



AngloGold Ashanti Limited
(Incorporated in the Republic of South Africa)
Reg. No. 1944/017354/06
ISIN: ZAE000043485 – JSE share code: ANG
CUSIP: 035128206 – NYSE share code: AU
("AngloGold Ashanti" or the "Company")

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NEWS RELEASE

AngloGold Ashanti to Restructure South African Operations to Ensure Their Viability

(PRESS RELEASE – JOHANNESBURG) – AngloGold Ashanti has made the difficult decision to begin a consultation process with employees in terms of section 189 and 189A of the Labour Relations Act, with respect to restructuring certain of its South African business units. This follows a review of the options to safely turn around the performance of these loss-making operations.

This consultation with organised labour groups, facilitated by the Council for Conciliation, Mediation and Arbitration (CCMA), will be aimed at safely returning the South African business to profitability, whilst mitigating job losses.

AngloGold Ashanti signalled to stakeholders earlier this year that it would review its South African gold-mining operations in light of heavy, and ultimately unsustainable, losses they have incurred. The restructuring of the company's production and cost base is necessary to protect the overall viability of its South African business over the long-term, and to safeguard employment at viable business units in the West Wits and Vaal River regions. The company is committed to transparency and will make the plans and assumptions arising from this review available for scrutiny by an independent third-party, during the CCMA process.

While all efforts will be made to limit the impact on employment to the greatest extent possible, this restructuring contemplates some 8,500 roles across AngloGold Ashanti's South African business, which currently employs about 28,000 people, including contractors.

Systemic Challenges

Some of our older mines in the South African region have reached the end of their economic lives, several decades after they started production. These mines face systemic challenges, including near-depletion of ore reserves, increasing depth and distance from central infrastructure, declining production profiles, and cost escalations that have continued to outpace both inflation and a subdued gold price.

The cost performance of certain operations, notably TauTona and Kopanang, has been a clear demonstration of these challenges, with all-in sustaining costs in the first-quarter of this year of \$1,737/oz and \$2,399/oz respectively. This compared with an average gold price over that period of \$1,216/oz. Both mines also sustained significant operating losses through 2016.

In order to safeguard the long-term sustainability of its South African business, AngloGold Ashanti has decided to embark on the following actions, subject to the outcomes of the consultation process:

- Place on care and maintenance the Kopanang mine, in the Vaal River region, and the Savuka section of the TauTona mine, in the West Wits Region. Savuka has been in operation for 59

years, and has already been extended 10 years beyond its natural life. Kopanang Mine produced its first gold in 1981, 36 years ago;

- Evaluate the feasibility of integrating elements of the 60-year old TauTona mine into the neighbouring Mponeng mine;

As a consequence of these changes, we are also reviewing the associated costs at the regional level, particularly with respect to support services and overheads.

“This is a difficult decision which follows a period of significant and – ultimately – unsustainable losses, and also the evaluation of the options available to return our South African business to profitability,” AngloGold Ashanti Chief Executive Officer Srinivasan Venkatakrisnan, said. “It is critical that we act to protect the long-term sustainability of this business and the majority of our workforce. We are mindful of the sensitivity that this situation demands, and are committed to supporting all our employees throughout this process.”

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JSE Sponsor: Deutsche Securities (SA) Proprietary Limited

Contacts

Media

Stewart Bailey	+27 81 032 2563 / +27 11 637 6031	sbailey@anglogoldashanti.com
Chris Nthite	+27 11637 6031/ +27-83-301-2481	cnthite@anglogoldashanti.com

Investors

Stewart Bailey	+27 81 032 2563 / +27 11 637 6031	sbailey@anglogoldashanti.com
Fundisa Mgidi	+27 11 6376763 / +27 82 821 5322	fmgidi@anglogoldashanti.com
Sabrina Brockman	+1 646 880 4526/ +1 646 379 2555	sbrockman@anglogoldashanti.com

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For a discussion of such risk factors, refer to AngloGold Ashanti's annual report on Form 20-F for the year ended 31 December 2016, which was filed with the United States Securities and Exchange Commission ("SEC"). 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 hereof 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.

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