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NEWS RELEASE

AngloGold Ashanti agrees to sell its interest in the Sadiola Mine

(JOHANNESBURG - PRESS RELEASE) - AngloGold Ashanti (“AGA”) is pleased to announce that AGA together with its joint venture partner, IAMGOLD Corporation (“IMG”), has agreed to sell their interests in Société d’Exploitation des Mines d’Or de Sadiola S.A. (“SEMOS”) to Allied Gold Corp (“Allied Gold”). SEMOS’ principal asset is the Sadiola Mine located in the Kayes region of Western Mali. AGA and IMG each hold a 41% interest in SEMOS with the remaining 18% interest held by the Government of Mali.

In terms of the agreement, AGA and IMG will sell their collective interests in SEMOS to Allied Gold (the “Transaction”) for a cash consideration of US$105 million, payable as follows:

- US$50 million (US$25 million each to AGA and IMG) upon the fulfilment or waiver of all conditions precedent and closing of the Transaction (“Closing”);
- Up to a further US$5 million (US$2.5 million each to AGA and IMG), payable 8 days after Closing, to the extent that the cash balance of SEMOS at Closing is greater than an agreed amount;
- US$25 million (US$12.5 million each to AGA and IMG) upon the production of the first 250,000 ounces from the Sadiola Sulphides Project (“SSP”); and
- US$25 million (US$12.5 million each to AGA and IMG) upon the production of a further 250,000 ounces from the SSP.

The Transaction is subject to the fulfilment, or waiver, of a number of conditions precedent, including the receipt of certain approvals and releases from the Government of Mali, as well as, in the case of AGA, the approval of the South African Reserve Bank. It is anticipated that all conditions precedent will be fulfilled or waived by the end of April 2020.

In addition, upon the fulfilment or waiver of all conditions precedent to the Transaction but immediately prior to Closing, SEMOS will pay a dividend of US$15 million pro rata to its
shareholders. AGA and IMG will each receive a cash dividend of US$6.15 million and the Government of Mali will receive a cash dividend of US$2.7 million. Profit from the disposal of Sadiola will be recognised at closing of the Transaction.

The Transaction is not a categorised transaction in terms of the JSE Limited Listings Requirements.

Commenting on the Transaction, Kelvin Dushnisky, CEO of AGA said “This transaction is in line with our disciplined capital allocation strategy as we move to streamline our portfolio and intensify our focus on assets that have potential to build critical mass in the long term. I’m pleased we have reached an agreement with Allied Gold, which has plans to secure the long-term future of Sadiola”.

ABOUT SADIOLA
The Sadiola mine is situated in south-western Mali, 77km south-southwest of the regional capital Kayes. On-site surface infrastructure includes a 4.9Mt per annum CIL gold plant, where the ore is eluted and smelted. The Sadiola Mine commenced production in 1996. As at 31 December 2018, it had Mineral Resources (100% basis) of 7.9 million ounces (135.4 million tonnes at 1.81 g/t) and Ore Reserves (100% basis) of 4.0 million ounces (63.8 million tonnes at 1.94 g/t) that comprised oxide stockpiles, as well as sulphide stockpiles and yet to be mined ore that make up the Mineral Resources and Ore Reserves for the SSP. For the 9 months ended 30 September 2019, the production from the Sadiola Mine attributable to AGA was 39,000 ounces at an All in Sustaining Cost of US$954 per ounce.

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Johannesburg
JSE Sponsor: The Standard Bank of South Africa Limited

CONTACTS
Media
Chris Nthite +27 11 637 6388/+27 83 301 2481
cnthite@anglogoldashanti.com

General inquiries
media@anglogoldashanti.com

Investors
Sabrina Brockman +1 646 880 4526/ +1 646 379 2555
sbrockman@anglogoldashanti.com

Yatish Chowthee +27 11 637 6273 / +27 78 364 2080
yrchowthee@anglogoldashanti.com

Fundisa Mgidi +27 11 637 6763 / +27 82 821 5322
fmgidi@anglogoldashanti.com

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The financial information contained in this document has not been reviewed or reported on by the Company’s external auditors.

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This communication may contain certain “Non-GAAP” financial measures. AngloGold Ashanti utilises certain Non-GAAP performance measures and ratios in managing its business. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies may use.

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