

8 MAY 2017



MARKET UPDATE

FOR THE QUARTER ENDED 31 MARCH 2017

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POSITIONED TO CREATE VALUE THROUGH THE CYCLE

Responding decisively and proactively to create sustainable value through the cycle

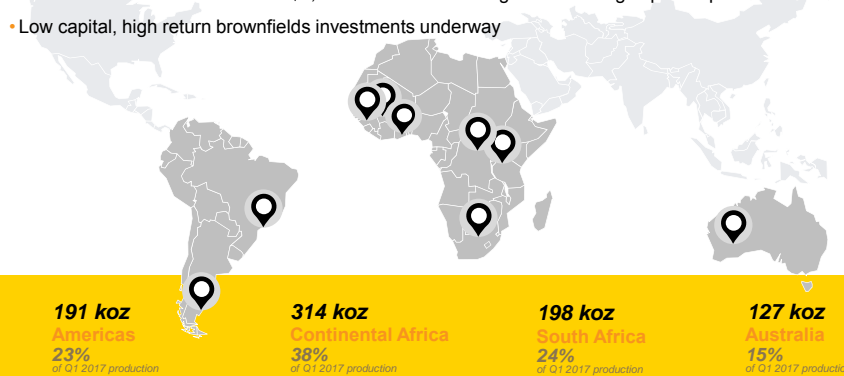
- Focus on **sustainable improvements** to margins and cash flow
- Consistent delivery on targets; **improving cost management** on key metrics
- Decisive action on operations, and improving **balance sheet flexibility**
- Maintaining optionality to **deliver value-adding growth**
- Ongoing portfolio **improvements** and rationalisation
- Working towards **zero harm** through the elimination of high consequence events



KEY INDICATORS

HIGHLIGHTS Q1 2017

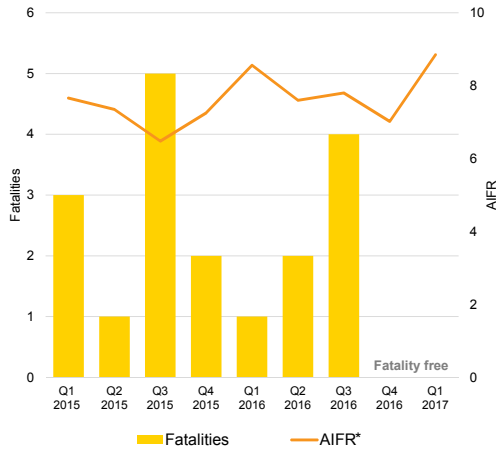
- Strong safety quarter - first ever fatality-free March quarter; major milestones achieved in South Africa
- Guidance remains intact despite weak performance in South Africa; remediation already in effect
- Production of 830Koz at AiSC of \$1,060/oz reflects 71% higher sustaining capital expenditure vs Q1 2016
- Low capital, high return brownfields investments underway



*AiSC based on World Gold Council standard, excluding stockpile write-offs

FOCUS ON SAFETY – PROGRESS REPORT

Group Safety Statistics



*AIFR: All-Injury Frequency Rate.

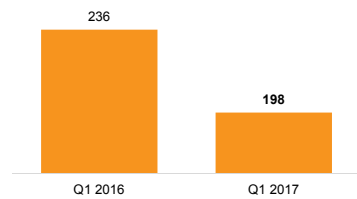


Major safety achievements remind us that we need to be evermore vigilant to meet new milestones, as we strive for zero harm

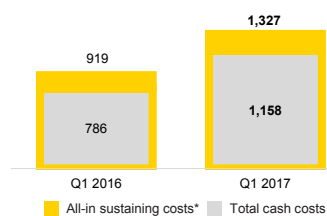
- First ever **fatality-free Q1**; **two consecutive fatality-free quarters for second time**
- SA sets new milestone of 247 fatality-free days (previous record: 242 days in 2014)
- Sadiola, Yatela, Siguiru, Iduapriem, Obuasi, Sunrise Dam - achieve injury-free quarter
- International Ops AIFR* improved by 17% from 2.41 at end of 2016
- Group AIFR regressed to 8.85 injuries/million hours worked, from 7.71 at end 2016

REGIONAL OVERVIEW: SOUTH AFRICA

Production koz



Costs \$/oz



*World Gold Council standard, excluding stockpile write-offs and NRV adjustments.

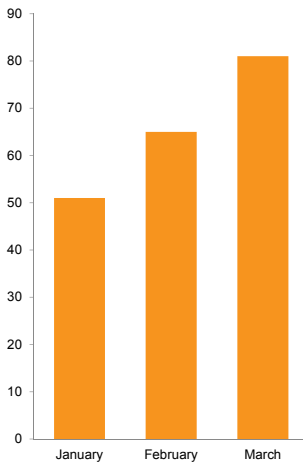


Steps taken to recover from poor operational result. Safety a major milestone

- **West Wits production**
 - Reduction in grades at Mponeng
 - TauTona challenges included:
 - Fractured ground causing increased dilution
 - 3.2 magnitude seismic event
 - Inadequate face-length availability
- **Vaal River production**
 - Sub-optimal grade-mix & poor face-length availability
 - Yields lower due to clearing of waste at Kopanang
 - Operational challenges at Moab Khotsoang:
 - Off-reef mining higher
 - Ore-pass lock-up
 - Panel sequencing
- **Surface Operations**
 - Availability and logistical challenges impact delivery to plant
 - Unusually high rainfalls at MWS suspend operations

SOUTH AFRICA REGION: FOCUS ON STABILITY

SA Region Monthly Production trend
Koz



Working towards zero harm is our number one priority

Key Challenges

- Safety focus contributed to slower than usual start-up
- Stronger rand (+16% vs dollar year-on-year)
- Poor grade mix and lower recovered grades
- Mineable face-length constraints and deviation from plans
- Fractured ground, mainly at Moab Khotsong and TauTona

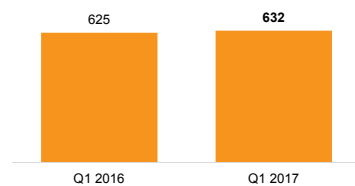
Remedial steps and recovery

- Remedial efforts already showing results
- Closer monitoring of adherence to monthly mining plans; emphasis on stoping cycles to improve productivity
- Volume recovery in second half of Q1 sustained into Q2
- Full review of under-performing areas across asset base
- Continued integration of surface assets across region to realise synergies

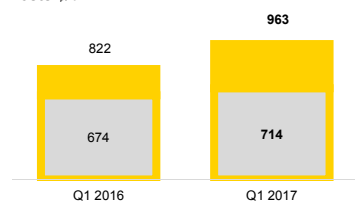
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REGIONAL OVERVIEW: INTERNATIONAL

Production koz



Costs \$/oz



*World Gold Council standard, excluding stockpile write-offs and NRV adjustments.






Solid operating performance despite cost pressures; disciplined investment approach to strengthen foundation of business

- Solid performance across the portfolio
- Siguiri production increased with help of higher grades from Area 1 mining zone
- Iduapriem continues good performance with improved grades
- Cerro Vanguardia up driven by operational and metallurgical improvements
- Stronger Brazilian real and inflation apply pressure on costs
- Strategic investments across assets underway to benefit medium-to-long term
 - Australia showing early benefits of targeted work
 - Increased development in Brazil to improve mining flexibility over time
 - Geita underground development making steady progress

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PROJECTS INVESTMENT PLANS

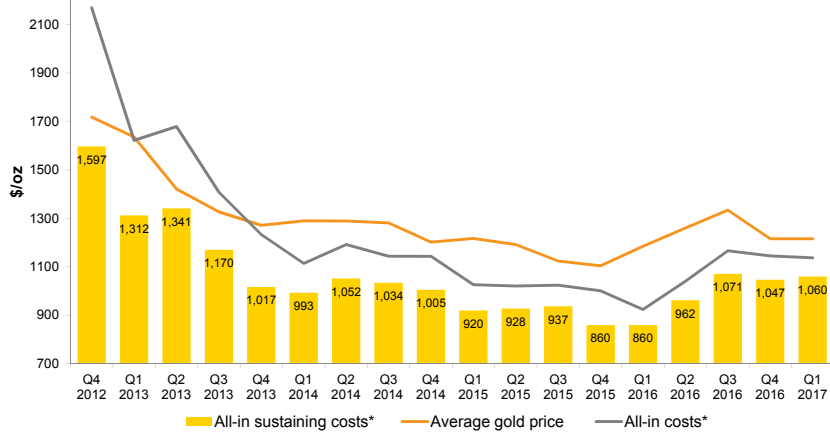
Growth opportunities highlighting tremendous value within the portfolio

Project	Main Scope	Q1 Update
 <p>Mponeng South Africa</p>	<ul style="list-style-type: none"> Progressing from Prefeasibility to Feasibility study 	<ul style="list-style-type: none"> Inter-level ice hole equipped, 116 level substation and water handling infrastructure constructed 126 level ramp-up to steady state ore reserve development planned for third quarter
 <p>Kibali DRC</p>	<ul style="list-style-type: none"> Infrastructure development and underground declines 	<ul style="list-style-type: none"> Commissioned four Ultra-Fine Grind mills Second hydropower station (Ambarau) completed Underground decline development and shaft material handling system progressing Installed underground crusher
 <p>Sigiri Guinea</p>	<ul style="list-style-type: none"> Hard Rock Combination Plant and Power Plant 	<ul style="list-style-type: none"> Project remains on schedule All major equipment ordered for the Combination Plant Team on site and earthwork contract has been awarded Hard rock mining planned to commence in December 2017

FOCUS ON MARGINS: PROGRESS REPORT

Margins have tightened as local currencies strengthen and inward investment programme gains traction

All-in sustaining costs, All-in costs and Average gold price



*World Gold Council standard adjusted to exclude stockpile and NRV adjustments

COST PERFORMANCE

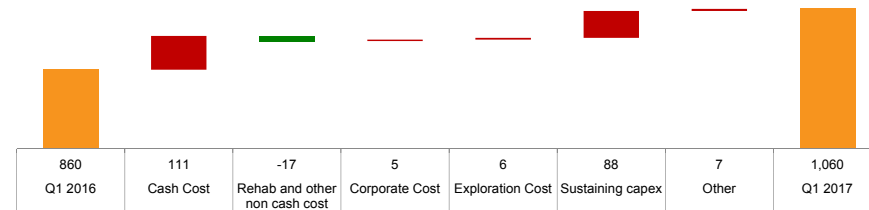
AISC expected to increase, largely due to sustaining capital based on the existing capital programme and company plans

Q1 Total cash costs \$/oz vs Prior Year Q1



All-in sustaining costs \$/oz sold

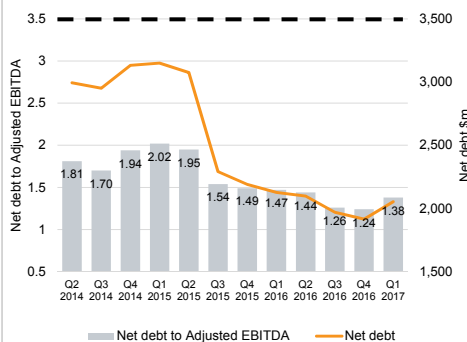
Excluding Stockpile NRV and other adjustments



BALANCE SHEET FLEXIBILITY

Ample liquidity, no near-dated maturities, and sufficient covenant headroom

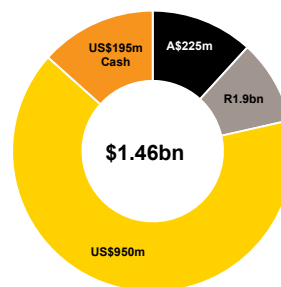
Net debt and Net debt to Adjusted EBITDA



Last-12-months adjusted EBITDA ratio

Undrawn facilities*

At 31 March 2017



*Total calculated with ZAR facility at R13.4197/\$ (excluding DMTNP), AUD facility at 0.7628 to A\$
\$ = US dollar

GUIDANCE: 2017

		Guidance	Notes
Production (000oz)		3,600 – 3,750	<ul style="list-style-type: none"> Obuasi in limited operations phase with no production anticipated in 2017. Note that there is, as always, a strong negative impact expected in the first half of the year given the slow start-up in SA following the holiday break, and interruptions around the Easter break.
Costs	All-in sustaining costs (\$/oz)	1,050 – 1,100	Assumptions : ZAR14.25\$, \$/A\$0.75, BRL3.40\$ and AP16.50\$, Brent \$58/bbl. (All averages for the year); AISC includes group corporate costs
	Total cash costs (\$/oz)	750 – 800	
Overheads	Corporate costs (\$m)	80 – 90	Inflation and retention of critical skills and skills development
	Expensed exploration and study costs (\$m)	170 – 190	Including equity accounted joint ventures
	Total (\$m)	950 – 1,050	
Capex	Sustaining Capex (\$m)	830 – 900	Stay-in-business, ore-reserve development, asset integrity; Includes increases particularly at Geita, AGA Mineração, and Sunrise Dam
	Non-sustaining Capex (\$m)	120 – 150	Includes project capital for projects at Siguiri, Kibali, Mponeng and Sadola
Depreciation & Amortisation (\$m)		850	
Depreciation & Amortisation included in equity accounted earnings (\$m)		125	Earnings of associates and joint ventures
Interest and finance costs (\$m) - income statement		140	
Interest and finance costs (\$m) - cash flow		135	Affected by timing of coupon payments
Other operating expenses (\$m)		85	Primarily includes the costs of care and maintenance relating to Obuasi
SENSITIVITIES (based on \$1,200/oz gold price and the same assumptions used for guidance)			
10% change in the oil price		~4	~14
10% change in local currency		~60	~100
10% change in the gold price		~4	~430
50koz change in production		~14	~55

Both production and cost estimates assume neither labour interruptions or power disruptions, nor changes to asset portfolio and/or operating mines and have not been reviewed by our external auditors. Other unknown or unpredictable factors could also have material adverse effects on our future results and no assurance can be given that any expectations expressed by AngloGold Ashanti will prove to have been correct. Please refer to the Risk Factors section in AngloGold Ashanti's annual report on Form 20-F for the year ended 31 December 2016, filed with the SEC.

CONCLUSION



- Safety remains focus, as we strive to achieve new milestones
- SA performance impacted by seasonality and slow post holiday start-up
- Remedial steps already bearing fruit; annual guidance unchanged
- Balance sheet remains robust; free cash flow improvements prioritised
- Operational focus areas include:
 - SA production recovery, while maintaining safety gains
 - Advancement of high-return brownfield projects



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