

UPDATE ON THE
MANAGEMENT OF KEY
ENVIRONMENTAL
LEGACIES

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AT OBUASI AND IDUAPRIEM MINES IN GHANA

KEY AREAS OF RISK AND/OR UNCERTAINTY

The diagram of key risks and uncertainties below provides an overview of the key risks facing AngloGold Ashanti Limited (AngloGold Ashanti) as at year-end. These risks are broadly defined as depicted in the diagram.

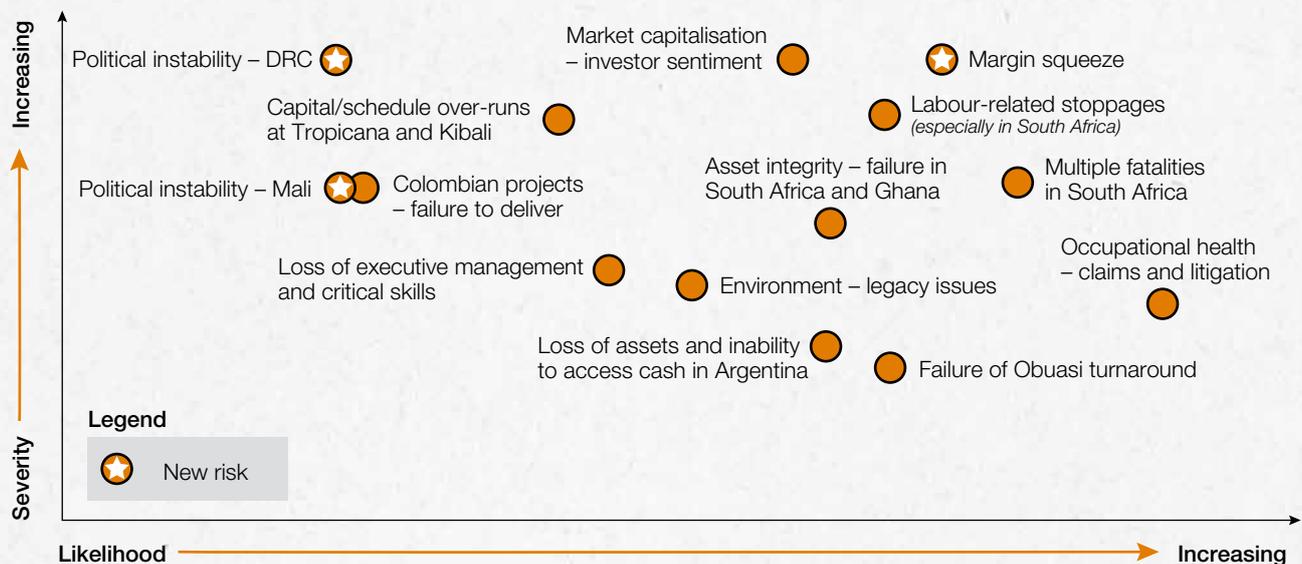
The key areas of risk, uncertainty and material issues facing the group in executing our strategy and delivering on our targets are described on the pages that follow. There may be additional risks unknown to AngloGold Ashanti and other risks, currently believed to be immaterial, that could turn out to be

material. Additional risks, either individually or simultaneously, could significantly affect AngloGold Ashanti's business, financial results and the price of its securities.

We also urge you to carefully read the document entitled "Risk factors related to AngloGold Ashanti's suite of 2012 reports" (www.aga-reports.com/12/fs/overview/risk-factors) and the section of our annual report on Form 20-F entitled "Risk factors".

The following report expands on the management of environmental legacy issues at the Obuasi and Iduapriem mines, as at 7 May 2013.

Key areas of risk and/or uncertainty as at 31 December 2012



This document has been prepared by AngloGold Ashanti's Continental Africa Sustainability division

MANAGEMENT OF LEGACY ENVIRONMENTAL ISSUES AT OBUASI AND IDUAPRIEM

AngloGold Ashanti acknowledges the socio-economic and environmental challenges at both of its operations in Ghana. Although the majority of these challenges result from historic practices prior to the merger with Ashanti Goldfields, the company has despite these many inherited challenges, strived to implement acceptable standards across these sites. Correcting historic practice and operational design takes some time however, and the process of remediation has at times been one of trial and error, as management at all levels have come to grips with the unique characteristics of the operating environment in Ghana in general and at Obuasi and Iduapriem in particular, both of which have presented operating difficulties of their own along the way.

AngloGold Ashanti acknowledges and has acted on its responsibility to understand these challenges. The company has learned from its experience and remains committed to effecting improvements at operating, environmental and social levels.

We believe that the steps taken to mitigate future environmental risk has taken both sites in the right direction in managing its overall impacts on the community and environment. This is a complex task, involving myriad environmental and social issues that have developed over decades. We are also first

to acknowledge that we still have much to do – and we are committed to the long-term recovery of the sites to standards that are acceptable to current and future generations.

AngloGold Ashanti wishes to reiterate that it endeavours to operate to acceptable standards across its global portfolio. Operating to international standards, however, includes the ability to tackle challenges like those presented by Obuasi Gold Mine and in doing so, optimise the mine design and improve overall operating practices to ensure that gold – the cornerstone of the Ashanti region’s economic development for centuries – is mined responsibly.

UPDATE

Environmental legacies and plan:

The turnaround for environmental management at the company’s Ghana operations requires an integrated plan to manage the complex environmental issues at Obuasi and Iduapriem. Three-year rolling environmental plans were developed for both mines in 2012. The over-arching strategy focuses on two areas, that is: Do No Harm (compliance) and Managing Legacies. The plans include waste and chemicals management, water management, air quality and rehabilitation. Implementation is on-going, with progress as reported in the table below, subject to external assurance (refer to pages 6 to 8).

| Risk/issue | Mitigation strategy | Update (7 May 2013) |
|--|--|---|
| <p>1. Environmental structure and staffing:</p> <p>Given the complexity of environmental issues at Obuasi and Iduapriem, the company should ensure that the Environmental Plan is supported by the appropriate structure and qualified staff.</p> | <p>a. The position of Vice President Health Safety and Environment was created, with four senior environmental managers as direct reports. These senior managers provide technical support to both mines. Furthermore, there is one senior Health, Safety and Environmental Manager and Technical Specialist positions at Iduapriem.</p> | <p>All senior environmental positions have been filled.</p> |

UPDATE ON THE MANAGEMENT OF KEY ENVIRONMENTAL LEGACIES

AT OBUASI AND IDUAPRIEM MINES IN GHANA continued

| Risk/issue | Mitigation strategy | Update (7 May 2013) |
|---|---|---|
| <p>2. Water management:</p> <p>In the past, water management has been a significant risk for the business at both Obuasi and Iduapriem. To add to this complexity, both mines have positive water balances. Specifically, there have been incidents of non-compliant discharges at both mines. Obuasi mine suspended operation of the process plant for 5 days in March 2010 to redesign process water flow.</p> | <p>a. There has been significant investment in water treatment facilities at both mines – one at Iduapriem and two additional plants at Obuasi (where an additional facility is currently under construction).</p> <hr/> <p>b. At Obuasi underground dewatering has been re-routed to either the Pompora water treatment plant for treatment and discharge or to the South Treatment Plant for further use as process water.</p> <hr/> <p>c. A new return water dam is planned to provide further water holding capacity at Obuasi.</p> <hr/> <p>d. The development and maintenance of predictive mine-wide water balances, for both mines, will assist to proactively simulate scenarios for managing water better and more efficiently.</p> <hr/> <p>e. Construct an additional pond for storage and re-use of treated water. Furthermore, decommission the existing ponds by treating the water and removing the silted material to ensure ultimate use as a fresh water pond.</p> | <p>Two main water treatment facilities are currently being operated at Obuasi to treat all process water before discharge into the environment.</p> <hr/> <p>The mine has two permitted discharge points which are in line with Environmental Protection Agency requirements.</p> <hr/> <p>The environmental permit for the dam was issued on 30 Jan 2013 and construction is planned to commence in late 2014. The construction of the dam is linked to the construction of the new tailings storage facility – refer below for further details.</p> <hr/> <p>Draft water balances for the two mines were submitted to Environmental Protection Agency in Sept 2012. The company is awaiting formal written feedback from the Agency.</p> <hr/> <p>Construction of the additional pond (Pond 1), which is lined with high-density polyethylene, is in progress. Pond 1 is anticipated to be operational in 2014.</p> |
| <p>3. Waste management:</p> <p>Domestic and general waste in Obuasi town is managed by the municipality. The municipal waste disposal facility was poorly managed and had significant environmental impact.</p> | <p>a. In compliance with a 2010 directive from the Environmental Protection Agency, Obuasi mine stopped using the municipal refuse facility for its domestic and general waste. The mine has an approved temporary landfill and is concurrently designing an engineered landfill facility.</p> | <p>The mine, with the approval of Environmental Protection Agency, has opened a temporary landfill facility at one of its old mining pits. The temporary landfill is operating according to the permit requirements.</p> <p>The engineered landfill project is in feasibility phase. The environmental impact statement is now being finalised by consultants for submission to the Environmental Protection Agency. The new landfill is expected to be operational in 2015</p> |

| Risk/issue | Mitigation strategy | Update (7 May 2013) |
|--|---|---|
| <p>4. Tailings management:</p> <p>Operations at Iduapriem mine were suspended by the Environmental Protection Agency in February 2010 due to a lack of tailings storage deposition capacity at the mine.</p> <p>The environmental certificate at Obuasi (2011) is conditional on the decommissioning of the current tailings storage facility and commissioning of a new facility by December 2014.</p> | <p>a. Iduapriem: A new tailings storage facility (green fields TSF) was built and deposition started in 2011.</p> <hr/> <p>b. A new tailings strategy is being developed at Obuasi, which will see the introduction of two separate tailings streams: the floatation stream (benign) which will be deposited within clay-lined pits and the Biox stream (toxic) which will be deposited within a high-density polyethylene plastic lined facility.</p> <p>As it is technically deemed by the mine, the existing tailings storage facility has deposition capacity to 2017. As such, there are on-going discussions with Environmental Protection Agency for the deadline to be reviewed, so that the new tailings storage facility can be commissioned in 2016 instead of 2015.</p> | <p>The facility is now fully operational and has received all of the requisite progressive and subsidiary permits from the Environmental Protection Agency.</p> <hr/> <p>The new tailings storage facility project is now in feasibility phase. The Environmental Impact Statement for the facility is being finalised for submission to the Environmental Protection Agency in October 2013.</p> <p>For closure purposes, Phase 1 of the geochemical risk assessment for the existing tailings storage facility is in progress.</p> <p>Furthermore, a 3rd party geotechnical audit of the facility has been completed by an external specialised consultant (Glocal). This audit report is due for submitted to the Environmental Protection Agency by 30th June, to support the application for the extension of the life of the tailings storage facility.</p> |
| <p>5. Rehabilitation:</p> <p>There are a significant number of pits and waste rock dumps, from previous surface mining at Obuasi that should be rehabilitated to safe, stable and sustainable conditions which are approved by the Environmental Protection Agency.</p> <p>There are three decommissioned tailings facilities at Iduapriem that must be rehabilitated in the short term.</p> | <p>a. Obuasi: There is an on-going rehabilitation plan being implemented. In addition, large pits and waste rock dumps are being integrated into the new surface mining project.</p> <hr/> <p>b. Iduapriem: The rehabilitation plan includes the old pits that were backfilled using tailings (Blocks 1, 2 and 3) as well as the old surface tailings storage facility.</p> | <p>Two pits and some associated waste rock dumps were rehabilitated in 2011 and 2012, which is in compliance with the environmental certificate requirements.</p> <hr/> <p>Rehabilitation of the Block 1 tailings storage facility was completed in 2012. Work on the Blocks 2 and 3 and old tailings storage facility is on track for completion by end of 2013.</p> |

UPDATE ON THE MANAGEMENT OF KEY ENVIRONMENTAL LEGACIES

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| Risk/issue | Mitigation strategy | Update (7 May 2013) |
|---|---|--|
| <p>6. Pollution and risk impacts:</p> <p>There is need to ensure that pollution risks are mitigated going forward, and that the legacy pollution impacts and sites are remediated.</p> | <p>a. The commissioning of new water treatment plants, clean-dirty water separation (diversion trenches), cyanide code compliance and building of a new process water dam are all projects being implemented to ensure that effluent water discharge is compliant with Environmental Protection Agency standards.</p> | <p>There are two main wastewater facilities for treating process effluent before discharge into the environment and 19 treatment units utilised for internal water recycling that are operated by the site. The third wastewater treatment facilities will be commissioned at the end of 2013. Diversion trenches have been completed.</p> <p>The cyanide sparging project has been initiated and is now approved by the Environmental Protection Agency. The planned date for cyanide code compliance is August 2013.</p> |
| | <p>b. Historically unlined tailings storage facilities have been identified as a potential source of groundwater seepage. The re-mining of the Pompora tailings storage facility and other smaller tailings storage facilities, decommissioning and rehabilitation of the Sansu facility and the construction of the new lined facility are planned to address this risk.</p> | <p>The re-mining of the Boete tailings storage facility is completed. Planning is in progress for re-mining of the Daiwousu, the Pompora and the remainder of the Kokotesua tailings storage facilities.</p> |
| | <p>c. Geochemical studies will be done to delineate polluted areas. Best clean up techniques (e.g. phytoremediation) should also being studied.</p> | <p>Geochemical studies to inform the strategy for remediation of the tailings storage facility footprint are schedule to commence 2013.</p> |
| | <p>d. Complete the stream sediments desilting, as directed by Environmental Protection Agency.</p> | <p>The desilting of the Kwabrafo and the Nyam streams is completed. Jimi river dam de-silting is in planning phase.</p> |

UPDATE

Health Legacy and Plan:

1. With respect to health legacies:
 - a. Stakeholder mapping and engagement began in November 2012.
 - b. The company has initiated a process to screen levels of risk assessment at Obuasi.

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF ANGLOGOLD ASHANTI LIMITED

INTRODUCTION

Environmental Resources Management Southern Africa (Pty) Limited (“ERM”) has been engaged by AngloGold Ashanti Limited (“AGA”) to perform an independent assurance review in respect of the “Update on the Management of Key Environmental Legacies at Obuasi and Iduapriem mines in Ghana” report (“the Report”), dated 7th of May 2013 and prepared by Continental Africa Sustainability – AngloGold Ashanti. This assurance report is produced in accordance with the terms of our letter of engagement dated 9 April 2013.

The report, including the conclusions, has been prepared in order to assist the Directors of AGA to verify the correctness of information contained in the progress report.

We do not accept or assume responsibility to any third parties i.e. other than the directors and the company, for our work or for this report to the fullest extent permitted by law, save where such third parties have obtained our prior written consent.

SCOPE AND SUBJECT MATTER

The progress of the following mitigation actions published in the Report were reviewed by ERM:

1. Environmental Structure and Staffing:

- Senior environmental manager positions.

2. Water Management:

- Status of wastewater treatment facilities operating at Obuasi;
- Actual operating conditions of the permitted wastewater discharge points;
- Submission of water balances for the two mines;
- Permitting of a new return water dam at Obuasi; and
- Construction of a lined pond to store and re-use the process treated water.

3. Waste Management:

- Management of current temporary landfill at one of the old mine pits; and
- Permitting of the new engineered landfill project.

4. Tailings Management:

- Permits of the new Iduapriem Tailing Storage Facility (TSF); and
- Decommissioning of existing “Sansu” TSF at Obuasi;
- Risk assessment and permitting status of the new Obuasi TSF.

5. Rehabilitation:

- Pit and waste rock dump rehabilitation plan progress at both mines.

6. Pollution risks and impacts:

- Installation of 2 main wastewater treatment plants, 19 water treatment units utilized for internal recycling and construction of diversion tranches;
- Cyanide sparging plant project status to comply with the Cyanide Code by August 2013;
- Old TSFs (i.e. Boete, Daiwousu, Pompora and Kokotesua) re-mining planning and status;
- Geochemical baseline studies to inform a proper strategy for the old TSFs footprint remediation;
- Status of de-silting of impacted river (i.e. Kwabrafo, Nyam and Jimi dam rivers); and
- Health legacy survey and overall planning.

ERM’s responsibilities do not extend to any other information.

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF ANGLOGOLD ASHANTI LIMITED

continued

RESPECTIVE RESPONSIBILITIES AND ERM'S INDEPENDENCE

AGA is responsible for preparing the progress report and for the collection and presentation of information within it.

ERM's responsibilities are to conduct an assurance review and report its conclusions to the directors in accordance with the assurance approach as defined and agreed to in the engagement letter between ERM and AGA, dated 9 April 2013.

ERM maintains strict policies related to conflict of interest and we have confirmed our independence to AGA in delivering our assurance review.

SUMMARY OF WORK PERFORMED

AGA provided ERM with the relevant information and documentation regarding the Report mentioned above. ERM's assurance procedures consisted of:

- A kick-off meeting with the Vice President Environment (Continental Africa Region) and Senior Vice President of Group Internal Audit to confirm the assurance review objective, plan the site visit, and have an overall review of strategies and mitigation measures undertaken by the Obuasi and Iduapriem operations.
- A visit of Obuasi mine site carried out from the 1st to the 4th of May, 2013, by a ERM senior environmental auditor. The site visit comprised the following activities:
 - Interviews with relevant management personnel including Vice President – Environment/CAR and Vice President – HSE (Ghana), over Iduapriem and Obuasi progress towards these mitigation measures;
 - Review of key documentation (e.g. permits, project plans, monitoring data for both mines); and
 - Inspect of some of the relevant on-site facilities (e.g. tailing dams, rehabilitated pits, on-site landfill facility, etc.).
- A verbal debriefing of our assurance findings to AGA management.

INHERENT LIMITATIONS

This report is based upon the application of scientific principles and professional judgment to certain assertions with resultant subjective interpretations.

Professional judgments expressed herein are based on the currently available information and findings within the limits of the existing data and the scope of work.

The report is based on the conditions and circumstances prevailing at the time of the review. The report cannot, and makes no attempt to, anticipate all changes to those conditions and circumstances, which may have occurred after its date of issue.

ERM points out that the findings and conclusions by ERM in this statement are predominantly based on written and verbal information provided by third parties, mainly by the AGA relevant personnel, which ERM assumes to be accurate. ERM has only to a limited extent been able to validate such information first hand, e.g. via crosschecking with document reviews and observations during the property tours. As such, ERM makes no warranties or representations with respect to such information.

Nothing in the report shall be construed as representation or warranty as regards merchantability in general, or its fitness for a specific purpose.

CONCLUSIONS

We believe that the information provided by AGA and the work performed by ERM are sufficient and appropriate to form a basis for our assurance conclusion.

In our opinion, and on the basis of our assurance approach, nothing has come to our attention which has caused us to believe that the progress stated in the Report as at May 2013, is not fairly represented in all material respects by AGA.



Massimo Bettanin

Environmental Resources Management Southern Africa (Pty) Limited
Johannesburg, 7 May 2013



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