benefit and where the borrowing cost can be measured reliably. No interest or borrowing costs have been capitalised during the year.

## **Financial Instruments**

Financial instruments are measured as set out below. Financial instruments carried on the statement of financial position include 1) cash and cash equivalents, 2) trade and other receivables, 3) trade and other payables, 4) loans and borrowings and 5) available for sale financial assets.

### *Cash and cash equivalents*

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term highly liquid investments with a maturity of three months or less at the date of purchase and bank overdrafts.

### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value. There is a rebuttable presumption that the transaction price is fair value unless this could be refuted by reference to market indicators. Subsequently, trade and other receivables are measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect

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all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in mining and processing costs in the statement of comprehensive income.

#### *Trade and other payables*

Accounts payable and other short term monetary liabilities, are initially recognised at fair value, which equates to the transaction price, and subsequently carried at amortised cost using the effective interest method.

#### *Loans and borrowings (including loans from subsidiaries, joint ventures and minorities)*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

#### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are designated on acquisition. They are normally included in current assets and are carried at fair value. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is recognised in the statement of comprehensive income within other expenses, other movements in fair value are recognised in other reserves within other comprehensive income.

#### **Rehabilitation Costs**

The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalized within property, plant and equipment on initial recognition. Rehabilitation will generally occur on closure or after closure of a mine. Initial recognition is at the time of the construction or disturbance occurring and thereafter as and when additional construction or disturbances take place. The estimates are reviewed annually to take into account the effects of inflation and changes in estimated risk adjusted rehabilitation works cost and are discounted using rates that reflect the time value of money. Annual increases in the provision due to the unwinding of the discount are recognized in the statement of comprehensive income as a finance cost. The present value of additional disturbances and changes in the estimate of the rehabilitation liability are recorded to mining assets against an increase/decrease in the rehabilitation provision. The rehabilitation asset is amortized as noted previously. Rehabilitation projects undertaken, included in the estimates, are charged to the provision as incurred. Environmental liabilities, other than rehabilitation costs, which relate to liabilities arising from specific events, are expensed when they are known, probable and may be reasonably estimated.

Environmental liabilities, other than rehabilitation costs, which relate to liabilities arising from specific events, are expensed when they are known, probable and may be reasonably estimated.

#### **Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

#### **Current Tax**

Current tax is the tax expected to be payable on the taxable income for the year calculated using rates (and laws) that have been enacted or substantively enacted by the reporting date. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods.

### **Deferred Taxation**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not recognised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the temporary differences reverse. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

### **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

### **Leases**

#### *As lessee*

Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset. Leases of plant and equipment where the company assumes a significant portion of risks and rewards of ownership are classified as a finance lease. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and the finance charges to achieve a constant rate on the finance balance outstanding. The interest portion of the finance payment is charged to the statement of comprehensive income over the lease period. The plant and equipment acquired under the finance lease are depreciated over the useful lives of the assets, or over the lease term if shorter. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

#### *As lessor*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease income under operating leases is recognised to the statement of comprehensive income on a straight-line basis over the period of the lease.

Where a significant portion of the risks and rewards of ownership are transferred the Group is required to account as though it were acting as a lessor in a finance lease. Hire purchase loans disclosed under receivables represent outstanding amounts due under finance lease arrangements less finance charges allocated to future periods

### **Revenue Recognition**

The group enters into contracts for the sale of gold. Revenue arising from gold sales under these contracts is recognised when the price is determinable, the product has been delivered in accordance with the terms of the contract, the significant risks and rewards of ownership have been transferred to the customer and collection of the sales price is reasonably assured. These criteria are met when the gold leaves the mines smelt houses.

As sales from gold contracts are subject to customer survey adjustment, sales are initially recorded on a provisional basis using the group's best estimate of the contained metal. Subsequent adjustments are recorded in revenue to take into account final assay and weight certificates from the refinery, if different from the initial certificates. The differences between the estimated and actual contained gold have historically not been significant.

### **Exploration and Evaluation Costs**

The group expenses all exploration and evaluation expenditures until the directors conclude that a future economic benefit is more likely than not of being realised, ie probable. While the criteria for concluding that expenditure should be capitalised is always probable, the information that the directors use to make that determination depends on the level of exploration.

Exploration and evaluation expenditure on brownfield sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the directors are able to demonstrate that future economic benefits are probable through the completion of a prefeasibility study, after which the expenditure is capitalised as a mine development cost. A prefeasibility study consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors. The prefeasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allow the directors to conclude that it is more likely than not that the group will obtain future economic benefit from the expenditures.

Exploration and evaluation expenditure on greenfield sites, being those where the group does not have any mineral deposits which are already being mined or developed, is expensed until such time as the directors have sufficient information to determine that future economic benefits are probable, after which the expenditure is capitalised as a mine development cost. The information required by directors is typically a final feasibility study however a prefeasibility study may be deemed to be sufficient where the additional work required to prepare a final feasibility study is not significant or the work done at prefeasibility level clearly demonstrates an economic asset. Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a prefeasibility study. This economic evaluation is distinguished from a prefeasibility study in that some of the information that would normally be determined in a prefeasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allow the directors to conclude that more likely than not the company will obtain future economic benefit from the expenditures. Costs relating to property acquisitions are capitalised within development costs.

## **2. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

Some of the accounting policies require the application of significant judgement by management in selecting the appropriate assumptions for calculating financial estimates or determining the appropriate accounting treatment for a transaction.

By their nature, these judgements are subject to an inherent degree of uncertainty and are based on historical experience, terms of existing contracts, management's view on trends in the gold mining industry and information from outside sources.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

### **Value Added Tax**

Included in trade and other receivables is a recoverable value added tax (TVA) balance of US\$112.2 million (2013: US\$81.0 million) (2012: US\$47.0 million) (all current) owing by the fiscal authorities in the Democratic Republic of Congo (DRC).

The group continues to seek recovery of TVA in the DRC, in line with the mining code and the carrying value of the receivable has been assessed considering factors such as the level of receipts in the period and to date, relationships and communications with government officials and the tax authority and the limited quantum of disputed submissions. Judgements exist in assessing recovery of these receivables.

### Carrying Values of Property, Plant and Equipment and Mineral Properties

The group assesses at each reporting period whether there is any indication that these assets may be impaired. If such indication exists, the group estimates the recoverable amount of the asset. The recoverable amount is assessed by reference to the higher of value in use (being the net present value of expected future cash flows of the relevant cash generating unit) and fair value less cost to sell. The estimates used for impairment reviews are based on detailed mine plans and operating plans. Future cash flows are based on estimates of:

- the quantities of the proven and probable reserves being reserves for which there is a high degree of confidence in economic extraction;
- future production levels;
- future commodity prices;
- future cash cost of production and capital expenditure associated with extraction of the proven and probable reserves in the approved mine plan;
- future gold prices – a gold price curve from a leading merchant bank was used for the impairment calculations starting at a US\$1 250/oz gold price (2013: US\$1 250/oz) and increasing at an average of 3%. Beyond the gold curve period provided by the merchant bank, the board have estimated the long term gold price increasing at 3%; and
- a discount rate of 7.3% pre-tax (2013: 9.4%).

A reduction in forward gold prices in excess of 20% is required to give rise to an impairment at the mine. The discount rate would need to increase to 14.1% to give rise to impairment at the mine. However, having considered such scenarios, the directors remain satisfied that no impairment is appropriate. The model is considered suitably conservative with proven and probable reserves determined based on US\$1 000/oz gold price (2013: US\$1 000/oz).

### Capitalisation and Depreciation

There are several methods for calculating depreciation, ie the straight line method, the production method using ounces produced and the production method using tonnes milled. The directors believe that the tonnes milled method is the best indication of plant and infrastructure usage. Refer to note 1 for the depreciation policy. Estimates are required regarding the allocation of assets to relevant proven and probable reserves in the units of production calculations, with assessments involving the group's mining, capital and geology departments. Proven and probable reserves are used in each depreciation calculation, which is considered to be a suitably conservative measure of the future ore extractable using existing assets.

The group applies judgement in allocating costs between operating and capital items. Costs are capitalised when the activity provides access to future ore bodies and are expensed as operating costs when the works involve extraction of ore from operational sections of the ore body.

Additionally, judgement was required when determining the date at which commercial production was achieved and depreciation commenced at Kibali in 2013 and continuing judgement is required in determining the point at which assets under construction at Kibali, such as the sulphide circuit, began commercial production and should be depreciated.

Similarly, given ongoing mine construction and development, judgement was required in allocating costs between operating costs, ore stockpiles and ongoing capital works. Costs have been allocated based on the underlying activity and economic benefits.

### Gold Price Assumptions

The following gold prices were used in the mineral reserves optimisation calculation:

US\$/oz	2014	2013	2012
Kibali	1,000	1,000	1,000

Changes in the gold price used could result in changes in the mineral reserve optimisation calculations. Mine modelling is a complex process and hence it is not feasible to perform sensitivities on gold price assumptions in respect of ore reserves.

### Determination of Ore Reserves

The group estimates its ore reserves and mineral resources based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 (the JORC code, 2012 Edition). Reserves determined in this way are used in the calculation of depreciation, amortisation and impairment charges, as well as the assessment of the carrying value of mining assets. There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

### Future Rehabilitation Obligations

The net present value of current rehabilitation estimates have been discounted to their present value at 2% per annum (2013: 2.5%) (2012: 2.5%) being the prevailing risk free interest rates. Expenditure is expected to be incurred at the end of the mine life. The group undertakes regular assessments by external experts of its mine closure plans, together with assessments by internal staff in the intervening periods, to determine the required rehabilitation works, cost of works and timing of such works. Judgement is required in determining the appropriate costs, timing of costs, discount rates and inflation. For further information, including the carrying amounts of the liabilities, refer to Note 18. A 1% change in the discount rate on the group's rehabilitation estimates would result in an impact of US\$1.6 million (2013: US\$1.6 million) (2012: US\$0.9 million) on the provision for environmental rehabilitation, and an impact of US\$0.05 million (2013: US\$0.05 million) (2012: Nil) on the statement of comprehensive income.

### Stockpiles, Gold In Process And Product Inventories

Costs that are incurred in or benefit the productive process are accumulated as stockpiles, gold in process and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on contained gold and metals prices, less estimated costs to complete production and bring the product to sale. Judgement is required in assessing whether stockpiles of different grades should be tested individually, or tested as inputs to the gold production process, as detailed in the group's accounting policy. In the current year, the stockpiles were tested for each individual mine, reflecting the planned blended feed of such stockpiles to the mill on the basis that they are blended together and with future ore mined.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

### Exploration And Evaluation Expenditure

The group has to apply judgement in determining whether exploration and evaluation expenditure should be capitalised or expensed. Management exercises this judgement based on the results of economic evaluations, prefeasibility or feasibility studies. Costs are capitalised where those studies conclude that more likely than not the group will obtain future economic benefit from the expenditures.

## 3. OTHER INCOME

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
From operating activities comprise:			
Operation of guest house	24	1,379	286
Net foreign exchange gains	377	1,656	-
	401	3,035	286

The total other income is not considered to be part of the main revenue generating activities and as such the group presents this income separately from revenue.





**4. MINING AND PROCESSING COSTS**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
<i>Mining and processing costs comprise:</i>			
Mine production costs <sup>(1)</sup>	119,227	22,735	-
Movement in production inventory and ore stockpiles	(10,694)	(10,596)	-
Depreciation and amortisation	139,698	14,863	-
Other mining and processing costs	164,210	25,883	-
	412,441	52,885	-

<sup>(1)</sup> Comparative figures excluded transport and refining costs from mine production costs and disclosed such costs separately. Given its immateriality, it has now been included in mine production costs. Transport and refining costs total US\$3.3 million for 2014 (2013: US\$0.2 million) (2012: US\$ 0.0 million) are now included in mine production costs.

**5. EXPLORATION AND CORPORATE EXPENDITURE**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
<i>Exploration and corporate expenditure comprise:</i>			
Exploration expenditure	4,298	3,284	1,632
Corporate expenditure	1,851	2,627	3,898
	6,149	5,911	5,530

**6. FINANCE INCOME AND COSTS**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
<i>Finance income comprise:</i>			
Bank Interest	21	42	26
Interest received loans and receivables	4,328	3,924	1,422
<b>Total finance income</b>	4,349	3,966	1,448
<i>Finance costs comprise:</i>			
Interest expense on finance lease	(4,711)	(4,495)	(1,825)
Interest expense on bank borrowings	(39)	(1)	(14)
Interest capitalised	-	3,360	1,825
Unwinding of discount on provisions for rehabilitation	(205)	(116)	-
<b>Total finance costs</b>	(4,955)	(1,252)	(14)
<b>Net finance (costs)/income</b>	(606)	2,714	1,434

## 7. INCOME TAXES

		31 Dec 2014	31 Dec 2013	31 Dec 2012
		\$ 000	\$ 000	\$ 000
Current taxation		7,715	121	-
Deferred taxation	10	37,323	(4,860)	-
		45,038	(4,739)	-

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The tax on the group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate applicable to the group's operations.

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
Profit/(loss) before tax	204,778	52,828	(3,756)
Tax calculated at the DRC effective tax rate of 30%	61,433	15,848	(1,127)
<b>Reconciling items:</b>			
Exempt income	(27,054)	(7,903)	(3,207)
Previous unrecognised losses utilised	-	(9,294)	-
Assessed losses not utilised	-	-	4,334
Net capital allowances not deductible	(6)	(3,511)	-
Other permanent differences	2,950	-	-
Corporate tax at 1/100 from turnover	7,715	121	-
Taxation charges	45,038	(4,739)	-

The group is not subject to income tax in Jersey. In the DRC, the effective tax rate is 30%. The Kibali operations attract corporation tax in the DRC. Kibali is required to pay a minimum of 1/100 (2013: 1/1000) of the company's revenue which resulted in a minimum corporate tax of \$7.7 million (2013: US\$0.1 million). Kibali have capital allowances and non-capital tax losses for deduction against future mining income. Kibali (Jersey) Limited's estimated non-capital tax losses carried forward at 31 December 2014 amounted to US\$298.5 million (2013: US\$222.1 million) (2012: US\$30.9 million) and capital allowances which have been recognised and not utilised carried forward at 2014 amounted to US\$332.4 million (2013: US\$217.1 million) (2012: US\$6.8 million). Refer to note 10 for deferred taxation.

## 8. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
<i>Mine properties, mine development costs and mine plant facilities and equipment cost</i>			
<b>Cost</b>			
Balance at the beginning of the year	1,584,453	822,297	232,431,431
Additions	405,304	762,156	589,866
Balance at the end of the year	1,989,757	1,584,453	822,297
<b>Accumulated depreciation</b>			
Balance at the beginning of the year	(30,878)	(11,500)	(4,692)
Depreciation charged for the year	(90,742)	(19,378)	(6,808)
Balance at the end of the year	(121,620)	(30,878)	(11,500)
<b>Net book value</b>	1,868,137	1,553,575	810,797

### *Long-lived assets and development costs*

Included in plant and equipment are long-lived assets and development costs which are amortised on a units of production basis as detailed in note 2 and include mining properties, such as freehold land, metallurgical plant, tailings facilities, raw water dams, power plant and mine infrastructure, as well as mine development costs. The net book value of these assets was US\$1 793 million at 31 December 2014 (2013: US\$1 488 million) (2012: US\$745 million).

### *Short-lived assets*

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Included in property, plant and equipment are short-lived assets which are depreciated over a short life which reflects their likely useful economic life and are comprised of motor vehicles, computer equipment, aircrafts and fixtures and fittings. The net book value of these assets was US\$5.7 million at 31 December 2014 (2013: US\$3.8 million) (2012: US\$3.7 million).

*Rehabilitation asset*

A rehabilitation asset has been recognised in the period relating to the rehabilitation liability to the value of US\$14.0 million (2013: US\$8.0 million) (2012: US\$4.7 million) (refer note 18). Depreciation of the rehabilitation asset began on 1 October 2013 when the group commenced commercial production. The asset is depreciated over the life of the mine on a unit of production basis.

*Leased assets*

The net carrying amount of property, plant and equipment includes the following amount in respect of assets held under finance lease (refer note 20):

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
Finance Lease Mining Assets	56,146	53,960	56,737

KAS 1 Limited (KAS) is an asset leasing joint venture in which the group has a 50.1% interest. Together with DTP Terrassement SA, the group provides funding to KAS to buy the assets and in return leases the assets under a finance lease to Kibali, a subsidiary of the group. Refer to notes 11, 20, 26 and 27.

**9. MINERAL PROPERTIES**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
<b>Cost</b>			
At the beginning and end of the year	745,092	745,092	745,092
<b>Amortisation</b>			
At the beginning of the year	(2,164)	-	-
Charge for the year	(48,956)	(2,164)	-
At the end of the year	(51,120)	(2,164)	-
<b>Net book value</b>	693,972	742,928	745,092

Mineral properties represent the fair value attributable to licence interest on the acquisition of Moto Goldmines Limited ( Moto ) in 2009. The balance has been amortised over the life of mine on a unit of production basis since the group commenced commercial production on 1 October 2013.

**10. DEFERRED TAXATION**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
Deferred taxation is calculated on temporary differences under the liability method using a tax rate of 30% in respect of the DRC operations.			
The movement on deferred taxation is as follows:			
At the beginning of the year	4,860	-	-

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Statement of comprehensive income charge	(37,323)	4,860	-
At the end of the year	(32,463)	4,860	-
Deferred taxation comprise the following:			
Tax losses carried forward attributable to accelerated capital allowances	298,543	222,046	-
Accelerated capital allowances	(332,415)	(217,057)	-
Rehabilitation provision	1,409	(129)	-
Net deferred taxation (liability)/asset	(32,463)	4,860	-

Deferred tax assets are expected to be utilised against future taxable profits arising within the Kibali (Jersey) Limited group following commencement of commercial production in 2013.

**11. TRADE AND OTHER RECEIVABLES**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
Advances to contractors	4,545	24,869	3,821
Trade receivables	11,621	17,006	-
Prepayments and other receivables	31,716	16,567	21,871
Loan to SOKIMO (refer note 27)	14,814	13,696	10,619
Other loans	11,140	8,082	-
TVA receivables	112,239	80,961	47,030
Hire purchase loans	14,155	7,083	8,412
	200,230	168,264	91,753
<b>Less: Non-current portion</b>			
Loan to SOKIMO	14,814	13,696	10,619
Other loans	9,151	5,765	-
Hire purchase loans	6,935	3,468	5,319
	30,900	22,929	15,938
<b>Current portion</b>	169,330	145,335	75,815

The fair values of trade and other receivables classified as loans and receivables are approximate to the carrying value.

The classes within trade and other receivables do not contain impaired assets. The credit quality of receivables that are not past due or impaired remains very high. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security. Refer to note 22 for further information on the concentration of credit risk.

The terms of payment of trade receivables is less than seven days, advances to contractors 30 days and TVA is recoverable over 6 months. The group continues to seek recovery of TVA in line with the mining code. Judgement exists in assessing recovery of this amount.

The loan to SOKIMO bears interest at 8%, the loan and interest will be repaid through future dividends.

The hire purchase loans bear interest at the aggregate of 10% and the Federal Reserve Rate of 0.75%. The hire purchase loans are repayable over 3 years.

The balance of other loans includes a loan to Randgold Resources Limited of US\$0.1 million (2013: US\$ 0.3 million) (2012: US\$0.0 million) and a loan to KGL Isiro SARL of US\$ 2.3 million (2013: US\$ 0.2 million) (2012: US\$ 0.0 million), these loans have no terms of repayment.

All non-current receivables are due after 12 months.

**12. INVENTORIES AND ORE STOCKPILES**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
Consumables stores	48,441	33,024	5,735
Ore stockpiles	77,398	72,492	-
Gold in process	8,487	6,889	-
	134,326	112,405	5,735

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<b>Less: Non-current portion</b>			
Ore stockpiles	72,594	-	-
<b>Current portion</b>	61,732	112,405	5,735

All inventory and ore stockpiles are stated at the lower of cost or net realisable value.

Non-current ore stockpiles reflect ore tonnes not planned to be processed within the next 12 months,



**13. AVAILABLE-FOR-SALE FINANCIAL ASSET**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
Balance at the beginning of the year	146	945	1,309
Fair value movement recognised in other comprehensive income	(11)	(755)	(393)
Exchange differences	(61)	(44)	29
Balance at the end of the year	74	146	945

**14. CASH AND CASH EQUIVALENTS**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
Cash at bank and in hand (excluding Bank overdrafts)	20,908	4,681	11,913

**15. SHARE CAPITAL AND PREMIUM**

The total authorised number of ordinary shares is 10,000 (2013: 10,000) (2012: 10,000) for the total value of US\$10 000 (2013: US\$10 000) (2012: US\$10 000). All issued shares are fully paid. The total number of issued shares at 31 December 2014 was 4,620 shares (2013: 4,428) (2012: 2,890).

Randgold Resources Limited (Randgold) and AngloGold Ashanti Limited (AngloGold Ashanti) are joint venture partners and shareholders of Kibali (Jersey) Limited, having acquired all 4,620 outstanding ordinary shares.

Refer to the Statement of Changes in Equity on page 5 for more detail on the annual movement of share capital and share premium.

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	000	000	000
Movement in the number of ordinary shares outstanding:			
Balance at the beginning of the year	4	3	2
Shares issued	1	1	1
Balance at the end of the year	5	4	3

**16. NON-CONTROLLING INTEREST**

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
Balance at the beginning of the year	18,274	14,870	15,197
Non-controlling interest in results of Kibali Goldmines SA	7,248	3,404	(327)
Balance at the end of the year	25,522	18,274	14,870

The non-controlling interest represents the 10% interest SOKIMO has in Kibali which is a subsidiary of Kibali (Jersey) Limited.



**17. LOANS AND BORROWINGS**

	31 Dec 2014 \$ 000	31 Dec 2013 \$ 000	31 Dec 2012 \$ 000
<b>Non-current</b>			
Finance lease liability (note 20)	54,917	53,013	53,182
Loan Randgold (note 27)	216	216	206
Loan Société des Mines de Tongon SA (note 27)	-	178	-
Loan Société des Mines de Loulo SA (note 27)	-	23	-
	55,133	53,430	53,388
<b>Current</b>			
Finance lease liability (note 20)	6,023	4,736	5,912
Loan Randgold (note 27)	1,976	864	6,383
	7,999	5,600	12,295
<b>Total loans and borrowings</b>	<b>63,132</b>	<b>59,030</b>	<b>65,683</b>

**Finance lease liability**

The finance lease liability is due to KAS 1 Limited in respect of the equipment which has been transferred to the group under an instalment sale agreement. The finance lease liability is interest bearing at 8% and is to be reduced by rental payments monthly as agreed in the instalment sale agreement. The finance lease is secured by the leased assets. Refer note 8.

**Loan Randgold**

Randgold, a joint venture partner and operator of the Kibali gold mine, incurs management fees and other expenses as part of its role as operator of the mine on behalf of the Kibali (Jersey) Limited group. The loan bears no interest and is repayable on a monthly basis. The non-current portion bears no interest and is due for repayment in greater than one year.

**18. PROVISION FOR REHABILITATION**

	31 Dec 2014 \$ 000	31 Dec 2013 \$ 000	31 Dec 2012 \$ 000
<b>18. PROVISION FOR REHABILITATION</b>			
Balance at the beginning of the year	8,210	4,652	-
Unwinding of discount	205	116	-
Change in estimates	6,926	3,442	-
New provision raised	-	-	4,652
Balance at the end of the year	15,341	8,210	4,652

The provisions for rehabilitation costs include estimates for the effect of inflation and changes in estimates and have been discounted to their present value at 2% (2013: 2.5%) (2012: 2.5%) per annum, being an estimate equivalent to the risk free rate determined with reference to US government bonds with maturity dates comparable to the estimated rehabilitation of the mines. The estimated cash costs of rehabilitation are risk adjusted. Management have based the provision for environmental rehabilitation on standards set by the World Bank, which require an environmental management plan, an annual environmental report, a closure plan, an up-to-date register of plans of the facility, preservation of public safety on closure, carrying out rehabilitation works and ensuring sufficient funds exist for the closure works. However, it is reasonably possible that the estimate of its ultimate rehabilitation liability could change as a result of changes in regulations or cost estimates. The group is committed to rehabilitation of its property. It makes use of independent environmental consultants for advice and it also uses past experience in similar situations to ensure that the provision for rehabilitation is adequate. The current Life of Mine (LOM) plan envisages the expected outflow to occur at the end of the LOM which, at date of accounts, is 2031 for the Kibali gold mine.



**19. TRADE AND OTHER PAYABLES**

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$ 000</b>	<b>\$ 000</b>	<b>\$ 000</b>
Trade payables	49,053	13,723	12,439
Payroll and other compensations	2,075	1,734	1,260
Accruals and other payables	60,438	75,669	41,585
	111,566	91,126	55,284

Accruals and other payables include retention, in respect of contracts with suppliers, amounts of US\$18.6 million (2013: US\$17.1 million) (2012: US\$8.6 million).

Trade and other payables are all due within a 120 days.

**20. LEASES**

The finance lease liability recognised is in respect of mining vehicles which have been used in excavation and hauling of waste rock and ore under an instalment sale agreement.

The lease liability is effectively secured as the rights to the leased asset revert to the lessor in the event of default.

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$ 000</b>	<b>\$ 000</b>	<b>\$ 000</b>
<b>Gross finance lease liabilities – minimum lease payments:</b>			
No later than 1 year	10,249	9,176	8,486
Later than 1 year and no later than 5 years	40,135	35,968	28,477
Later than 5 years	32,531	36,186	47,862
Future finance charges	(21,975)	(23,581)	(25,731)
<b>Present value of the finance lease liability</b>	60,940	57,749	59,094
<b>No later than 1 year</b>	6,023	4,736	5,912
<b>Later than 1 year and no later than 5 years</b>	26,390	22,399	19,839
<b>Later than 5 years</b>	28,527	30,614	33,343
	60,940	57,749	59,094

**21. SEGMENTAL INFORMATION**

Operating segments have been identified on the basis of internal reports about components of the group that are regularly reviewed by the group's chief operating decision maker. The operating segments included in the internal reports are determined on the basis of their significance to the group. In particular, the operating mine is reported as a separate segment. KAS 1 Limited joint venture is included within the corporate segment. The group's chief operating decision maker is considered by management to be the board of directors. An analysis of the group's business segments, excluding intergroup transactions, is set out below. Major customers are not identifiable because all gold is sold to an agent.

Country of operation \$ 000	DRC		Jersey	Intercompany	Total
	Kibali		Corporate	Eliminations	
<b>Year ended 31 December 2014</b>					
<b>Profit and loss</b>					
Total revenue	650,283	-	-	-	650,283
Mining and processing costs excluding Depreciation <sup>(1)</sup>	(272,743)	-	-	-	(272,743)
Depreciation and amortisation	(108,668)	(2,270)	(28,760)	(28,760)	(139,698)
Mining and processing costs	(381,411)	(2,270)	(28,760)	(28,760)	(412,441)
Royalties	(23,321)	-	-	-	(23,321)
Exploration and corporate expenditure	(4,461)	(1,720)		32	(6,149)
Other (expenses)/income	(4,121)	1,133		-	(2,988)
Finance costs	(123,486)	-		118,531	(4,955)
Finance income	1,125	14,402		(11,178)	4,349
Profit before income tax	114,608	11,545		78,625	204,778
Income tax expense	(42,132)	-		(2,906)	(45,038)
Net profit	72,476	11,545		75,719	159,740
Capital expenditure	404,630		674	-	405,304
Total assets	2,570,317		6,264,762	(5,885,896)	2,949,183
Total liabilities	(2,516,671)		(3,001,045)	5,288,588	(229,128)
<b>Year ended 31 December 2013</b>					
<b>Profit and loss</b>					
Total revenue	109,229	-	-	-	109,229
Mining and processing costs excluding depreciation <sup>(1)</sup>	(38,112)	-	-	90	(38,022)
Depreciation and amortisation	(14,670)	(193)		-	(14,863)
Mining and processing costs	(52,782)	(193)		90	(52,885)
Royalties	(2,765)	-		-	(2,765)
Exploration and corporate expenditure	(3,325)	(107,979)		105,393	(5,911)
Other (expenses)/income	733	6,298		(4,585)	2,446
Finance costs	(25,535)	(1)		24,284	(1,252)
Finance income	931	125,901		(122,866)	3,966
Profit before income tax	26,486	24,026		2,316	52,828
Income tax expense	4,739	-		-	4,739
Net profit	31,225	24,026		2,316	57,567
Capital expenditure	746,661		1,523	-	748,184
Total assets	2,160,846		5,884,188	(5,429,084)	2,615,950
Total liabilities	(2,179,676)		(2,890,543)	4,911,732	(158,487)
<b>Year ended 31 December 2012</b>					
<b>Profit and loss</b>					
Total revenue	-	-	-	-	-
Mining and processing costs excluding depreciation <sup>(1)</sup>	-	-	-	-	-
Depreciation and amortisation	(2,213)	(10)		-	(2,223)
Mining and processing costs	(2,213)	(10)		-	(2,223)
Exploration and corporate expenditure	(1,395)	(1,584)		-	(2,979)
Other (expenses)/income	(71)	1,009		(926)	12
Finance costs	(7)	(7)		-	(14)
Finance income	420	52,279		(51,251)	1,448
Profit/(loss) before income tax	(3,266)	51,687		(52,177)	(3,756)
Income tax expense	-	-		-	-
Net profit/(loss)	(3,266)	51,687		(52,177)	(3,756)
Capital expenditure	522,487		84	-	522,571
Total assets	1,136,739		4,463,610	(3,906,823)	1,693,526
Total liabilities	(1,175,613)		(2,338,658)	3,388,652	(125,619)

(1)

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*Comparative figures excluded transport and refining costs from mine production costs and disclosed such costs separately. Given its immateriality, it has now been included in mine production costs. Transport and refining costs total \$3.3 million for 2014 (31 Dec 2013: \$0.2 million) are now included in mine production costs.*

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**22. FINANCIAL RISK MANAGEMENT**

In the normal course of its operations, the group is exposed to gold price, currency, interest rate, credit and liquidity risks. In order to manage these risks, the group may enter into transactions which make use of on-balance sheet derivatives, but none were entered into in the current year. The group does not acquire, hold or issue derivatives for trading purposes. The group has developed a risk management process to facilitate, control and monitor these risks.

***Foreign exchange and commodity price risk***

In the normal course of business, the group enters into transactions denominated in foreign currencies (primarily Euro, British pound, South African rand, Communauté Financière Africaine franc and Australian dollar). As a result, the group is subject to exposure from fluctuations in foreign currency exchange rates. In general, the group does not enter into derivatives to manage these currency risks and none existed in 2014, 2013 or 2012. Generally, the group does not hedge its exposure to gold price fluctuation risk and gold was sold at market spot prices in 2014, 2013 and 2012. Gold sales are made in US dollars and do not expose the group to any currency fluctuation risk. The group is also exposed to fluctuations in the price of consumables, such as fuel, steel, rubber, cyanide and lime, mainly due to changes in the price of oil, as well as fluctuations in exchange rates.

	31 Dec 2014 \$ 000	31 Dec 2013 \$ 000	31 Dec 2012 \$ 000
Level of exposure of foreign currency risk carrying value of foreign currency balances.			
Cash and cash equivalents includes balances denominated in:			
Communauté Financière Africaine (CFA) franc	11	71	3
Euro (EUR)	95	71	410
South African rand (ZAR)	22	217	166
British pound (GBP)	3	82	1
Australian Dollar (AUD)	397	407	464
Trade and other receivables includes balances denominated in:			
Communauté Financière Africaine (CFA) franc	217	-	37
Euro (EUR)	340	-	49
South African rand (ZAR)	50	3,997	5,964
British pound (GBP)	4	-	74
Australian Dollar (AUD)	29	34	33
Trade and other payables includes balances denominated in:			
Euro (EUR)	(840)	(2,628)	(7,343)
South African rand (ZAR)	(6,080)	(7,486)	(9,042)
British pound (GBP)	(342)	(125)	(300)
Australian Dollar (AUD)	(99)	(454)	(856)

The group's exposure to foreign currency arises where a company holds monetary assets and liabilities denominated in a currency different to the functional currency of the holder of the instrument which is the US dollar. The following table shows the impact of a 10% change in the US dollar on profit and equity arising as a result of the revaluation of the group's foreign currency financial instruments. Exposure to CFA and GBP has not been sensitized as their values are immaterial.

	Closing exchange rate	Effect of 10% strengthening of US\$ on net earnings and equity
<b>At 31 December 2014</b>		
Australian Dollar (AUD)	1.22578	(3)
Euro (EUR)	0.82262	(376)
South African rand (ZAR)	11.6017	(703)
<b>At 31 December 2013</b>		
Australian Dollar (AUD)	1.1260	(1)
Euro (EUR)	0.7255	(256)
South African rand (ZAR)	10.466	(327)
<b>At 31 December 2012</b>		



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Australian Dollar (AUD)	0.9642	(36)
Euro (EUR)	0.7567	(688)
South African rand (ZAR)	8.4875	(291)

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The sensitivities are based on financial assets and liabilities held at 31 December where balances were not denominated in the functional currency of the group. The sensitivities do not take into account the group's income and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

**Interest rate and liquidity risk**

Fluctuations in interest rates impact on the value of short term cash investments and interest payable on financing activities, giving rise to interest rate risk. In the ordinary course of business, the group receives cash funding from their joint venture partners, Randgold and AngloGold Ashanti in the proportion to their respective percentage interests. The group received cash from its operations from the last quarter in 2013, following the commencement of production at the Kibali gold mine. The group is required to fund working capital and capital expenditure requirements with the funding and cash received. The drawdowns of any funds are subject to the approval of the Annual budget and Business plan by the board of directors.

The group has in the past been able to actively source financing through shareholder loans and third party loans. The finance lease entered into bears a fixed rate of interest.

The group is able to actively source financing at competitive rates. The counterparts are financial and banking institutions of good credit standing. The directors believe that the working capital resources, by way of internal sources and banking facilities, are sufficient to the group's currently foreseeable future business requirements.

	Amount	Effective rate for the year
	US\$000	%
Cash and cash equivalents:		
All less than 90 days	20,908	0.10

**Concentration of credit risk**

The group's cash balances do not give rise to a concentration of credit risk because it deals with a variety of major financial institutions. Its receivables are regularly monitored and assessed. Receivables are impaired when it is probable that amounts outstanding are not recoverable as set out in the accounting policy note for receivables. Gold bullion, the group's principal product, is produced in the DRC. The gold produced is sold to the largest accredited gold refinery in the world. Credit risk is further managed by regularly reviewing the financial statements of the refinery. The group is further not exposed to significant credit risk on gold sales, as cash is received within a few days of the sale taking place. While not a financial asset for IFRS 7, included in receivables is a TVA balance of US\$ 112 million (2013: US\$81 million; 2012: US\$47 million) (refer note 11) that was past due but not impaired, given the receipts obtained during the year. This can hold some credit risk for the group.

**Capital risk management**

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide future returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group issue new shares (by way of funding from the joint venture partners) or will make use of internal loans. Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (net cash) divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

	31 Dec 2014 \$ 000	31 Dec 2013 \$ 000	31 Dec 2012 \$ 000
<b>Capital risk management</b>			
Total borrowings (note 17 and 19)	174,698	150,156	120,967
Less: cash and cash equivalents (note 14)	(20,908)	(4,681)	(11,913)
Net debt	153,790	145,475	109,054
Total equity	2,720,055	2,457,463	1,567,907
Total capital	2,873,845	2,602,938	1,676,961

Gearing ratio	6%	6%	7%
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**Maturity analysis**

The following table analyses the group's financial liabilities into the relevant maturity groupings based on the remaining period from the Statement of Financial Position to the contractual maturity date.

	Trade and other payables	Borrowings	Expected Future interest payments
<b>At 31 December 2014</b>			
Financial liabilities			
Within 1 year in demand	111,566	6,023	4,531
Later than 1 year and no later than 5 years	-	26,390	13,325
After 5 years	-	28,527	4,119
<b>Total</b>	<b>111,566</b>	<b>60,940</b>	<b>21,975</b>
<b>At 31 December 2013</b>			
Financial liabilities			
Within 1 year in demand	91,126	5,600	4,440
Later than 1 year and no later than 5 years	-	22,816	13,569
After 5 years	-	30,614	5,572
<b>Total</b>	<b>91,126</b>	<b>59,030</b>	<b>23,581</b>
<b>At 31 December 2012</b>			
Financial liabilities			
Within 1 year in demand	55,284	17,876	2,574
Later than 1 year and no later than 5 years	-	19,839	8,638
After 5 years	-	33,549	14,519
<b>Total</b>	<b>55,284</b>	<b>71,264</b>	<b>25,731</b>

**23. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following table shows the carrying amounts and the fair values of the group's financial instruments outstanding at 31 December 2014, 2013 and 2012. The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	Carrying amount	Fair value
<b>As at 31 December 2014</b>		
<b>Categorised as level 1<sup>(1)</sup></b>		
Available-for-sale financial asset Available for sale	74	74
<b>As at 31 December 2013</b>		
<b>Categorised as level 1<sup>(1)</sup></b>		
Available-for-sale financial asset Available for sale	146	146
<b>As at 31 December 2012</b>		
<b>Categorised as level 1<sup>(1)</sup></b>		
Available-for-sale financial asset Available for sale	945	945

No derivative financial instruments currently exist.

<sup>(1)</sup> Level 1: fair values are derived from quoted market prices for identical assets from an active market for which an entity has immediate access.

**Estimation of fair values**

Trade and other receivables, trade and other payables, cash and cash equivalents, bank overdrafts, loans to and from related parties

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The carrying amounts are a reasonable estimate of the fair values because of the short maturity of such instruments or their interest bearing nature.

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*Long term and short term borrowings*

The carrying amount is a reasonable estimate of the fair value because of the short maturity of such instruments, interest bearing nature and other terms of the agreement.

**24. CASH FLOW FROM OPERATING ACTIVITIES**

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$ 000</b>	<b>\$ 000</b>	<b>\$ 000</b>
Profit/(loss) before income taxation	204,778	52,828	(3,756)
<i>Adjustments for:</i>			
Interest received	(4,349)	(3,966)	(1,448)
Finance cost	4,750	1,136	14
Share of profits of equity accounted joint venture	(155)	(136)	(54)
Depreciation and amortisation	139,698	21,542	6,808
Capitalised depreciation	-	(6,679)	(4,587)
Unwinding of rehabilitation provision	205	116	-
	344,927	64,841	(3,023)
Effects of changes in operating working capital items			
- Receivables	(30,848)	(74,830)	(76,770)
- Inventories	(21,920)	(106,670)	(5,023)
- Trade and other payables	37,485	45,434	43,987
<b>Cash generated from/(used in) operations</b>	<b>329,644</b>	<b>(71,225)</b>	<b>(40,829)</b>

Non-cash items include a finance lease liability movement of US\$3.2 million (2013: US\$4.7 million) (2012: US\$59.1 million), finance lease assets movement of US\$8.2 million (2013: US\$4.3 million) (2012: US\$58.1 million) and changes in rehabilitation provision estimates of US\$7.1 million (2013: US\$3.4 million) (2012: US\$4.7 million).

**25. COMMITMENTS AND CONTINGENT LIABILITIES**

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$ 000</b>	<b>\$ 000</b>	<b>\$ 000</b>
Capital expenditure contracted for at statement of financial position date but not yet incurred is:			
Property, plant and equipment	35,872	32,931	241,801

## 26. INVESTMENT IN JOINT VENTURE

	31 Dec 2014 \$ 000	31 Dec 2013 \$ 000	31 Dec 2012 \$ 000
Set out below is the summarised financial information for KAS 1 Limited which is accounted for using the equity method (amounts stated at 100% before intercompany eliminations)			
<b>Summarised statement of financial position</b>			
<b>Current</b>			
Cash and cash equivalents	789	5,512	-
Other current assets (excluding cash)	2,128	3,163	-
<b>Total current assets</b>	<b>2,917</b>	<b>8,675</b>	<b>-</b>
Financial liabilities (excluding trade payables)	-	-	-
Other current liabilities (including trade payables)	(2,452)	(15,445)	(1,880)
<b>Total current liabilities</b>	<b>(2,452)</b>	<b>(15,445)</b>	<b>(1,880)</b>
<b>Non-current</b>			
Assets	61,715	58,184	51,880
Financial liabilities	(62,140)	(51,383)	(49,893)
Other liabilities	-	-	-
Total non-current liabilities	(62,140)	(51,383)	(49,893)
<b>Net assets</b>	<b>40</b>	<b>30</b>	<b>107</b>
<b>Summarised statement of comprehensive income</b>			
Operating loss	-	-	(5)
Depreciation and amortisation	-	-	-
Interest income	4,733	4,500	1,800
Interest expense	(4,423)	(4,227)	(1,688)
Profit before tax	310	273	107
Income tax	-	-	-
Post-tax profit	310	273	107
Other comprehensive income	-	-	-
Total comprehensive income	310	273	107
Dividends received from joint venture	300	350	-
<b>Reconciliation of the summarised financial information presented to the carrying amount of the group's interest in KAS 1 Limited joint venture</b>			
Income tax	-	-	-
<b>Opening net assets 1 January</b>	<b>30</b>	<b>107</b>	<b>-</b>
Profit for the period	310	273	107
Dividends received	(300)	(350)	-
<b>Closing Net assets</b>	<b>40</b>	<b>30</b>	<b>107</b>
<b>Interest in joint venture at 50.1%</b>	<b>20</b>	<b>15</b>	<b>54</b>
<b>Funding classified as long term debt by joint venture recorded in other investments in joint ventures</b>	<b>31,516</b>	<b>29,076</b>	<b>27,237</b>
<b>Carrying value</b>	<b>31,536</b>	<b>29,091</b>	<b>27,291</b>

The loan to KAS bears interest at 8% and has no fixed repayment terms. Joint control is provided through a joint venture agreement.

## 27. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

<i>Related parties</i>	<i>Nature of relationship</i>
Randgold	Ultimate Joint Venture partner
AngloGold Ashanti	Ultimate Joint Venture partner
AngloGold Ashanti Holdings plc	Joint Venture partner
Randgold Resources (Kibali) Limited	Joint Venture partner
Randgold Resources Congo SPRL	Entity under common control (subsidiary of Randgold)
Société des Mines de Loulo SA	Entity under common control (subsidiary of Randgold)
Société des Mines de Tongon SA	Entity under common control (subsidiary of Randgold)
Rand Refinery (Pty) Limited	Associate of AngloGold Ashanti
SOKIMO	Government interest in Kibali
KAS 1 Limited	Joint Venture
Isiro (Jersey) Limited	Joint Venture of Randgold
KGL Isiro SARL	Subsidiary of Isiro (Jersey) Limited

	31 Dec 2014	31 Dec 2013	31 Dec 2012
	\$ 000	\$ 000	\$ 000
<i>Related party transactions</i>			
Management fee paid to Randgold	4,232	4,172	4,116
Gold sales to Rand Refinery (Pty) Limited	650,283	109,229	-
Interest received from SOKIMO	1,118	925	416
Shareholders interest received from KAS 1 Limited	2,222	2,113	845
Interest incurred to KAS 1 Limited on the finance lease liability			
<i>Amounts included in trade and other receivables owing by related parties</i>			
Rand Refinery (Pty) Limited	11,621	17,006	-
Loan to SOKIMO	14,814	13,696	10,619
Loan to Randgold Resources Congo SPRL	340	-	-
Loan to Randgold	137	267	-
Loan to KGL Isiro SARL	2,316	214	-
<i>Amounts included in other investment in joint venture owing by related parties</i>			
Loan to KAS 1 Limited	31,516	29,076	27,237
<i>Amounts included in loans and borrowings owing from related parties</i>			
Loan from Randgold	(2,192)	(1,080)	(6,589)
Finance lease liability with KAS 1 Limited	(60,940)	(57,749)	(59,094)
Loan from Société des Mines de Loulo SA	-	(23)	-
Loan from Société des Mines de Tongon SA	-	(178)	-

SOKIMO has a 10% interest in Kibali, a subsidiary of the group.

It is the obligation of the joint venture parties, Randgold and AngloGold Ashanti, (joint venture partners) to fund Kibali for operating costs, capital costs and other costs in proportion to their respective percentage interests in Kibali. These costs are in accordance with the Kibali Joint Venture Agreement.

The finance lease liability due to KAS 1 Limited is in respect of the equipment which has been transferred to the group under an instalment sale agreement. Kibali (Jersey) Limited has a 50.1% shareholding in KAS 1 Limited.

Refer to notes 11 and 17 for the details of loans to and from related parties.



**28. SUBSIDIARIES AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS**

The consolidated financial statements include the accounts of the company and all of its subsidiaries and jointly controlled entities at 31 December 2014. There has been no change from the prior financial year ended 31 December 2013 (2012: none). The parent company, the principal subsidiaries and their interests are:

		% of interest	Country of incorporation and residence
Company	Kibali (Jersey) Ltd		Jersey
Subsidiary	Moto Goldmines Ltd	100%	Canada
Subsidiary	Border Energy (Pty) Ltd	100%	Australia
Subsidiary	Border Energy East Africa (Pty) Ltd	100%	Uganda
Subsidiary	Moto (Jersey) 1 Ltd	100%	Jersey
Subsidiary	Moto (Jersey) 2 Ltd	100%	Jersey
Subsidiary	Kibali 2 (Jersey) Ltd	100%	Jersey
Subsidiary	Kibali Coöperatief U.A	100%	Netherland
Subsidiary	0858065 B.C. Limited	100%	Jersey
Subsidiary	Moto Goldmines Australia Pty Ltd	100%	Australia
Subsidiary	Kibali Goldmines SA	90%	DRC
Jointly controlled entity	KAS 1 Limited	50.1%	Jersey

**29. SUBSEQUENT EVENTS**

No significant subsequent events requiring disclosure or adjustment occurred.

**30. OTHER INFORMATION**

The company is a private company limited by shares, incorporated in Jersey with a registered office, 3rd Floor, Unity Chambers, 28 Halkett Street, St Helier, Jersey, JE2 4WJ, Channel Islands. The company's principle activity is the operation of the Kibali gold mine in the DRC.

## **SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this annual report on its behalf.

## **ANGLOGOLD ASHANTI LIMITED**

/s/ Kandimathie Christine Ramon

Name : Kandimathie Christine Ramon  
Title : Chief Financial Officer  
Date : 02 April 2015

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## Exhibits to Form 20-F

Exhibit Number	Description	Remarks
Exhibit 19.1	Memorandum of Incorporation of AngloGold Ashanti Limited as in effect on 14 May 2014	Incorporated by reference to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 30 March 2015
Exhibit 19.2.1	Indenture for guaranteed debt securities among AngloGold Ashanti Holdings plc, as issuer, AngloGold Ashanti Limited, as guarantor, and The Bank of New York Mellon, as trustee, dated as of 28 April 2010	Incorporated by reference to Exhibit 4.2 to AngloGold Ashanti's Registration Statement on Form F-3 (No. 333-182712) filed 17 July 2012
Exhibit 19.2.2	Form of 5.375% Notes due 2020 and related Guarantee	Incorporated by reference to Exhibit 99(C) to AngloGold Ashanti Limited and AngloGold Ashanti Holdings plc's Registration Statements on Form 8-A (Nos. 001-14846 and 001-34725) filed on 28 April 2010
Exhibit 19.2.3	Form of 6.50% Notes due 2040 and related Guarantee	Incorporated by reference to Exhibit 99(C) to AngloGold Ashanti Limited and AngloGold Ashanti Holdings plc's Registration Statements on Form 8-A (Nos. 001-14846 and 001-34725) filed on 28 April 2010
Exhibit 19.2.4	Form of 5.125% Notes due 2022 and related Guarantee	Incorporated by reference to Exhibit 4.1 to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 30 July 2012
Exhibit 19.2.5	Form of 8.500% Notes due 2020 and related Guarantee	Incorporated by reference to Exhibit 4.1 to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 30 July 2013
Exhibit 19.4.1.1	AngloGold Limited Share Incentive Scheme in effect 4 April 2003	Incorporated by reference to Exhibit 19.4(c) of AngloGold's annual report on Form 20-F filed with the Securities and Exchange Commission on 28 June 2002
Exhibit 19.4.1.2	Bonus Share Plan as amended on 27 March 2013	Incorporated by reference to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 10 April 2013
Exhibit 19.4.1.3	Long-Term Incentive Plan as amended on 27 March 2013	Incorporated by reference to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 10 April 2013

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Exhibit Number	Description	Remarks
Exhibit 19.4.4	Syndicated Loan Facility Agreement dated 17 July 2014, by and among AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Incorporated, as borrowers, AngloGold Ashanti Limited, AngloGold Ashanti plc and AngloGold Ashanti USA Incorporated, as guarantors, The Bank of Nova Scotia as facility agent and the financial institutions party thereto as lenders	Incorporated by reference to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 25 August 2014.
Exhibit 19.4.4.1	Syndicated Loan Facility Agreement dated 25 July 2014 by AngloGold Ashanti Australia Limited, as borrower and AngloGold Ashanti Limited and AngloGold Ashanti Holdings plc, as guarantors, The Commonwealth Bank of Australia as agent and the financial institutions party thereto as lenders	Incorporated by reference to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 10 September 2014.
Exhibit 19.4.4.2	ZAR Revolving Credit Agreement dated 3 December 2013 and amended 9 September 2014 with AngloGold Ashanti Limited as borrower and Nedbank Limited as facility agent who in conjunction with ABSA Bank Limited constitute the lenders	Incorporated by reference to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 9 March 2015
Exhibit 19.4.5	Employment contract of Srinivasan Venkatakrishnan Chief Executive Officer with effect from 8 May 2013	Incorporated by reference to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 7 June 2013
Exhibit 19.4.5.1	Employment contract of Kandimathie Christine Ramon Chief Financial Officer with effect from 1 October 2014	Incorporated by reference to AngloGold Ashanti's report on Form 6-K furnished to the Securities and Exchange Commission on 8 October 2014
Exhibit 19.6	Statement regarding how loss/earnings per share information was calculated	See note 13 to the consolidated financial statements
Exhibit 19.8	List of AngloGold Ashanti Limited subsidiaries	
Exhibit 19.12.1	Certification of Srinivasan Venkatakrishnan as Chief Executive Officer of AngloGold Ashanti Limited, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
Exhibit 19.12.2	Certification of Christine Ramon, Chief Financial Officer of AngloGold Ashanti Limited, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
Exhibit 19.13	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	

<b>Exhibit Number</b>	<b>Description</b>	<b>Remarks</b>
Exhibit 19.15.1	Consent of Ernst & Young Inc., independent registered public accounting firm	
Exhibit 19.15.2	Consent of BDO LLP, independent registered public accounting firm	
Exhibit 19.16	Report on MSHA violations in terms of the Dodd-Frank Act	