

Report

for the six months and year ended 31 December 2017 and declaration of Dividend No. 119

FULL YEAR REVIEW

- ❖ Production rises 4% year-on-year to 3.755Moz, above top end of guidance
- ❖ Total cash costs \$792/oz, in-line with full year guidance of \$750-\$800/oz
- ❖ All-in sustaining costs of \$1,054/oz, at lower end of the guidance range
- ❖ Free cash flow \$125m, before growth capital; impacted by South Africa restructuring costs
- ❖ Dividend of ZAR 70 cents per share (approximately 6 US cents per share) declared, given strong cash flow performance
- ❖ Adjusted Headline Earnings \$9m, after retrenchment costs (\$71m) and silicosis provision (\$46m)
- ❖ Brownfield projects to improve life and margins, all remain on schedule
- ❖ New safety benchmarks set: three, straight fatality-free quarters for first time
- ❖ Obuasi redevelopment approved on strong return metrics and good government support
- ❖ SA restructuring progressing well; Moab Khotsoang and Kopanang sales expected to close shortly; TauTona in orderly closure
- ❖ Strong reserve-replacement performance, declaration of maiden reserve in Colombia**

SECOND HALF REVIEW

- ❖ Production of 2.007Moz, up 7% on second half of 2016, on strong International operations performance
- ❖ Total cash costs of \$787/oz, up 1% from the second half of 2016, reflects a strong fourth-quarter
- ❖ AISC of \$1,038/oz, lower than the \$1,058/oz of second half of 2016
- ❖ Free cash flow \$231m, before growth capital
- ❖ Adjusted EBITDA up 14% to \$872m, boosted by strong fourth-quarter performance
- ❖ Adjusted Headline Earnings of \$101m compared to a loss of \$16m in second half of 2016
- ❖ Balance sheet flexibility maintained; Net debt of \$2bn and Net debt to Adjusted EBITDA of 1.35 times

		Three Months ended Dec 2017	Three Months ended Dec 2016	Six Months ended Dec 2017	Six Months ended Dec 2016	Year ended Dec 2017	Year ended Dec 2016
US dollar / Imperial							
Operating review							
Gold							
Produced	- oz (000)	1,010	983	2,007	1,883	3,755	3,628
Sold	- oz (000)	1,003	945	1,982	1,844	3,772	3,590
Financial review							
Gold income	-\$m	1,168	1,032	2,324	2,125	4,356	4,085
Cost of sales	-\$m	930	885	1,874	1,763	3,582	3,263
Total cash costs	-\$m	709	676	1,451	1,323	2,709	2,435
Gross profit (loss)	-\$m	254	176	459	412	784	841
Price received *	-\$/oz	1,276	1,216	1,277	1,274	1,258	1,249
All-in sustaining costs *	-\$/oz	1,006	1,047	1,038	1,058	1,054	986
All-in costs *	-\$/oz	1,077	1,145	1,109	1,155	1,126	1,071
Total cash costs *	-\$/oz	768	764	787	780	792	744
Profit (loss) attributable to equity shareholders	-\$m	(73)	(7)	(15)	11	(191)	63
	- cents/share	(18)	(2)	(4)	2	(46)	15
Headline earnings (loss)	-\$m	65	(6)	115	18	27	111
	- cents/share	16	(2)	28	4	6	27
Adjusted headline earnings (loss) *	-\$m	49	(23)	101	(16)	9	143
	- cents/share	12	(6)	24	(4)	2	35
Net cash flow from operating activities	-\$m	335	324	676	710	997	1,186
Free cash inflow (outflow) *	-\$m	74	39	162	170	1	278
Total borrowings	-\$m	2,268	2,178	2,268	2,178	2,268	2,178
Net debt *	-\$m	2,001	1,916	2,001	1,916	2,001	1,916
Capital expenditure	-\$m	248	282	499	493	953	811

Notes: * Refer to "Non-GAAP disclosure" for the definition
** made under JORC and Samrec

\$ represents US dollar, unless otherwise stated.

Rounding of figures may result in computational discrepancies.

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December 2017

Operations at a glance

for the six months ended 31 December 2017

	Production		Cost of sales		All-in sustaining costs ¹		Total cash costs ²		Gross profit (loss)	
	oz (000)	Year-on-year % Variance ³	\$m	Year-on-year % Variance ³	\$/oz	Year-on-year % Variance ³	\$/oz	Year-on-year % Variance ³	\$m	Year-on-year % Variance ³
SOUTH AFRICA	467	(3)	(560)	-	1,231	2	1,079	10	25	(55)
Vaal River Operations	212	7	(211)	(2)	1,031	(5)	920	2	58	22
Kopanang	48	9	(72)	(9)	1,512	(15)	1,591	6	(11)	11
Moab Khotsong	164	6	(140)	2	890	-	726	(1)	69	11
West Wits Operations	152	(18)	(243)	-	1,611	21	1,372	29	(50)	(40)
Mponeng	118	(5)	(145)	4	1,242	9	984	13	5	(11)
TauTona	34	(44)	(98)	(5)	2,900	68	2,739	89	(55)	(29)
Total Surface Operations	99	6	(106)	3	1,080	(8)	967	(3)	17	(37)
First Uranium SA	58	29	(54)	10	919	(19)	776	(13)	16	(30)
Surface Operations	41	(15)	(52)	(4)	1,306	9	1,236	12	1	(7)
Other	4	(20)	-	-	-	-	-	-	-	-
INTERNATIONAL OPERATIONS	1,540	10	(1,526)	8	959	(2)	699	(1)	460	107
CONTINENTAL AFRICA	788	12	(769)	7	942	(2)	720	(3)	242	87
DRC										
Kibali - Attr. 45% ⁴	141	(6)	(157)	1	998	13	707	2	19	(4)
Ghana										
Iduapriem	121	(6)	(113)	-	1,031	10	803	(10)	39	8
Obuasi	1	-	5	-	-	-	-	-	6	4
Guinea										
Siguiri - Attr. 85%	166	24	(140)	23	797	(21)	736	(14)	63	24
Mali										
Morila - Attr. 40% ⁴	16	78	(20)	18	1,236	(27)	961	(28)	(1)	5
Sadiola - Attr. 41% ⁴	33	(3)	(35)	(24)	1,089	(14)	934	(20)	7	9
Tanzania										
Geita	310	19	(283)	13	944	3	647	15	100	37
Non-controlling interests, exploration and other			(25)						9	2
AUSTRALASIA	305	13	(300)	5	1,044	(6)	717	(8)	94	44
Australia										
Sunrise Dam	131	15	(141)	8	1,234	7	871	(12)	29	17
Tropicana - Attr. 70%	174	12	(155)	7	835	(16)	555	(2)	69	20
Exploration and other			(4)						(4)	7
AMERICAS	447	4	(457)	11	922	(1)	652	8	124	(23)
Argentina										
Cerro Vanguardia - Attr. 92.50%	145	(1)	(125)	(1)	756	(8)	552	(5)	58	(6)
Brazil										
AngloGold Ashanti Mineração	227	4	(239)	18	1,010	7	696	18	48	(19)
Serra Grande	75	12	(80)	13	944	(14)	678	-	15	2
Non-controlling interests, exploration and other			(11)						3	-
TOTAL	2,007	7			1,038	(2)	787	1		
OTHER			-	(100)					(1)	4
			(2,086)	5					484	58
Equity accounted investments included above			212	(3)					(25)	(11)
AngloGold Ashanti			(1,874)	6					459	47

¹ Refer to note C under "Non-GAAP disclosure" for definition

² Refer to note D under "Non-GAAP disclosure" for definition

³ Variance December 2017 six months on December 2016 six months - increase (decrease).

⁴ Equity accounted joint ventures.

Rounding of figures may result in computational discrepancies.

Operations at a glance

for the year ended 31 December 2017

	Production		Cost of sales		All-in sustaining costs ¹		Total cash costs ²		Gross profit (loss)	
	oz (000)	Year-on-year % Variance ³	\$m	Year-on-year % Variance ³	\$/oz	Year-on-year % Variance ³	\$/oz	Year-on-year % Variance ³	\$m	Year-on-year \$m Variance ³
SOUTH AFRICA	903	(7)	(1,114)	7	1,245	15	1,085	21	(3)	(152)
Vaal River Operations	386	4	(421)	5	1,094	4	958	9	65	2
Kopanang	91	-	(147)	2	1,593	2	1,534	16	(31)	-
Moab Khotsong	294	5	(275)	8	938	6	779	7	96	2
West Wits Operations	315	(21)	(490)	7	1,544	36	1,311	43	(93)	(134)
Mponeng	224	(12)	(283)	9	1,259	25	1,014	30	(1)	(58)
TauTona	91	(38)	(207)	5	2,242	67	2,044	78	(92)	(75)
Total Surface Operations	192	3	(203)	10	1,045	4	969	8	26	(19)
First Uranium SA	109	18	(101)	16	870	(6)	780	-	24	(1)
Surface Operations	83	(13)	(103)	5	1,275	18	1,218	20	2	(18)
Other	11	10	-	-	-	-	-	-	-	-
INTERNATIONAL OPERATIONS	2,852	7	(2,909)	11	972	5	700	2	798	76
CONTINENTAL AFRICA	1,453	10	(1,510)	13	953	5	720	-	386	52
DRC										
Kibali - Attr. 45% ⁴	268	2	(339)	16	1,090	22	784	6	1	(26)
Ghana										
Iduapriem	228	7	(210)	(4)	1,033	9	823	(9)	75	26
Obuasi	3	-	6	-	-	-	-	-	10	8
Guinea										
Siguiri - Attr. 85%	324	25	(293)	34	796	(13)	725	(8)	123	29
Mali										
Morila - Attr. 40% ⁴	28	27	(34)	6	1,218	(9)	974	(13)	-	6
Sadiola - Attr. 41% ⁴	63	(10)	(66)	(19)	1,019	(4)	900	(9)	13	6
Tanzania										
Geita	539	10	(519)	16	941	11	608	15	146	1
Non-controlling interests, exploration and other			(55)						22	5
AUSTRALASIA	559	8	(550)	2	1,062	-	743	(6)	159	53
Australia										
Sunrise Dam	238	4	(260)	7	1,203	11	919	(1)	43	4
Tropicana - Attr. 70%	321	10	(274)	(1)	885	(9)	564	(10)	132	45
Exploration and other			(16)						(16)	5
AMERICAS	840	2	(851)	13	943	8	638	10	253	(30)
Argentina										
Cerro Vanguardia - Attr. 92.50%	283	1	(248)	7	772	-	522	(7)	122	5
Brazil										
AngloGold Ashanti Mineração	424	4	(429)	18	1,006	13	671	19	109	(24)
Serra Grande	133	2	(153)	14	1,103	8	764	21	14	(14)
Non-controlling interests, exploration and other			(21)						8	3
TOTAL	3,755	4			1,054	7	792	6		
OTHER			3	-					2	6
			(4,022)	10					797	(71)
Equity accounted investments included above			440	8					(13)	14
AngloGold Ashanti			(3,582)	10					784	(57)

¹ Refer to note C under "Non-GAAP disclosure" for definition

² Refer to note D under "Non-GAAP disclosure" for definition

³ Variance December 2017 year on December 2016 year - increase (decrease).

⁴ Equity accounted joint ventures.

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FINANCIAL AND OPERATING REPORT

FINANCIAL AND CORPORATE REVIEW

AngloGold Ashanti continued to make considerable enhancements to the quality of its portfolio during the year ended 31 December 2017. The Company advanced the restructuring of its South African portfolio; executed, according to plan, the key self-funded brownfield projects to sustainably improve mine lives and margins; and achieved its annual cost, production and capital guidance for the fifth consecutive year, despite the asset sales and restructuring in South Africa.

	Market Guidance 2017	Actual 2017	Met/Beaten
Production ('000 oz)	3,600 – 3,750	3,755	☑
Total cash costs (\$/oz)	750 - 800	792	☑
All-in sustaining costs (\$/oz) *	1,050 - 1,100	1,054	☑
Capital expenditure (\$m)	950 - 1,050	953	☑

Management again demonstrated its key strengths in the areas of safety, project execution, planning, and financial and risk management. New safety benchmarks were set during the year, with the Company recording three consecutive, fatality-free quarters for the first time in its history and posting 349 days in South Africa without an operating fatality. The International Operations set a record of 495 days without a fatality on 28 January 2018.

AngloGold Ashanti also delivered a strong exploration result, with most of the year's production replaced given success across a broad front. The group Ore Reserve at the end of 2017 was 49.5Moz, from 50.1Moz in December 2016. During the year, additions from Gramalote in Colombia, where a maiden reserve was declared, AGA Mineração in Brazil, Tropicana in Australia, Obuasi in Ghana and Cerro Vanguardia in Argentina, mostly offset the total depletion of 4.3Moz.

The strong operating and financial performance in 2017 has further strengthened the foundation for AngloGold Ashanti's future. The slate of low capital, high-return brownfields projects – all with attractive payback periods - are expected to deliver further improvements to cash flows over time. This inward investment improves predictability at key assets, and despite stronger local currencies and increased investment, AngloGold Ashanti has maintained a relatively stable cost structure, highlighting the optionality within its portfolio and the quality of its operating teams.

"We delivered a strong production and cost performance, which ultimately allowed us to self-fund our reinvestment and restructuring programme," Chief Executive Officer Srinivasan Venkatakrishnan said. "In ensuring we maintain focus on our long-term strategy, our portfolio improvement projects were again executed on time and on schedule, and we continued to make progress on improving safety."

A strong performance during the fourth quarter of the year at the International Operations in particular, is a clear indication of the efforts to sustainably improve cash flows. Whilst the last quarter tends to be seasonally stronger, improvements on most key metrics resulted in a 27% increase in Adjusted EBITDA over the prior year quarter and free cash flow of \$74m, an increase of 90% over the same period a year earlier.

	3 months ended Dec 2017	3 months ended Dec 2016	Variance
Produced from operations (koz)	1,010	983	3%
Gold price received (\$/oz)	1,276	1,216	5%
Total cash costs (\$/oz)	768	764	1%
Corporate & marketing costs (\$m)	13	15	-13%
Exploration & evaluation costs (\$m)	23	30	-23%
All-in sustaining costs (\$/oz) *	1,006	1,047	-4%
All-in costs (\$/oz) *	1,077	1,145	-6%
Adjusted EBITDA (\$m)	473	372	27%
Cash inflow from operating activities (\$m)	331	324	2%
Free cash inflow (outflow) (\$m)	74	39	90%
Capital expenditure (\$m)	248	282	-12%
Free cash flow (\$m) excl. SA retrenchments	108	39	177%

*World Gold Council Standard, excludes stockpiles written off.

FULL YEAR REVIEW

Production for the year of 3.755Moz exceeded the top end of guidance and was 4% higher than the previous year's production of 3.628Moz despite the orderly closure of TauTona and Savuka. Stronger year-on-year operating performance across the International Operations helped to more than offset the lower output from South Africa. In Australia, Sunrise Dam and Tropicana saw the benefits of mine optimisation initiatives resulting in solid performances throughout the year. In Continental Africa, higher grades at Geita and Siguiri

contributed to the region's 10% increase in production over the previous year. In the Americas, a solid operating performance was bolstered by improved production from AGA Mineração. The strong performance across the portfolio, particularly in the fourth quarter, demonstrated continued cost and operating discipline and improvements through internally-funded, low-capital, high return brownfields investments.

Total cash costs for the full year of \$792/oz were 6% higher than the previous year's \$744/oz, and within the guidance range of \$750/oz-\$800/oz. Costs were negatively impacted by inflation, stronger local currencies and the expensing of certain capital costs at the South African operations as they underwent orderly closure. The South African rand averaged 9% stronger versus the dollar in 2017 compared with 2016, and the Brazilian real averaged 8% stronger, contributing to the 21% year-on-year increase in total cash costs in South Africa and 10% increase in the Americas region. In contrast, cash costs remained relatively flat in Continental Africa and declined by 6% in Australia despite a 3% stronger Australian dollar. All-in sustaining costs came in at the bottom end of the guidance range at \$1,054/oz, 7% higher than the previous year AISC of \$986/oz due to higher planned sustaining capital expenditure levels in addition to the stronger local currencies.

Cash flow from operating activities for the year ended 31 December 2017 declined 16% when compared to 2016, reflecting tighter margins, working capital lockups, and payments for redundancies in South Africa, offsetting a 1% increase in the gold price received and a 5% increase in gold sales. Free cash flow of \$1m for the year, compared to \$278m in 2016, reflects the higher planned capital expenditure and was helped by a strong second half which delivered free cash flow of \$162m. Free cash flow for the year, before taking growth capital into account, was \$125m versus \$394m a year earlier, impacted by 19% higher sustaining capital expenditure of \$829m compared to the previous year of \$695m, South African retrenchment costs paid of \$49m and higher cash costs.

Total capital expenditure (including equity accounted investments) was \$953m, at the lower end of the market guidance of between \$950m - \$1,050m, and included project capital expenditure of \$124m invested in growth projects at Siguiri and Kibali in Continental Africa and Mponeng in South Africa. Sustaining capital increased 19% to \$829m, compared to \$695m in 2016, reflecting increased investment at Geita in Tanzania and in Australia. This higher level of spend was largely aimed at improving mine lives and margins across the portfolio. Capital expenditure in Continental Africa increased by \$109m (including equity accounted investments), with higher expenditure on underground development at Geita and the cutback at Iduapriem's Teberebie pit, which extends the life of the operation by about a decade. In Australia, expenditure at Tropicana increased to \$91m as mine optimisation work and additional stripping costs, geared to improve the medium- and longer-term profitability of the mine, progressed.

Adjusted Headline Earnings for the year were \$9m, or 2 cents per share, compared with \$143m, or 35 cents per share in 2016. Adjusted headline earnings for 2017 include the impact of retrenchment provisions in the South Africa region of \$71m (post-tax) and the provision for the settlement of the silicosis class action claims and related expenditure of \$46m (post-tax).

Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) of \$1,483m in 2017 decreased by \$65m, or 4% from the previous year, resulting in a 34% Adjusted EBITDA margin. Adjusted EBITDA for the year excludes the impact of the South African redundancy costs and impairments but includes the impact of the estimated provision in respect of the silicosis class-action law suit of \$46m (pre-tax: \$63m). The ratio of net debt to Adjusted EBITDA at the end of December 2017 was 1.35 times compared with 1.56 times at the end of June 2017 and 1.24 times at the end of December 2016. Management has successfully maintained financial flexibility by remaining at or below targeted leverage levels, and well below the covenant ratio of 3.5 times which applies under our revolving credit agreements.

Net debt increased marginally by 4% to \$2bn at 31 December 2017, from \$1.916bn at the end of 2016. During 2017, AngloGold Ashanti increased its ZAR RCF facilities from R3.4bn to R5.7bn. The balance sheet remains robust, with liquidity comprising \$1,050m available on the \$1.1bn US dollar RCFs at the end of December 2017, A\$290m undrawn on the A\$500m Australian dollar RCF, approximately R2.95bn available from the South African RCF and other facilities and cash and cash equivalents of \$205m at the end of December 2017. The nearest bond maturities are in 2020 and 2022.

SECOND HALF YEAR REVIEW

Production for the second half of 2017 was 2.007Moz, a 7% increase on the same period a year earlier. Strong performances in the International portfolio, notably in Continental Africa at Siguiri and Geita and in Australia at both Sunrise Dam and Tropicana, offset production losses in South Africa due to the orderly closure of TauTona and Savuka as well as safety stoppages.

Total cash costs of \$787/oz, up 1% year-on-year, reflect an exceptionally strong fourth-quarter performance which saw costs at \$768/oz offset mainly by strengthening currencies. Cash costs in the second half of the year also include the impact of a reclassification of certain capital costs to operating expenses at the South African operations undergoing orderly closure. The Continental Africa region saw costs decline year-on-year by 3%, reflecting significant improvements at Iduapriem, Siguiri, and Sadiola. At Geita in Tanzania, despite a 19% increase in production versus the prior year, cash costs increased by 15% to \$647/oz as a result of an increase in higher-cost underground mining activities. In Australia, costs fell 8% to \$717/oz when compared to the prior half year period. In Brazil, at AGA Mineração, a solid operating performance was weighed down by a stronger Brazilian Real and lower underground grades when compared to a year earlier and the first half of 2017.

AISC for the second half of 2017 was \$1,038/oz, lower than the \$1,058/oz reported for the second half of 2016, reflecting an increase in gold sales, offsetting the stronger local currencies, as well as the impact of lower sustaining capital expenditure on a per ounce basis. During the fourth quarter of the year, the group achieved an AISC of \$1,006/oz, a 4% improvement over the same period a year earlier.

Free cash flow of \$162m was generated in the second half of 2017, a 5% decrease on the prior year period. Higher operating costs impacted by stronger local currencies, inflation and the payment of the South African redundancy costs, as well as unfavourable working capital movements and higher taxes, were partially offset by higher gold sold. Free cash flow pre-growth capital was \$231m, 4% lower than the previous year.

Adjusted EBITDA rose by 14% to \$872m from \$767m the previous year. The period benefitted from higher gold sales and gold price, and lower exploration costs. The gains were partially offset by higher operating costs, inflationary pressures and stronger currencies.

Adjusted headline earnings for the second half of 2017 of \$101m or 24 cents per share, were significantly higher than the previous year which recorded a loss of \$16m. The increase is attributable to higher ounces sold, partly offset by stronger local currencies, higher cash costs resulting mainly from inflationary increases, and retrenchment and silicosis provisions in the South Africa region.

Capital expenditure in the second half of 2017 was \$499m (including equity accounted entities) compared to \$493m in the second half of 2016. Of the capital spent, non-sustaining capital expenditure during the period amounted to \$70m, in line with the same prior period and primarily related to the Siguiiri hard rock project.

Summary of six months on prior year six months and year on year operating and cost variations:

Particulars	Six months ended Dec 2017	Six months ended Dec 2016	Six months on prior year six months Variance	Year Dec 2017	Year Dec 2016	Year on year Variance
Operating Review						
Gold						
Produced from operations (kozsz)	2,007	1,883	7%	3,755	3,628	4%
Gold price received (\$/oz)	1,277	1,274	0%	1,258	1,249	1%
Total cash costs (\$/oz)	787	780	1%	792	744	6%
Corporate & marketing costs (\$m)	30	32	-6%	64	61	5%
Exploration & evaluation costs (\$m)	52	71	-27%	114	133	-14%
All-in sustaining costs (\$/oz) *	1,038	1,058	-2%	1,054	986	7%
All-in costs (\$/oz) *	1,109	1,155	-4%	1,126	1,071	5%
Adjusted EBITDA (\$m)	872	767	14%	1,483	1,548	-4%
Cash inflow from operating activities (\$m)	676	710	-5%	997	1,186	-16%
Free cash inflow (outflow) (\$m)	162	170	-5%	1	278	-100%
Capital expenditure (\$m)	499	493	1%	953	811	18%
Free cash flow (\$m) excl. tender premium and SA retrenchments	203	200	1%	50	308	-84%

* World Gold Council standard, excludes stockpiles written off.

SAFETY UPDATE

Employee safety – our first value - remained a key focus for the year. Prior to a fatality occurring in July 2017, the Company recorded three consecutive fatality-free quarters for the first time in its history, with the South African ultra-deep mines, achieving 349 fatality-free days. In the West Wits region, TauTona achieved a year without a fatality, whilst Mponeng recorded 2 million fatality-free shifts during October 2017 for the first time in the mine's history. In the Vaal River region, Moab Khotsonq recorded 500,000 fatality-free shifts during November 2017, while Kopanang mine and South Africa Surface Operations respectively achieved one and two million fatality-free shifts. During the year, the South Africa region received an award, the MineSafe's highest ranking prize, recognising AngloGold Ashanti as a mining company with the most improved safety performance year-on-year. MineSafe is an industrial body representing a collaborative effort between mining companies, employee bodies and the South African Department of Mineral Resources.

This safety performance improvement is a result of a progressive implementation and integration into daily work routines of the group safety strategy. The main areas of the strategy include focus on fatality risks by ensuring every employee understands and manages hazards and associated risks on a continuous basis, that critical controls remain in place with compliance to set work routines, and that there is diligent reporting of high potential incidents, which are addressed whilst making optimal use of technology.

The strong start to the year was marred by seven fatalities in the second half, four of which were seismic-related, two were caused by falls-of-ground and one occurred during rail-bound transport operations.

The group All-Injury Frequency Rate (AIFR), the broadest measure of workplace safety, for the quarter ended 31 December 2017 was 6.67 per million hours worked, a 6% improvement from 7.08 in the previous quarter. Yatela, Siguiiri, Obuasi, La Colosa, Gramalote, Quebradona and Growth and Exploration achieved an injury free quarter. The AIFR for 2017 was 7.53 compared to 7.71 in 2016.

OPERATING HIGHLIGHTS

The **South African operations** produced 903,000oz at a total cash cost of \$1,085/oz for the year ended 31 December 2017 compared to 967,000oz at a total cash cost of \$896/oz for the year ended 31 December 2016. All-in sustaining costs (AISC) were \$1,245/oz for the year ended 31 December 2017 compared with \$1,081/oz for the year ended 31 December 2016. Tonnes mined were affected by a poor start up to the year at all operations, whilst the decision to stop the loss-making operations in the third quarter further impacted full-year production. Underground yield dropped 8% to 6.93 g/t as a result of lower feed grades as well as higher dilution year-on-year. This was mainly due to an increase in waste tonnes at Moab Khotsonq, mining moving out of higher grade areas at Mponeng, and the reclamation of the tailing storage facilities at the West Wits Surface Sources. The final blast took place at TauTona on 15 September and the Section 189 process continued at Kopanang together with the pending disposal of the mine - subject to conditions precedent - as announced in October. Total cash costs increased due to lower production volumes, inflationary pressures and a stronger local currency against the US dollar, compared with same period in 2016.

For the six months ended 31 December 2017, the region produced 467,000oz at a total cash cost of \$1,079/oz compared to 481,000oz at a total cash cost of \$984/oz for the comparable period in 2016.

At **West Wits**, production was 315,000oz at a total cash cost of \$1,311/oz for the year ended December 2017 compared to 399,000oz at a total cash cost of \$914/oz the previous year. At Mponeng, production decreased year-on-year from 254,000oz to 224,000oz, mainly as a result of mining at lower grade areas as planned, face time constraints with mining occurring further away from shaft stations, and three separate seismically induced fatal accidents. By the last quarter of the year, the improvement of Mponeng's yield which averaged 8.54g/t, was offset by safety related stoppages due to the fatal incidents in the last quarter of the year.

At the **Vaal River Operations** production was 386,000oz at a total cash cost of \$958/oz for the year ended 31 December 2017 compared to 371,000oz at a total cash cost of \$875/oz for the year ended 31 December 2016. At Moab Khotsong production increased due to fewer safety related disruptions as well as improved efficiencies, and despite higher dilution and a lower mine call factor. At Kopanang, production remained flat year-on-year, impacted by safety-related interruptions following the fall-off-ground fatal incidents that occurred in the fourth quarter.

Surface Operations produced 192,000oz at a total cash cost of \$969/oz for the year ended 31 December 2017 compared to 186,000oz at a total cash cost of \$899/oz. At Mine Waste Solutions, production was 18% higher when compared with the same period in 2016 as a result of a 17% increase in feed grades due to higher grades from the Sulphur paydam and East tailing storage facilities (TSF), coupled with improvements in recovery. The yield increase is as expected from the Sulphur Paydam which is normally associated with higher reef values, together with higher volumes of floor cleaning material reclaimed. Gold recovery efforts showed improvements in the latter part of the second half in 2017. This yielded about 7% improvement after reagent suite optimisation and improved carbon management, resulting in improved production. Operations at the flotation and uranium circuit remain suspended as investigations into improved water reticulation continue.

Hard rock production was lower when compared with the previous year. This drop is attributable to lower tonnage throughput, and a lower recovery due to the increased amount of clean-up material which is refractory in nature. The sticky nature of the material processed through the Surface Sources' plants impacted negatively on the metallurgical efficiencies. Production was also affected by the suspension of Kopanang marginal ore dumps and the low mill availability at the Kopanang gold plant.

The **Continental Africa** region delivered 1.453Moz at a total cash cost of \$720/oz for the year ended 31 December 2017 compared to 1.321Moz at a total cash cost of \$717/oz for the year ended 31 December 2016. Production increased significantly year-on-year as almost all operations delivered increased production driven mainly by higher recovered grades at Siguiri, Iduapriem and Geita, together with higher tonnages in Mali. AISC were \$953/oz for the year ended 31 December 2017 compared to \$904/oz the year ended 31 December 2016.

For the six months ended 31 December 2017 the region produced 788,000oz at a total cash cost of \$720/oz compared to the 702,000oz at a total cash cost of \$742/oz for the same period in 2016. Total cash costs decreased due to increased production, boosted by higher grades and tonnages.

In **Ghana**, Iduapriem's production increased 7% to 228,000oz at a total cash cost of \$823/oz for the year ended 31 December 2017, compared to 214,000oz at a total cash cost of \$908/oz for the year ended 31 December 2016. Production increased due to the 8% higher recovered grade from mining deeper higher grade areas in the current period, partly offset by a decrease in tonnage treated.

In the **Republic of Guinea**, Siguiri's production increased 24% to 324,000oz at a total cash cost of \$725/oz for the year ended 31 December 2017 compared to 260,000oz at a total cash cost of \$784/oz for the year ended 31 December 2016. The production improvement was due to a 29% increase in recovered grade as a result of the mining of higher grade areas, which included the new Seguelen pit, compared to the previous period, partly offset by a decrease in tonnes treated. Total cash costs for the year decreased by 8%, mostly as a result of higher gold production, partly offset by the stockpile utilisation cost compared to additions in the previous year, and the once-off benefit of a favourable settlement of contractor charges in the previous period.

In **Mali**, Morila's production increased 27% to 28,000oz at a total cash cost of \$974/oz for the year ended 31 December 2017 compared to 22,000oz at a total cash cost of \$1,123/oz for the year ended 31 December 2016. Production increased as a result of a 45% increase in tonnage throughput compared to the same period in 2016 driven by consistent plant availability, the treatment of softer ore, and the resumption of limited mining in the latter part of the current year. This improvement was partly offset by a 10% decrease in recovered grade as the operation continued treatment of marginal lower grade and tailings ore. Total cash costs consequently decreased by 13%.

At Sadiola, production was 63,000oz at a total cash cost of \$900/oz for the year ended 31 December 2017 compared to 70,000oz at a total cash cost of \$991/oz for the year ended 31 December 2016. Production decreased as a result of a 10% decrease in recovered grade due to the limited availability of the remaining oxide ore, partly offset by an increase in tonnes treated. Total cash costs however decreased by 9% as a result of additions of full grade ore stockpiles compared to stockpile utilisation in the previous period.

In **Tanzania**, Geita's production was 539,000oz at a total cash cost of \$608/oz for the year ended 31 December 2017 compared to 489,000oz at a total cash cost of \$530/oz for the year ended 31 December 2016. The increase in production was due to a 13% increase in recovered grade from mining higher grade ore at Nyankanga cut 7 and cut 8, in line with the mining plan. Increased production is also supported by higher underground tonnes in the current period as the underground ramp up continues, reaching 493,000 tonnes for the year. These factors were partly offset by a decrease in plant throughput. Total cash costs however increased mainly as a result of increased underground mining activity and higher associated costs compared to the previous period.

In the **Democratic Republic of the Congo**, Kibali achieved 268,000oz (attributable) at a total cash cost of \$784/oz for the year ended 31 December 2017 compared to 264,000oz at a total cash cost of \$740/oz for the year ended 31 December 2016. Higher tonnes treated and mined contributed to the higher production, notably in the fourth quarter with the commissioning of the underground materials handling systems and beneficial use of the shaft, facilitating the increase in higher grade ore from underground. The plant operated for extended periods on 100% sulphide ore achieving design recovery and above design throughput.

The **Americas region** produced 840,000oz at a total cash cost of \$638/oz for the year ended 31 December 2017 compared to 820,000oz at a total cash cost of \$578/oz for the year ended 31 December 2016. AISC were \$943/oz, compared to \$875/oz achieved in the same period in 2016. Production volumes reflected stronger year-on-year contributions from both Brazil and Argentina, attributable to operational improvements and an increase in tonnes treated. Total cash costs for the region were higher compared to the same period in 2016 mainly due to inflationary pressures and the strengthening of the Brazilian Real against the US dollar.

For the six months ended 31 December 2017, the region produced 447,000oz at a total cash cost of \$652/oz compared to 431,000oz at a total cash cost of \$604/oz for the same period in 2016. Total cash costs increased due to decreased production. AISC were \$922/oz, compared to \$929/oz achieved in the same period in 2016.

In **Argentina**, Cerro Vanguardia production was 283,000oz at a total cash cost of \$522/oz for the year ended 31 December 2017 compared to 281,000oz at a total cash cost of \$563/oz for the year ended 31 December 2016. The mine achieved its highest production level in 18 years, boosted by operational and metallurgical improvements and an increase in tonnes treated at the plant. Total cash costs decreased considerably, assisted by increased production, higher by-product sales, and favourable stockpile movements. Various cost savings initiatives focused on efficiencies and production improvements in the underground mine expansion, increasing mill throughput and silver recovery, and capital savings, amongst others. These positive factors were partially offset by the inflationary pressures, particularly related to salary increases agreed on in October, as well as the elimination of Patagonia ports rebates at the end of 2016, ending a 10% reimbursement benefit that was derived during the same period last year.

In **Brazil** production was 557,000oz at a total cash cost of \$693/oz for the year ended 31 December 2017 compared to 538,000oz at a total cash cost of \$580/oz for the year ended 31 December 2016. Total cash costs were mainly impacted by lower feed grades, inflationary pressures and local currency effects due to the appreciation of the Brazilian Real against the US dollar during the year. Production increased as a result of improved geological modelling at Mineração which assisted the recovery from geotechnical challenges faced at the start of the year at Córrego do Sítio. At Serra Grande, production was driven by higher tonnes treated supported by crushing and milling efficiencies and more efficient leaching following the implementation of the Carbon-In-Leach project, this despite lower feed grades. This is a result of the Operational Excellence initiatives which improved levels of ore mined, offsetting lower open pit production.

The **Australia region** produced 559,000oz at a total cash cost of \$743/oz for the year ended 31 December 2017 compared to 520,000oz at a total cash cost of \$793/oz for the year ended 31 December 2016. AISC were \$1,062/oz for the year ended 31 December 2017, compared to \$1,067/oz achieved in the same period in 2016. Production improved due to higher mill throughput and feed grade, and a significant increase in metallurgical recovery at Sunrise Dam and higher feed grade and mill throughput at Tropicana. Total cash costs decreased on the back of improved production and favourable inventory movements. Higher head grades and improved metallurgical recovery contributed to a 5% increase in production at Sunrise Dam in 2017. Tropicana production was 10% higher for the year compared to 2016 due mainly to a 10% increase in mill throughput.

For the six months ended 31 December 2017 the region produced 305,000oz at a total cash cost of \$717/oz compared to 269,000oz at a total cash cost of \$781/oz for the same period in 2016. On 7 December 2017, the Tropicana joint venture partners announced a commitment to the Long Island mining strategy and approval of an additional ball mill to lift plant throughput and gold recovery, adding 2.1 million ounces of gold production to the Tropicana business plan. A scoping study on the potential for underground mining at Boston Shaker is underway. It is anticipated that a pre-feasibility study will begin in 2018 in conjunction with infill drilling programmes.

CORPORATE UPDATES

South Africa Asset Sales and Restructure

On 28 June 2017, AngloGold Ashanti announced that it would restructure its South African Operations to safely return the business to profitability, whilst mitigating job losses. This included placing TauTona and Savuka into care and maintenance, to be followed by orderly closure later in this year.

On 19 October 2017 AngloGold Ashanti announced the sale of the Kopanang Mine and related infrastructure to Heaven-Sent SA Sunshine Investment Company Limited (Heaven-Sent). Under the sale agreement, one of the conditions precedent was for the new owners to conclude an agreement with AngloGold Ashanti and the employees' organised labour representatives to determine the number of existing employees who would continue to work at the operations after the change in ownership comes into effect. This agreement was concluded on 16 November 2017. It is anticipated that about 3,000 employees, of the total workforce of 3,638, will transfer to the new owner Heaven-Sent. AngloGold Ashanti will honour its undertaking to pay accrued severance packages to all affected employees at Kopanang immediately following the conclusion of the sale transaction.

The Kopanang sale transaction is conditional upon certain conditions precedent being fulfilled, many of which, including Section 11 and 102 and Competition Commission approval, have been achieved. Completion of the Kopanang sale transaction is anticipated imminently.

Additionally, on 19 October 2017 the conclusion of the sale agreement for the disposal of the Moab Khotsong and Great Noligwa mines and related infrastructure to Harmony Gold Mining Company Limited (Harmony), was announced. This transaction is also subject to conditions precedent, all of which, including Section 11 and 102 approvals, Competition Commission and Tribunal approval, Harmony shareholder approval, as well as the release of AngloGold Ashanti from the management and rehabilitation liabilities of underground water in the KOSH basin, have been achieved. Consequently, the Moab Khotsong and Great Noligwa sale transaction is expected to close shortly.

Following the above asset sale transactions, AngloGold Ashanti will have no underground mining operations in the Vaal River region in South Africa. AngloGold Ashanti will retain the long-life Mine Waste Solutions tailings retreatment operation, as well as the surface rock-dump reclamation operations that will continue to be treated through the Kopanang gold plant, which will also be retained by AngloGold Ashanti. These two operations in the Vaal River region, together with the long-life Mponeng mine in the West Wits region, will form AngloGold Ashanti's operating base in South Africa and contribute 13% of the group's production on a proforma basis.

Work is now underway to ensure that all surface and off-mine costs are appropriate for the new production base and efforts are underway in the South Africa region to return it to positive cash flow generation in the second half of 2018.

Maiden Ore Reserve for Gramalote

AngloGold Ashanti announced the maiden Ore Reserve for the Gramalote project of 63.7Mt @ 0.86 g/t gold comprising contained metal content of 1.8Moz, on an attributable basis. Gramalote represents a long-term option for AngloGold Ashanti, and all avenues to realise value from this important asset remain open. Work will continue to optimise all aspects of the project during its feasibility phase, which is currently under way.

Gramalote is a Joint Venture between AngloGold Ashanti (51% and manager) and B2Gold (49%). The project lies on the eastern flank of the Cordillera Central near the towns of Providencia and San Jose del Nus in the municipality of San Roque, in the north-west of the Antioquia Department. It is approximately 230km north-west of Bogota and 124km north-east of Medellin.

The enhanced Pre-feasibility study was completed in September 2017 and the board has conditionally approved its progression to a full Feasibility Study. The project has several strengths, both externally and intrinsic to the ore and the orebody itself.

- Relatively low strip ratio of 2.5:1
- Ability to implement grade streaming to increase early cash flow
- Exceptionally good metallurgy, resulting in low processing costs and high recovery
- Adjacent to a National Highway, which connects to a river and seaports
- Close to the national electricity grid with ample low-cost power
- Technically capable workforce
- High levels of community support from an area with an established mining culture
- Located in a high-rainfall area with good water supply

Mining will be conducted via open pits, starting in the high-grade portion of the main Gramalote Pit and progressing through a series of cut-backs in Gramalote and in the two satellite pits, Trinidad and Monjas West. Total rock movement rises close to 60Mtpa in the second year of operation, and remains at that level until the ninth year, before declining. Total material moved includes stockpile re-handling.

The project envisages a SAG-Ball mill circuit along with flotation and leaching, with test work showing the ore performing extremely well metallurgically. Sulphide and oxide ores will be treated through separate grinding and flotation circuits, optimising operational performance. The process for both ores involves floating the gold into a low-mass concentrate which is leached, and the benign flotation tails discarded. The sulphide ore achieves close to 95% overall gold recovery with a very coarse grind size, minimising costs. Recovery from the oxide ore is about 82%, and remains more profitable than a whole ore leach process.

On-site facilities to be constructed include: a tailings management facility; a creek diversion; residential camp and offices and a 26km high voltage power line to the National grid, expected to be built and operated by a major Colombian power distribution company.

The project aims at producing a total of 4.22Moz of gold over the life of the mine at a rate of between 300koz and 450koz for the first eight years, at attractive AISC levels.

AngloGold Ashanti's management is currently in discussions with the Joint Venture partner on how to further progress the project.

Please refer to the full disclosure on www.anglogoldashanti.com, covering the Maiden publication of the Gramalote Ore Reserve on Table 1 in terms of the SAMREC code, and also containing the updated Ore Reserve and Mineral Resource estimates reported in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2016 (SAMREC Code) and Johannesburg Stock Exchange (JSE) Listing Requirements.

Silicosis Class Action Litigation

The settlement negotiations between the Occupational Lung Disease Working Group and class action legal representatives have reached an advanced stage. The Working Group represents African Rainbow Minerals, Anglo American SA, AngloGold Ashanti, Gold Fields, Harmony and Sibanye-Stillwater. The class members are represented by Richard Spoor Inc, Abrahams Kiewietz Inc and the Legal Resources Centre. On 10 January 2018, in response to a request from all parties involved in the appeal to the Supreme Court of Appeal (SCA) in respect of the silicosis and tuberculosis class action litigation, the Registrar of the SCA postponed the hearing date of the appeal until further notice.

Legislation changes in Tanzania and Democratic Republic of the Congo

Tanzania regulatory update:

In July 2017, AngloGold Ashanti noted the enactment by the Republic of Tanzania's Parliament and publication in the Country's official Government Gazette of three pieces of new legislation that purport to make a number of changes to the operating environment for Tanzania's extractive industries, including those in its mining, and oil and gas sectors. For more detail on the legislation, please see https://thevault.exchange/?get_group_doc=143/1501167539-PR20170713Geita.pdf. On 10 January 2018, the Government of Tanzania published its new Mining Regulations, 2018, which contains, amongst others, the implementation provisions of the amended Mining Act. AngloGold Ashanti's subsidiaries are seeking a constructive dialogue with the Government of Tanzania, to gain assurances that our Geita Gold Mine in Tanzania will not be affected by these legal and fiscal changes, given their Mine Development Agreements which guarantee fiscal and regulatory stability as well as agreement between all parties before material legal and regulatory changes are made. In these circumstances, our subsidiaries have, however, had no choice but to take the precautionary step of safeguarding their interests by commencing international arbitration proceedings as first announced in July 2017. AngloGold Ashanti has, throughout this period, sought constructive dialogue with the Government of Tanzania, which has subsequently indicated its willingness to engage. The parties will work toward agreeing a mutually agreeable time for those discussions to take place.

DRC regulatory update:

The Democratic Republic of the Congo (DRC) has recently announced a new mining code that purports to make a number of changes to the operating environment for the DRC's extractive industries, including those in its mining, and oil and gas sectors. These changes may impact on the protections enjoyed by AngloGold Ashanti's joint venture (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 Société Minière de Kilo-Moto SA (SOKIMO) (10 percent). For more detail on the new mining code, please refer to the following press release

issued by our partner Randgold Resources on 4 February 2018, titled "Randgold to engage at top level with Congolese government on new mining code". The new mining code is yet to receive presidential assent needed for it to be passed into law. AngloGold Ashanti, as part of an industry initiative, is lobbying against the passage of the legislation of the code in its current form. We are currently assessing the impact of the new mining code on our joint venture.

UPDATE ON CAPITAL PROJECTS

Obuasi Redevelopment Approved

Agreement has been reached with the Government of Ghana for the redevelopment of Obuasi Gold mine in Ghana, subject to ratification by Ghana's parliament of the relevant fiscal and development agreements. These agreements have been signed by the Government and ratification is scheduled during the current parliamentary sitting. The board therefore approved interim funding of \$31m to cover the first 6 months, for the purpose of project team establishment, project set-up and front end engineering and design, so as not to delay the project.

"We are confident that we have the right redevelopment plan, the strongest possible technical team and a very strong level of support from the Government of Ghana, which together will help make the project a success, with attractive capital investment for an operation of this size and returns well in excess of our hurdle rates," Graham Ehm, Executive Vice President of Group Planning & Technical said. "Obuasi will rank among the largest contributors to the company's global production with costs below our current average and will generate substantial cash flows from the second year of operations, when we see production approaching a rate of 400,000 oz per annum."

The study into Obuasi's redevelopment has been completed with improvements in returns and payback period. This was achieved with an improved geological model, an earlier start to production, phasing of capital expenditure and governmental support.

The redevelopment will establish Obuasi as a long-life, modern, mechanised underground mining operation, which is a fundamental departure from the previous operating method used at the mine. The redevelopment will deliver a mine that makes use of automation and controls for improved operational efficiencies and consistency in performance. It envisages a smaller, but more skilled workforce that can operate in a mechanised/automated environment with a strong sense of accountability.

The detailed feasibility study covers every aspect of the mine, including operational methods, systems and processes, environmental management and mine rehabilitation, organisational design, human resource strategy and social responsibility, among others.

The project implementation will be undertaken in two distinct phases.

- **Phase 1** includes project establishment, mine rehabilitation and development, plant and infrastructure refurbishment to enable production at a rate of 2,000 tons per day for the first operating year. This will take approximately 18 months from the project's commencement, with the first gold pour expected in the third quarter of 2019.

- **Phase 2** includes refurbishment of the underground materials handling system, shafts and ventilation, construction of the primary crusher, the SAG/Ball circuit, carbon regeneration and a new gold room and tailings storage facility. This will take a further 12 months and enable the operation to climb to 4,000tpd. The operation will then ramp up to 5,000tpd over the following 3 years.

Mine production for the first 10 years will be focussed on the upper ore bodies and is expected to average 350,000 to 400,000oz at an average head grade of 8.1g/t. Total cash costs are expected to average between \$590/oz-\$680/oz, while AISC are expected to be between \$795/oz-\$850/oz. Mine production for the second 10 years increases to 400,000 -450,000oz per annum, as the mine deepens into higher grade ore. AISC is then expected to improve to between \$750/oz - \$800/oz.

The project delivers internal real rates of return of between 16% and 23% at real gold prices of between \$1,100/oz and \$1,240/oz, and is highly leveraged to the gold price.

Initial project capital expenditure anticipated over the first 2.5 years is expected to be between \$450m -\$500m, excluding pre-production capital of \$64m. After the completion of phase 2, extended project capital expenditure of \$94m will continue through to year six, covering the development of the Obuasi Deeps Decline (ODD) to the lower level of the mine, refurbishment of the KMS shaft, installation of new underground pump stations and construction of the flotation tailings storage facility.

The project has a current life of more than 20 years. Opportunities exist to further optimise the plan and to extend life by targeting the mine's significant additional mineral endowment, particularly with down-plunge extensions of the ore body into the Adansi Deeps area below 50 Level.

The redevelopment of the mine will be led by Executive Vice President Graham Ehm, who led the turnaround of the Geita mine in 2009-2010. Graham also oversaw the successful development of the Tropicana mine in Australia, which was completed in 2013 on time and on budget, and has continued to meet all of its operating, geological and financial milestones in the years since. Graham will be assisted by senior members of the Tropicana project team, including the Senior Vice President of Project Implementation Massoud Massoudi, as well as senior members of our Ghanaian team, led by Eric Asubonteng, Managing Director of the Obuasi mine, who assisted in bringing the mine to limited operations status and has been instrumental in negotiations with the Government of Ghana.

Kibali

At Kibali, the underground materials handling system and ore hoisting via the shaft were commissioned and ramp up is progressing well and according to plan. The paving on the central haulage level was completed during the year, allowing haulage from the ore passes into the underground crushers to the shaft system. It is expected that the mine will see a significant increase in production once the ramp up has been completed. Underground produced 505,000t of ore from the declines in the last quarter of the year. In addition, Kibali completed 2.7km of development from the declines during the quarter. Total underground ore tonnes mined for the year were 1.787kt.

The only major capital project remaining is construction of the third hydropower station at Azambi which is expected to be commissioned in the second half of 2018.

Construction of the next phase of tailings storage facility was initiated during the quarter, providing additional capacity for carbon in leach (CIL) tails and is scheduled for completion in the second half of 2018.

Mponeng Phase 1 and 2 project

AngloGold Ashanti is extending the life of its Mponeng mine initially through the Phase 1 project which aims to access deeper, higher-grade ore through the development of a decline below the current secondary shaft. The completion of the Mponeng Phase 1 project is expected around mid 2018. An additional ventilation hole is being created from decline 3 to 116 level to create more ventilation capacity, along with an ore pass down to 126 level to ease ore handling logistics on 123 level.

The completion of the water management infrastructure on 127 level was delayed during the quarter due to flooding of the emergency pump station and pump station panels. The emergency pump station is still under construction in the bottom of the decline system. Full commissioning is expected in the second half of 2018.

The construction and commissioning of the ore handling infrastructure to 126 level is expected to be completed by the end of the first half of 2018. The ramp-up to steady state of ore reserve development is continuing. The revised geological resource model associated with the Ventersdorp Contact Reef is currently under review.

Phase 2, under evaluation, would deepen the secondary shaft to further extend its life. The Phase 2 feasibility study for the Mponeng life of mine project has recommenced, after being interrupted at the end of May 2017 to allow for the completion of a geotechnical study to determine the most appropriate position of the infrastructure relative to tolerable levels of rock stress.

Sadiola Sulphides project

At Sadiola, AngloGold Ashanti and joint-venture partner IAMGOLD Corporation are evaluating a project to add sulphide-ore processing capability to the plant. Discussions with the Government of Mali continue regarding the Sadiola Sulphides project. Despite our efforts and the benefits the project would generate locally and to the Government of Mali, there has been no resolution around the terms critical to moving the project forward. Although we remain committed to the project, failing to reach an agreement, the operation will enter a restricted exploitation phase and then at a later stage, when stockpiles are exhausted, it will enter a phase of suspended exploitation (care and maintenance).

Siguiri

At Siguiri, AngloGold Ashanti is investing about \$115m over approximately two years to add a hard-rock plant to the current processing infrastructure, providing the ability to develop the significant sulphide-ore potential that exists on the current concession. The company is also building a new power plant at an additional cost of \$43m, to provide electricity to the new facility. During 2017, \$67m was spent on the project and a total of \$145m has been committed to date. The project remains largely on schedule and the final costs are currently being reviewed as all major commitments have now been concluded. The mill shells arrived on site in September, and off-site fabrication and sourcing of electrical and instrumentation equipment and cabling, continued during the quarter. Major contractors have mobilised on site and transition to a new mining contractor is set to commence in February 2018.

Technology and Innovation

In June 2017, AngloGold Ashanti announced a decision to put the TauTona and Savuka operations in orderly closure. In view of this, all aspects of the technology work conducted were suspended with the exceptions of Thermal Spalling, and High Strength Backfill for Mponeng Mine.

Thermal Spalling will continue with testing in 2018. In support of the Phakisa industry initiative for mining, AngloGold Ashanti would avail technologies for future redeployment and continued development by interested parties associated with the Phakisa process.

EXPLORATION UPDATE

Generative Exploration

During the second half of 2017, generative exploration activities were undertaken in Australia, Colombia, Brazil, Argentina and the USA, completing 41,117m of drilling globally. Total expenditure for the second half of 2017 was \$17m.

In **Australia**, exploration activity was focussed on the Butcher Well and Lake Carey farm-in (AngloGold Ashanti earning 70%), within the Laverton district. The Reverse Circulation (RC) and Diamond Drilling (DD) at Butcher Well was completed in early June. 68 RC/DD holes were completed for 16,000m in the second half of 2017. During this period, the Camp Zone, discovered by AngloGold Ashanti has returned multiple intercepts of strong mineralisation over 500m of strike and 400m down plunge and is open at depth and to the south. This new discovery begins at approximately 300m below the surface and has underground potential. In addition, 15 RC holes were completed at Mt Minnie and defined a zone of gold mineralisation over a 600m strike at shallow depth. Five fences of RC holes spaced at 150m returned gold intersections at shallow depth, suggesting open pit potential.

At the Oak Dam project, within the Tropicana belt, a large scale geochemical sampling programme was completed. Two significant gold in soil anomalies were delineated both situated along major structures. A follow up aircore programme is planned for 2018.

In the **USA**, the reconnaissance rotasonic drill programme at the Celina project in Minnesota, which is 100% AngloGold Ashanti (AGA) owned, returned no significant results from basal till sampling. AGA has been awarded ~380km² of new exploration leases in Minnesota via the annual State Nonferrous Metallic Mineral public lease sale which overlies a prospective geological setting within the Wawa Sub-province. Passive seismic geophysical surveys were completed. Additional reconnaissance rotasonic drilling is planned for the first quarter in 2018.

At the Silicon project in Nevada (a 100% earn-in option agreement with Renaissance Gold) surface geochemical, geological and spectral mapping were completed with a total of 174 samples collected. DD of the main low-sulphidation vein target is scheduled for the first quarter of 2018.

In **Brazil**, work concentrated on the Tromai project which covers a ~2,000km² tenement package (AGA earning 70% from Equinox Gold Corp; formerly Trek Mining). DD and RC drilling continued (3,112m DD and 3,466m RC the second half of 2017) over known structures associated with artisanal mining and soil geochemistry. New targets were generated from the aeromagnetic and airborne Electromagnetic surveys, with further drilling planned for the first quarter in 2018.

In **Argentina** and **Tanzania** early stage generative exploration programmes progressed well.

Brownfields Exploration

During the second half of 2017, brownfields exploration activities were undertaken across the globe. Over the period, brownfields exploration completed 262,468m of drilling for a total expenditure of \$34m (capital) and \$28m (expensed).

South Africa: The surface exploration drilling activities in operation at the start of the year have been completed and both drill sites UD58A and UD60 have been rehabilitated and signed off by the respective landowners. The Ventersdorp Contact Reef was successfully intersected in both surface holes. Piloting of UD63 has commenced and percussion drilling to 400m has been completed. Site establishment is underway and the foundations have been completed. Percussion drilling at UD61 has been completed to 511m.

Tanzania: Exploration drilling at Geita concentrated on Mineral Resource development drilling programmes at Matandani, Geita Hill underground Blocks 1 & 2, Nyankanga Block 5 and Star & Comet Cuts 2 & 3 Underground projects, exploratory drilling to test the Nyankanga 3D Seismic Targets 1 & 5 and reconnaissance drilling at the Selous Satellite target. 200 drill holes totaling 25,262m were completed.

Significant intersections were reported from Matandani BST, Nyankanga Block 5 and Star & Comet Underground projects, Geita Hill-Lone Blocks 1 & 2 and the Selous satellite target.

Guinea: At Siguiri, exploration consisted of drilling in Block 1 and Block 2 mine license areas, soil sampling in the Saraya West license area and the collection of geometallurgical measurements. Total drilling amounted to 26,837m. A total of 6,314m of the Seguelen and 2,663m of Foulata core was XRF scanned for the Geometallurgical study.

Ghana: At Iduapriem, drilling (2,139m) at Block 1W / Nueng continued with field mapping conducted at Nkyemia and Ajopa NW.

Democratic Republic of the Congo: Drilling at Kibali to test the folded BIF model of the main KCD orebody has supported the down plunge continuity of mineralised system for approximately 600m. A new domain (12000 lode) below the known 9000 lode was intersected and is interpreted to be the down plunge projection of Sessenge SW some 2.6km up plunge. Mineralisation in this lode is associated with pyrite and arsenopyrite on the contacts of the BIF. Wide-spaced drilling from underground will begin to test the 12000 lode model.

Near mine exploration activities were focused around the Kombokolo, Makeke, Rhino-Agbarabo, KZD, Kalimva, Ikamva, Ndala North and the South KZ areas in the second half, drilling a total of 10,251m. Field work was undertaken at Ndala North and the South KZ areas with the objective of making new discoveries.

Republic of Mali: A total of 8,122m of RC drilling was completed at Sadiola South, Tambali West, Dogofile South, Timbabougouni, Voyager West, Tabakoto West and Lakanfla. Significant intersections were returned at Sadiola South and anomalous values were returned at Dogofile south. Both targets were followed up with the Dogofile South results showing no improvement while the results for the Sadiola South are awaited.

A total of 2,607m DD was completed at FE3, Tambali and Sadiola North focusing on shallow and deep transitional and sulphide potential. Significant results were obtained from FE3, FE4, and Tambali deep drilling, Sadiola North, Sadiola South and Voyager West.

In **Argentina**, a total of 2,725m RC was drilled in 26 holes on 12 different structures at CVSA. RC was used for shallow drilling and scouting in poorly known areas. A DD programme was carried out using two rigs to drill a total of 8,524m in 38 holes covering 10 veins.

An important trenching programme was completed to define new 2018 drilling targets and channel sampling is ongoing. A total of 15,345m were excavated in 124 trenches and 2,172m of sampling was cut in 71 channels. Trenching was focused in four areas: Antonio, Laura, Sonia, Vanguardia2 and Vanguardia3 in the NW of the district; Cuncuna and Sandra veins in the East; Serena Sur in the main central part; and Teresa, El Palo, Laguna del Mineral, Ariadna and Patricia veins in the southern, silver-rich sector of the district. A ground geophysics programme designed to search for shallow blind structures is also ongoing and will continue in 2018.

In **Brazil**, at Cuiabá, exploration was focused on underground drilling for ore body extension, Mineral Resource conversion and the testing of conceptual targets. Deep drilling moved up from L28-30 to L24 to reach the northern hinge of the Cuiaba structure. Regional mapping and sampling continued around Cuiaba at the Pompeu target. 45% of the soil sampling programme was completed with 582 samples collected.

At Lamego exploration focused on Carraguem SW ore body where drilling is being undertaken from a hanging wall drive. The results are promising, especially on the normal limb where the Carraguem ore body shows continuity along with Carraguem SW. Mineral Resource modelling is in progress.

Córrego do Sítio exploration included underground Mineral Resource conversion drilling at CDSI, and surface Mineral Resource conversion drilling at Rosalino (CDSI), Pinta Bem (CDSII) and Anomalia I (CDSIII) and Mineral Resource addition drilling at Cachorro Bravo and Laranjeiras (CDSI). Blue sky exploratory drilling was limited to Anomalia I target. A total of 36,403m were drilled by the contractor and 12,319m by AGA.

At Serra Grande, a total of 14,557m was drilled. Exploration focused on extensions and infill of known orebodies related to the mining areas, this included drilling at Orebody IV, Structure III, Inga, Pequiza, Palmeiras and Mangaba. Field work continued on regional leases and CA's were signed with interested parties.

In **Colombia**, at Gramalote no drilling took place. Field based exploration focused on rock chip sampling and soil sampling at San Javier, Santa Barbara, and Encarnaciones targets to continue delineation of the quartz vein system identified in the area. At La Colosa, no exploration occurred.

At Quebradona, no drilling took place during the second half and work mainly focused on supporting the Pre-Feasibility Study with field activities, core relogging and geotechnical logging.

In **Australia**, at Sunrise Dam drilling targeted Vogue Deeps, Carey Shear, Dolly Porphyry, Cosmo, Cosmo East and Elle orebodies, the Western Area of Vogue 1800, 1600 and 1400 Blocks, down dip extensions to Cosmo, Carey Shear, Elle and Astro North. A total of 45,870m were drilled in the second half.

At Tropicana, extensional drilling at Boston Shaker to evaluate underground potential down dip of the Long Island pit design and minor infill drilling at Crouching Tiger took place. A total of 9,045m RC and 14,805m of DD, for a total of 23,850m, was completed.

Regional brownfields exploration completed 16,936m of AC, 8,291m RC and 2,993 DD drilling, for a total of 28,220m. A number of significant intercepts were returned from follow-up RC/DDH drilling at the New Zebra prospect and will be followed up in 2018. AC drilling was completed at Chocolatini and Don Pedro prospects with no significant results returned. Meanwhile several encouraging results were reported from AC drilling at Angel Eyes which will be followed up in 2018.

See the **Exploration Update document** on the Company website: www.anglogoldashanti.com for more details on both Brownfields and Generative exploration programmes conducted during the year ended 31 December 2017.

DIVIDENDS

In February 2017, the Board approved a dividend policy which provides for an annual dividend to be based on 10% of the free cash flow, before capital growth expenditure, generated by the business for that financial year. Furthermore, this is subject to the Board exercising its discretion on an annual basis, after taking into consideration the prevailing market conditions, balance sheet flexibility and future capital commitments of the group.

Consequently, the quantum of the dividend payout is expected to be volatile as it is based on a free cash flow metric that is subject to market conditions and is impacted by the level of funding of sustaining capital expenditure. In 2017, due to the significant capital reinvestment that the company has made at its existing operations, sustaining capital expenditure increased by 19% to \$829 million when compared to the prior year. In line with the approved dividend policy, the board has applied its discretion in adjusting the 2017 free cash flow, pre-growth capital expenditure metric for the \$49m abnormal South African retrenchment costs paid and has approved a dividend of ZAR 70 cents per share (approximately 6 US cents per share). (Refer to note 19).

The Board is satisfied that subsequent to the dividend declaration, the Company has adequate balance sheet flexibility and sufficient funding facilities available to withstand market volatility. The continuation of the dividend reflects capital discipline and management's commitment to improving shareholder returns.

GUIDANCE 2018

		Guidance	Notes
Production (000oz)		3,325 – 3,450	- Includes three months production from Moab and Kopanang at ~30koz per month
Costs	All-in sustaining costs (\$/oz)	990 – 1,060	Assumptions: ZAR12.79/\$, \$/A\$0.78, BRL3.20/\$, AP19.61/\$; Brent \$62/bl
	Total cash costs (\$/oz)	770 - 830	
Overheads	Corporate costs (\$m)	70 - 80	
	Expensed exploration and study costs (\$m)	115 - 125	Including equity accounted joint ventures
Capex	Total (\$m)	800 - 920	
	Sustaining capex (\$m)	600 - 670	
	Non-sustaining capex (\$m)	200 - 250	Expenditure related to Obuasi, Siguiri Hard Rock project, Kibali and Mponeng
Depreciation and amortisation (\$m)		775	
Depreciation and amortisation – included in equity accounted earnings (\$m)		150	Earnings of associates and joint ventures
Interest and finance costs (\$m)		140	
Other operating expenses (\$m)		90	Primarily related to the costs of care and maintenance

Both production and cost estimates assume neither labour interruptions or power disruptions, nor further 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 United States Securities and Exchange Commission (SEC).

MINERAL RESOURCE AND ORE RESERVE

The Mineral Resource and Ore Reserve for AngloGold Ashanti Limited (AngloGold Ashanti) are reported in accordance with the minimum standards described by the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2016 edition), and also conform to the standards set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

The Mineral Resource is inclusive of the Ore Reserve component unless otherwise stated. In complying with revisions to the SAMREC code the changes to AngloGold Ashanti's Mineral Resource and Ore Reserve have been reviewed and it was concluded that none of the changes are material to the overall valuation of the Company. AngloGold Ashanti has therefore once again resolved not to provide the detailed reporting as defined in Table 1 of the code, apart from the maiden Ore Reserve declaration for Gramalote. The Company will however continue to provide the high level of detail it has in previous years in order to comply with the transparency requirements of the code.

AngloGold Ashanti strives to actively create value by growing its major asset – the Mineral Resource and Ore Reserve. This drive is based on active, well-defined brownfields and generative exploration programmes, innovation in both geological modelling and mine planning and continual optimisation of the asset portfolio.

GOLD PRICE

The following local prices of gold were used as a basis for estimation in the December 2017 declaration:

	Gold Price US\$/oz	Local prices of gold			
		South Africa ZAR/kg	Australia AUD/oz	Brazil BRL/oz	Argentina ARS/oz
2017 Ore Reserve	1 100	512 059	1 491	3 573	17 898
2017 Mineral Resource	1 400	601 870	1 824	4 492	21 242

The SAMREC and JORC Codes require the use of reasonable economic assumptions. These include long-range commodity price forecasts which are prepared in-house.

MINERAL RESOURCE

The AngloGold Ashanti Mineral Resource reduced from 214.7Moz in December 2016 to 208.2Moz in December 2017. This gross annual decrease of 6.6Moz includes depletion of 4.8Moz. The balance of 1.8Moz reductions in Mineral Resource, results from an increase due to exploration and modelling changes of 1.9Moz and a reduction due to other factors of 0.4Moz, whilst changes in economic assumptions resulted in a 3.3Moz reduction. The Mineral Resource has been estimated at a gold price of \$1,400/oz (2016: \$1,400/oz).

MINERAL RESOURCE		Moz
Mineral Resource as at 31 December 2016		214.7
Depletions		-4.8
	Sub Total	209.9
Additions		
Siguiri	Decreased costs resulted in a reduced cutoff grade	1.4
Obuasi	Mineral Resource updated based on recaptured geological data	0.6
Other	Additions less than 0.5Moz.	1.6
	Sub Total	213.5
Reductions		
TauTona	Mine closed and part of the Mineral Resource transferred to Mponeng	-2.6
West Wits Surface	Cost increase resulted in reductions	-0.8
Moab Khotsong	Due primarily to reclassification of Mineral Resource	-0.8
Other	Reductions less than 0.5Moz.	-1.1
Mineral Resource as at 31 December 2017		208.2

ORE RESERVE

The AngloGold Ashanti Ore Reserve reduced from 50.1Moz in December 2016 to 49.5Moz in December 2017. This gross annual decrease of 0.6Moz includes depletion of 4.3Moz. The balance of 3.7Moz additions in Ore Reserve, results from exploration and modelling changes of 4.0Moz and other factors of 0.5Moz, whilst changes in economic assumptions resulted in a 0.8Moz reduction. The Ore Reserve has been estimated using a gold price of \$1,100/oz (2016: \$1,100/oz).

ORE RESERVE		Moz
Ore Reserve as at 31 December 2016		50.1
Depletions		-4.3
	Sub Total	45.8
Additions		
Gramalote	Positive Pre-Feasibility study complete and approved by Board	1.8
AGA Mineracão	Inclusion of transitional and sulphide material in the CDS Rosalino open pit as well as Mineral Resource conversions.	0.8
Tropicana	Model update for Havana South and new designs for Boston Shaker	0.6
Obuasi	Updated mine plan based on updated Mineral Resource models	0.4
CVSA	Due to improved methodology	0.3
Other	Additions less than 0.3Moz.	0.8
	Sub Total	50.5
Reductions		
TauTona	Mine closed	-0.7
Other	Reductions less than 0.3Moz.	-0.3
Ore Reserve as at 31 December 2017		49.5

Rounding of numbers may result in computational discrepancies.

SALE OF ASSETS

AngloGold Ashanti announced on 19 October 2017 that it was selling various assets in the Vaal River region of its South African operations. The sales processes are still underway and therefore do not affect the stated Mineral Resource and Ore Reserve for 2017. However, on conclusion of the sales the following reductions are expected:

Kopanang:	Mineral Resource	3.02Moz
	Ore Reserve	0.36Moz
Moab Khotsong:	Mineral Resource	16.30Moz
	Ore Reserve	4.87Moz
Surface Operations:	Mineral Resource	0.87Moz
	Ore Reserve	0.87Moz

BY-PRODUCTS

Several by-products will be recovered as a result of processing of the gold Ore Reserve. These include 40.4kt of uranium oxide from the South African operations, 0.37Mt of sulphur from Brazil and 21.8Moz of silver from Argentina.

CORPORATE GOVERNANCE

AngloGold Ashanti has established a Mineral Resource and Ore Reserve Steering Committee (RRSC), which is responsible for setting and overseeing the Company's Mineral Resource and Ore Reserve governance framework and for ensuring that it meets the Company's goals and objectives while complying with all relevant regularity codes. Its membership and terms of references are mandated under a policy document signed off by the Chief Executive Officer.

Over more than a decade, the Company has developed and implemented a rigorous system of internal and external reviews aimed at providing assurance in respect of Ore Reserve and Mineral Resource estimates. The following operations were subject to an external review 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 at Obuasi
- Ore Reserve at Obuasi
- Mineral Resource and Ore Reserve at Tropicana
- Mineral Resource and Ore Reserve at Gramalote
- Mineral Resource and Ore Reserve at Kibali

The external reviews were conducted by AMEC, Aranz Geo, Snowden, Optiro, SRK and Optiro respectively. Certificates of sign-off have been received from the companies conducting the external reviews to state that the Mineral Resource and/or Ore Reserve comply with the SAMREC and JORC Codes.

In addition, numerous internal Mineral Resource and Ore Reserve process reviews were completed by suitably qualified Competent Persons from within AngloGold Ashanti and no significant deficiencies were identified. The Mineral Resource and Ore Reserve are underpinned by appropriate Mineral Resource Management processes and protocols that ensure adequate corporate governance. These procedures have been developed to be compliant with the guiding principles of the Sarbanes-Oxley Act of 2002 (SOX).

AngloGold Ashanti makes use of a web based group reporting database called the Resource and Reserve Reporting System (R3) for the compilation and authorisation of Mineral Resource and Ore Reserve reporting. It is a fully integrated system for the reporting and reconciliation of Mineral Resource and Ore Reserve that supports various regulatory reporting requirements including the SEC and the JSE under SAMREC. AngloGold Ashanti uses R3 to ensure a documented chain of responsibility exists from the competent persons at the operations to the Company's RRSC.

AngloGold Ashanti has also developed an enterprise-wide risk management tool that provides consistent and reliable data that allows for visibility of risks and actions across the group. This tool is used to facilitate, control and monitor material risks to the Mineral Resource and Ore Reserve, thus ensuring that the appropriate risk management and mitigation plans are in place.

COMPETENT PERSONS

The information in this report relating to exploration results, Mineral Resources and Ore Reserves is based on information compiled by or under the supervision of the Competent Persons as defined in the SAMREC or JORC Codes. All Competent Persons are employed by AngloGold Ashanti, except for Kibali and Morila, 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 legal tenure of each operation and project has been verified to the satisfaction of the accountable Competent Person and all Ore Reserves have been confirmed to be covered by the required mining permits or there exists a realistic expectation that these permits will be issued. This will be detailed in the 2017 Mineral Resource and Ore Reserve document.

Accordingly, the Chairman of the Mineral Resource and Ore Reserve Steering Committee, Vaughan Chamberlain, MSc (Mining Engineering), BSc (Hons) (Geology), MGSSA and 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. Vaughan Chamberlain has 30 years' experience in exploration and mining and is employed full-time by AngloGold Ashanti and can be contacted at the following address: 76 Rahima Moosa Street, Newtown, 2001, South Africa.

A detailed breakdown of Mineral Resource and Ore Reserve and backup detail will be provided on the AngloGold Ashanti website (www.anglogoldashanti.com) and www.aga-reports.com.

MINERAL RESOURCE BY REGION (ATTRIBUTABLE) INCLUSIVE OF ORE RESERVE

Gold as at 31 December 2017	Category	Tonnes million	Grade g/t	Contained gold	
				Tonnes	Moz
South Africa	Measured	139	1.83	254	8
	Indicated	742	2.29	1697	55
	Inferred	28	14.52	410	13
	Total	909	2.60	2360	76
Continental Africa	Measured	47	1.75	82	3
	Indicated	468	2.60	1218	39
	Inferred	203	3.41	694	22
	Total	718	2.78	1995	64
Australasia	Measured	34	0.97	32	1
	Indicated	127	1.98	251	8
	Inferred	35	1.84	65	2
	Total	196	1.78	348	11
Americas	Measured	27	5.07	139	4
	Indicated	1064	0.99	1054	34
	Inferred	803	0.72	578	19
	Total	1895	0.93	1771	57
AngloGold Ashanti total	Measured	247	2.06	508	16
	Indicated	2401	1.76	4220	136
	Inferred	1070	1.63	1746	56
	Total	3718	1.74	6475	208

Rounding of figures may result in computational discrepancies.

MINERAL RESOURCE BY REGION (ATTRIBUTABLE) EXCLUSIVE OF ORE RESERVE

Gold as at 31 December 2017	Category	Tonnes million	Grade g/t	Contained gold	
				Tonnes	Moz
South Africa	Measured	9	20.06	175	6
	Indicated	82	10.28	845	27
	Inferred	16	15.97	253	8
	Total	107	11.93	1273	41
Continental Africa	Measured	5	4.78	23	1
	Indicated	277	2.65	733	24
	Inferred	203	3.42	694	22
	Total	484	2.99	1450	47
Australasia	Measured	11	0.57	6	0
	Indicated	84	1.79	151	5
	Inferred	35	1.84	65	2
	Total	130	1.71	222	7
Americas	Measured	17	5.80	96	3
	Indicated	1046	0.91	956	31
	Inferred	801	0.66	527	17
	Total	1863	0.85	1579	51
AngloGold Ashanti total	Measured	41	7.39	301	10
	Indicated	1489	1.80	2685	86
	Inferred	1055	1.46	1538	49
	Total	2585	1.75	4524	145

Rounding of figures may result in computational discrepancies.

ORE RESERVE BY REGION (ATTRIBUTABLE)

Gold as at 31 December 2017	Category	Tonnes million	Grade g/t	Contained gold	
				Tonnes	Moz
South Africa	Proved	131	0.50	65	2
	Probable	663	1.00	666	21
	Total	795	0.92	731	24
Continental Africa	Proved	36	1.48	53	2
	Probable	184	2.57	472	15
	Total	220	2.39	525	17
Australasia	Proved	23	1.14	26	1
	Probable	43	2.33	100	3
	Total	66	1.92	126	4
Americas	Proved	9	2.89	26	1
	Probable	82	1.61	132	4
	Total	91	1.73	157	5
AngloGold Ashanti total	Proved	199	0.86	170	5
	Probable	972	1.41	1370	44
	Total	1171	1.32	1540	50

Rounding of figures may result in computational discrepancies.



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Independent auditor's review report on the condensed consolidated financial information for the twelve months ended 31 December 2017 to the shareholders of AngloGold Ashanti Limited

We have reviewed the condensed consolidated financial statements of AngloGold Ashanti Limited (the 'company') contained in the accompanying preliminary report on pages 18 to 36, which comprise the accompanying condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the twelve months then ended, and selected explanatory notes.

Directors' Responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 1 to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of the company for the twelve months ended 31 December 2017 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 1 to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.
Ernest Adriaan Lodewyk Botha - Director
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road, Sandton
Johannesburg, South Africa
19 February 2018

GROUP – INCOME STATEMENT

US Dollar million	Notes	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
Revenue	2	2,416	2,213	4,543	4,254
Gold income	2	2,324	2,125	4,356	4,085
Cost of sales	3	(1,874)	(1,763)	(3,582)	(3,263)
Gain (loss) on non-hedge derivatives and other commodity contracts		9	50	10	19
Gross profit (loss)		459	412	784	841
Corporate administration, marketing and other expenses		(30)	(32)	(64)	(61)
Exploration and evaluation costs		(52)	(71)	(114)	(133)
Other operating expenses	4	(47)	(64)	(88)	(110)
Special items	5	(186)	(36)	(438)	(42)
Operating profit (loss)		144	209	80	495
Interest received	2	7	11	15	22
Exchange gain (loss)		(6)	(5)	(11)	(88)
Finance costs and unwinding of obligations	6	(86)	(83)	(169)	(180)
Fair value adjustment on issued bonds		-	34	-	9
Share of associates and joint ventures' profit (loss)	7	31	(9)	22	11
Profit (loss) before taxation		90	157	(63)	269
Taxation	8	(95)	(138)	(108)	(189)
Profit (loss) for the year		(5)	19	(171)	80
<i>Allocated as follows</i>					
Equity shareholders		(15)	11	(191)	63
Non-controlling interests		10	8	20	17
		(5)	19	(171)	80
Basic earnings (loss) per ordinary share (cents) ⁽¹⁾		(4)	2	(46)	15
Diluted earnings (loss) per ordinary share (cents) ⁽²⁾		(4)	2	(46)	15

⁽¹⁾ Calculated on the basic weighted average number of ordinary shares.

⁽²⁾ Calculated on the diluted weighted average number of ordinary shares.

Rounding of figures may result in computational discrepancies.

The condensed consolidated financial statements for the year ended 31 December 2017 have been prepared by the corporate accounting staff of AngloGold Ashanti Limited headed by Ms Meroonisha Kerber (CA (SA)), the Senior Vice President: Finance. This process was supervised by Ms Kandimathie Christine Ramon (CA (SA)), the Group's Chief Financial Officer and Mr Srinivasan Venkatakrishnan (BCom; ACA (ICAI)), the Group's Chief Executive Officer. The condensed consolidated financial statements for the twelve months ended 31 December 2017 were reviewed, but not audited, by the Group's statutory auditors, Ernst & Young Inc.

GROUP – STATEMENT OF COMPREHENSIVE INCOME

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
Profit (loss) for the year	(5)	19	(171)	80
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	40	58	123	180
Net gain (loss) on available-for-sale financial assets	17	(14)	20	13
Release on impairment of available-for-sale financial assets	2	-	3	-
Release on disposal of available-for-sale financial assets	(6)	(1)	(6)	(2)
Deferred taxation thereon	6	4	8	(2)
	19	(11)	25	9
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain (loss) recognised	8	3	8	(2)
Deferred taxation thereon	(2)	(1)	(2)	-
	6	2	6	(2)
Other comprehensive income (loss) for the year, net of tax	65	49	154	187
Total comprehensive income (loss) for the year, net of tax	60	68	(17)	267
<i>Allocated as follows</i>				
Equity shareholders	50	60	(37)	250
Non-controlling interests	10	8	20	17
	60	68	(17)	267

GROUP – STATEMENT OF FINANCIAL POSITION

US Dollar million	Notes	As at Dec 2017 Reviewed	As at Dec 2016 Audited
ASSETS			
Non-current assets			
Tangible assets		3,742	4,111
Intangible assets		138	145
Investments in associates and joint ventures		1,507	1,448
Other investments		131	125
Inventories		100	84
Trade, other receivables and other assets		67	34
Deferred taxation		4	4
Cash restricted for use		37	36
		5,726	5,987
Current assets			
Other investments		7	5
Inventories		683	672
Trade, other receivables and other assets		222	255
Cash restricted for use		28	19
Cash and cash equivalents		205	215
		1,145	1,166
Non-current assets held for sale	10	348	-
		1,493	1,166
Total assets		7,219	7,153
EQUITY AND LIABILITIES			
Share capital and premium	12	7,134	7,108
Accumulated losses and other reserves		(4,471)	(4,393)
Shareholders' equity		2,663	2,715
Non-controlling interests		41	39
Total equity		2,704	2,754
Non-current liabilities			
Borrowings		2,230	2,144
Environmental rehabilitation and other provisions		942	877
Provision for pension and post-retirement benefits		122	118
Trade, other payables and deferred income		3	4
Deferred taxation		363	496
		3,660	3,639
Current liabilities			
Borrowings		38	34
Trade, other payables and deferred income		638	615
Taxation		53	111
		729	760
Non-current liabilities held for sale	10	126	-
		855	760
Total liabilities		4,515	4,399
Total equity and liabilities		7,219	7,153

Rounding of figures may result in computational discrepancies.

GROUP – STATEMENT OF CASH FLOWS

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
US Dollar million				
Cash flows from operating activities				
Receipts from customers	2,433	2,228	4,534	4,231
Payments to suppliers and employees	(1,699)	(1,524)	(3,383)	(2,929)
Cash generated from operations	734	704	1,151	1,302
Dividends received from joint ventures	6	32	6	37
Taxation refund	3	9	14	12
Taxation paid	(67)	(35)	(174)	(165)
Net cash inflow (outflow) from operating activities	676	710	997	1,186
Cash flows from investing activities				
Capital expenditure	(438)	(430)	(829)	(706)
Expenditure on intangible assets	(1)	(2)	(1)	(5)
Proceeds from disposal of tangible assets	4	2	7	4
Other investments acquired	(37)	(32)	(91)	(73)
Proceeds from disposal of other investments	32	28	78	61
Investments in associates and joint ventures	(7)	(7)	(27)	(11)
Proceeds from disposal of associates and joint ventures	-	10	-	10
Loans advanced to associates and joint ventures	(2)	(2)	(6)	(4)
Decrease (increase) in cash restricted for use	(8)	3	(8)	8
Interest received	7	5	15	14
Net cash (outflow) inflow from investing activities	(450)	(425)	(862)	(702)
Cash flows from financing activities				
Proceeds from borrowings	484	585	815	787
Repayment of borrowings	(600)	(1,004)	(767)	(1,333)
Finance costs paid	(71)	(87)	(138)	(172)
Bond settlement premium, RCF and bond transaction costs	-	(30)	-	(30)
Dividends paid	-	(9)	(58)	(15)
Net cash inflow (outflow) from financing activities	(187)	(545)	(148)	(763)
Net increase (decrease) in cash and cash equivalents	39	(260)	(13)	(279)
Translation	2	5	3	10
Cash and cash equivalents at beginning of period	164	470	215	484
Cash and cash equivalents at end of period	205	215	205	215
Cash generated from operations				
Profit (loss) before taxation	90	157	(63)	269
Adjusted for:				
Movement on non-hedge derivatives and other commodity contracts	(9)	(50)	(10)	(19)
Amortisation of tangible assets	428	440	817	789
Finance costs and unwinding of obligations	86	83	169	180
Environmental, rehabilitation and other expenditure	(10)	(15)	(30)	(13)
Special items – non cash	149	38	394	44
Amortisation of intangible assets	3	5	6	20
Fair value adjustment on \$1.25bn bonds	-	(34)	-	(9)
Interest received (note 2)	(7)	(11)	(15)	(22)
Share of associates and joint ventures' (profit) loss (note 7)	(31)	9	(22)	(11)
Exchange loss on foreign currency reserve release	-	-	-	60
Other non-cash movements	26	56	61	90
Movements in working capital	9	26	(156)	(76)
	734	704	1,151	1,302
Movements in working capital:				
(Increase) decrease in inventories	(45)	(15)	(67)	(48)
(Increase) decrease in trade, other receivables and other assets	8	(82)	(86)	(131)
Increase (decrease) in trade, other payables and deferred income	46	123	(3)	103
	9	26	(156)	(76)

Rounding of figures may result in computational discrepancies.

GROUP – STATEMENT OF CHANGES IN EQUITY

US Dollar million	Equity holders of the parent							Total	Non-controlling interests	Total equity
	Share capital and premium	Other capital reserves	Retained earnings (Accumulated losses)	Cash flow hedge reserve	Available-for-sale reserve	Actuarial gains (losses)	Foreign currency translation reserve			
Balance at 31 December 2015	7,066	117	(3,174)	(1)	7	(19)	(1,566)	2,430	37	2,467
Profit (loss) for the year			63					63	17	80
Other comprehensive income (loss) ⁽¹⁾					9	(2)	180	187		187
Total comprehensive income (loss)	-	-	63	-	9	(2)	180	250	17	267
Shares issued	42							42		42
Share-based payment for share awards net of exercised		(7)						(7)		(7)
Dividends of subsidiaries								-	(15)	(15)
Transfer to reserves			(2)			2		-		-
Translation		7	(6)		1	(2)		-		-
Balance at 31 December 2016	7,108	117	(3,119)	(1)	17	(21)	(1,386)	2,715	39	2,754
Balance at 31 December 2016	7,108	117	(3,119)	(1)	17	(21)	(1,386)	2,715	39	2,754
Profit (loss) for the year			(191)					(191)	20	(171)
Other comprehensive income (loss)					25	6	123	154		154
Total comprehensive income (loss)	-	-	(191)	-	25	6	123	(37)	20	(17)
Shares issued	26							26		26
Share-based payment for share awards net of exercised		(1)						(1)		(1)
Dividends paid			(39)					(39)		(39)
Dividends of subsidiaries								-	(19)	(19)
Translation		9	(10)		1	(1)		(1)	1	-
Balance at 31 December 2017	7,134	125	(3,359)	(1)	43	(16)	(1,263)	2,663	41	2,704

⁽¹⁾ Foreign currency translation reserve includes an exchange difference of \$60m reclassified on the repayment of a loan which was designated as part of the investment in subsidiary and \$53m arising on preference shares cancelled.

Rounding of figures may result in computational discrepancies.

Segmental reporting

AngloGold Ashanti'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.

Gold income

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
South Africa	576	593	1,101	1,173
Continental Africa	1,011	872	1,895	1,663
Australasia	394	336	709	646
Americas	580	558	1,104	1,036
	2,561	2,359	4,809	4,518
Equity-accounted investments included above	(237)	(234)	(453)	(433)
	2,324	2,125	4,356	4,085

By-product revenue

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
South Africa	7	10	15	23
Continental Africa	1	2	3	4
Australasia	1	1	2	2
Americas	65	56	135	110
	74	69	155	139
Equity-accounted investments included above	-	-	(1)	(1)
	74	69	154	138

Total cash costs

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
South Africa	499	468	968	857
Continental Africa	589	533	1,088	976
Australasia	214	206	407	404
Americas	297	267	547	486
Corporate and other	(2)	4	(6)	-
	1,597	1,478	3,004	2,723
Equity accounted investments included above	(146)	(155)	(295)	(288)
	1,451	1,323	2,709	2,435

Rounding of figures may result in computational discrepancies.

Segmental reporting continued

Cost of sales

US Dollar million	Six months ended	Six months ended	Year ended	Year ended
	Dec 2017	Dec 2016	Dec 2017	Dec 2016
	Unaudited	Unaudited	Reviewed	Audited
South Africa	560	562	1,114	1,041
Continental Africa	769	716	1,510	1,331
Australasia	300	286	550	540
Americas	457	411	851	752
Corporate and other	-	7	(3)	5
	2,086	1,982	4,022	3,669
Equity-accounted investments included above	(212)	(219)	(440)	(406)
	1,874	1,763	3,582	3,263

Gross profit (loss)

US Dollar million	Six months ended	Six months ended	Year ended	Year ended
	Dec 2017	Dec 2016	Dec 2017	Dec 2016
	Unaudited	Unaudited	Reviewed	Audited
South Africa	25	80	(3)	149
Continental Africa	242	155	386	334
Australasia	94	50	159	106
Americas	124	147	253	283
Corporate and other	(1)	(6)	2	(4)
	484	426	797	868
Equity-accounted investments included above	(25)	(14)	(13)	(27)
	459	412	784	841

Capital expenditure

US Dollar million	Six months ended	Six months ended	Year ended	Year ended
	Dec 2017	Dec 2016	Dec 2017	Dec 2016
	Unaudited	Unaudited	Reviewed	Audited
South Africa	70	106	150	182
Continental Africa	218	179	409	291
Australasia	87	71	153	109
Americas	120	135	234	225
Corporate and other	4	2	7	4
	499	493	953	811
Equity-accounted investments included above	(60)	(61)	(123)	(100)
	439	432	830	711

Rounding of figures may result in computational discrepancies.

Segmental reporting continued

Gold production

	Six months ended Dec 2017	Six months ended Dec 2016	Year ended Dec 2017	Year ended Dec 2016
	oz (000)			
South Africa	467	481	903	967
Continental Africa	788	702	1,453	1,321
Australasia	305	269	559	520
Americas	447	431	840	820
	2,007	1,883	3,755	3,628

Total assets

	As at Dec 2017 Reviewed	As at Dec 2016 Audited
US Dollar million		
South Africa	1,734	1,818
Continental Africa	3,153	3,090
Australasia	929	804
Americas	1,258	1,273
Corporate and other	145	168
	7,219	7,153

Rounding of figures may result in computational discrepancies.

Notes

for the six months and year ended 31 December 2017

1 Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and the recognition requirements of International Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of International Financial Reporting Standards (IFRS) and are consistent with those applied in the consolidated annual financial statements for the year ended 31 December 2016. No new standards were adopted in 2017.

Based on materiality, certain comparatives have been aggregated.

2 Revenue

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
Gold income	2,324	2,125	4,356	4,085
By-products (note 3)	74	69	154	138
Royalties received (note 5)	11	8	18	9
Interest received	7	11	15	22
	2,416	2,213	4,543	4,254

3 Cost of sales

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
Cash operating costs	1,456	1,324	2,728	2,444
By-products revenue (note 2)	(74)	(69)	(154)	(138)
	1,382	1,255	2,574	2,306
Royalties	61	56	116	105
Other cash costs	8	12	19	24
Total cash costs	1,451	1,323	2,709	2,435
Retrenchment costs	3	9	6	14
Rehabilitation and other non-cash costs	16	15	29	43
Amortisation of tangible assets	428	440	817	789
Amortisation of intangible assets	3	5	6	20
Inventory change	(27)	(29)	15	(38)
	1,874	1,763	3,582	3,263

4 Other operating expenses

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
Care and maintenance costs	34	33	62	70
Pension and medical defined benefit provisions	4	22	9	25
Government fiscal claims and care and maintenance of old tailings operations	7	8	14	14
Other expenses	2	1	3	1
	47	64	88	110

Rounding of figures may result in computational discrepancies.

5 Special items

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
Impairment and derecognition of assets ⁽¹⁾	182	2	297	3
Impairment of other investments	2	-	3	-
Retrenchment and related costs	13	1	88	1
Legal fees and other costs related to contract terminations and settlement costs ⁽²⁾	4	8	71	11
Write-down of inventories	-	12	3	12
Net (profit) loss on disposal of assets	(7)	(4)	(8)	(4)
Royalties received (note 2)	(11)	(8)	(18)	(9)
Indirect tax expenses (recoveries)	3	(5)	2	(2)
Repurchase premium and cost on settlement of issued bonds	-	30	-	30
	186	36	438	42

⁽¹⁾ Impairment and derecognition of assets includes the following:

The group reviews and tests the carrying value of its mining assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

During June 2017, due to a change in mine plans to restructure the South African operations, Kopanang mine, TauTona mine including Savuka section and the West Gold Plant section of the Surface operations in South Africa were fully impaired as they were not expected to generate future economic benefits.

On 19 October 2017, AngloGold Ashanti announced the sale of various assets in the Vaal River Region including the Moab Khotsong Mine to Harmony Gold Mining Company Limited ("Harmony") for a cash consideration of US\$300 million. Moab Khotsong Mine was accordingly transferred to held for sale and written down to the fair value less cost to sell. Refer to note 10 - Non current assets and liabilities held for sale.

Goodwill has been allocated to its respective CGU's where it is tested for impairment as part of the CGU on an annual basis. Following the impairment review, goodwill to the value of \$9m at First Uranium SA was impaired utilising a real pre-tax discount rate of 9.2% during 2017. The discount rates for 2017 were determined on a basis consistent with the 2016 discount rates.

Impairment calculation assumptions as at 31 December 2017 – goodwill, tangible and intangible assets

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. A long-term real gold price of \$1,240/oz (2016: \$1,212/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 for each cash generating unit, the real pre-tax rate was derived from the weighted average cost of capital (WACC) using the Capital Asset Pricing Model ("CAPM") to determine the required return on equity with risk factors consistent with the basis used in 2016. At 31 December 2017, the derived group WACC was 7.50% (real post-tax) which is 20 basis points higher than in 2016 of 7.30%, and is based on the industry average capital structure of the 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. In certain instances, a specific risk premium was added to large projects being undertaken or the turnaround nature of a specific mine to address uncertainties in the forecast of the cash flows;
- 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 2 years to 42 years; and
- variable operating cash flows are increased at local Consumer Price Index rates.

For the year ended 31 December 2017, the following impairments and derecognitions were recognised:

US Dollar million	Impairment and derecognition of tangible assets	Impairment of intangible assets	Taxation thereon	Post-tax total
TauTona	79	-	19	60
Kopanang	35	-	9	26
Surface operations	9	-	-	9
Moab Khotsong	146	-	41	105
Mponeng	3	-	1	2
First Uranium SA	13	9	4	18
Other	3	-	-	3
Total	288	9	73	224

(2) Legal fees and other costs related to contract terminations and settlement costs include the following:

Litigation claims - Class action

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 ODMWA. This judgement allows such qualifying employee to pursue a civil claim for damages against the employer. Following the Constitutional Court decision, AngloGold Ashanti and members of the working group (discussed below) have been subject to numerous claims relating to silicosis and other Occupational Lung Diseases (OLD), including several potential class actions and individual claims.

In November 2014, Anglo American South Africa, AngloGold Ashanti, Gold Fields, Harmony Gold Mining Company and Sibanye-Stillwater formed an industry working group on OLD to address issues relating to compensation for OLD in the gold mining industry in South Africa. The working group now also includes African Rainbow Minerals (“ARM”). The working group remains of the view that achieving a comprehensive solution which is both fair to past, present and future employees, and sustainable for the sector, is preferable to protracted litigation. The working group will continue with its efforts – which have been ongoing for more than two years – to find common ground with all stakeholders, including government, labour and the claimants’ legal representatives.

AngloGold Ashanti, along with other mining companies including Anglo American South Africa, ARM, Gold Fields, Harmony Gold Mining Company, DRDGold, Randgold and Exploration Company, and Sibanye-Stillwater, were served with a consolidated class action application on 21 August 2013. The companies do not believe that they are liable in respect of the claims brought, and they are defending these. They do, however, believe that they should work together to seek a solution to this South African mining industry legacy issue.

On 13 May 2016, the High Court ordered, among other things: (1) the certification of two classes: (a) a silicosis class comprising current and former mine workers who have contracted silicosis and the dependents of mine workers who have died of silicosis; and (b) a tuberculosis class comprising current and former mine workers who have worked on the mines for a period of not less than two years and who have contracted pulmonary tuberculosis and the dependents of deceased mine workers who died of pulmonary tuberculosis; and (2) that the common law be developed to provide that, where a claimant commences suing for general damages and subsequently dies before close of pleadings, the claim for general damages will transmit to the estate of the deceased claimant. The progression of the classes certified will be done in two phases: (i) a determination of common issues, on an opt-out basis, and (ii) the hearing and determination of individualised issues, on an opt-in basis. In addition, costs were awarded in favour of the claimants. The High Court ruling did not represent a ruling on the merits of the cases brought by the Claimants. The amount of damages has not yet been quantified for any of the class representatives in the Consolidated Class Application or for any other members of the classes.

AngloGold Ashanti and the other respondents believed that the judgement addressed a number of highly complex and important issues, including a far-reaching amendment of the common law, that have not previously been considered by other courts in South Africa. The High Court itself found that the scope and magnitude of the proposed claims is unprecedented in South Africa and that the class action would address novel and complex issues of fact and law. The respondents applied for leave to appeal against the judgement because they believed that the court’s ruling on some of these issues is incorrect and that another court may come to a different decision.

On 24 June 2016, the South Gauteng High Court granted the mining companies leave to appeal against the finding amending the common law in respect of the transmissibility of general damages claims. It refused leave to appeal on the certification of silicosis and tuberculosis classes. On 15 July 2016, AngloGold Ashanti and the other respondents each filed petitions to the Supreme Court of Appeal (SCA) for leave to appeal against the certification of the class action for silicosis and pulmonary tuberculosis. On 21 September 2016, the SCA granted the respondents leave to appeal against all aspects of the class certification judgement of the South Gauteng High Court delivered in May 2016. The appeal hearing before the SCA was scheduled to be heard from 19 – 23 March 2018. On 10 January 2018, in response to a request from all parties involved in the appeal to the SCA in respect of the silicosis and tuberculosis class action litigation, the Registrar of the SCA postponed the hearing date of the appeal until further notice.

Provision raised

As a result of the progress made by the working group since 31 December 2016 on a variety of issues, management is now in a position to reliably estimate within an acceptable range the AngloGold Ashanti share of a possible settlement of the class action claims and related costs. As a result, AngloGold Ashanti has provided for this obligation and recorded an expense of \$63m for the year ended 31 December 2017. The ultimate outcome of these negotiations and the court sanction of the agreement remains uncertain and accordingly the provision is subject to adjustment in the future.

6 Finance costs and unwinding of obligations

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
US Dollar million				
Finance costs	72	72	142	158
Unwinding of obligations and accretion of convertible bonds	14	11	27	22
	86	83	169	180

7 Share of associates and joint ventures' profit (loss)

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
US Dollar million				
Revenue	237	235	453	441
Operating costs, special items and other expenses	(222)	(244)	(470)	(446)
Net interest received (paid)	1	(1)	1	3
Profit (loss) before taxation	16	(10)	(16)	(2)
Taxation	3	5	23	7
Profit (loss) after taxation	19	(5)	7	5
Net (impairment) reversal of investments in associates and joint ventures	12	(4)	15	6
	31	(9)	22	11

8 Taxation

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
US Dollar million				
South African taxation				
Non-mining tax	-	1	1	1
Prior year (over) under provision	-	(3)	-	(3)
Deferred taxation				
Impairment and disposal of tangible assets	(44)	-	(72)	-
Other temporary differences	(7)	16	(62)	12
Prior year (over) under provision	15	23	15	25
Change in estimated deferred tax rate	31	-	31	-
	(5)	37	(87)	35
Foreign taxation				
Normal taxation	104	137	201	246
Prior year over provision	(27)	(5)	(26)	(10)
Deferred taxation				
Temporary differences	23	(14)	20	(65)
Prior year (over) under provision	2	(17)	2	(17)
Change in statutory tax rate	(2)	-	(2)	-
	100	101	195	154
	95	138	108	189

9 Headline earnings (loss)

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
US Dollar million				
The profit (loss) attributable to equity shareholders has been adjusted by the following to arrive at headline earnings (loss):				
Profit (loss) attributable to equity shareholders	(15)	11	(191)	63
Net impairment (reversal) and derecognition of assets	180	1	295	(16)
Impairment of other investments	2	-	3	-
Net (profit) loss on disposal of assets	(7)	5	(8)	4
Exchange loss on foreign currency translation reserve release	-	-	-	60
Taxation	(45)	1	(72)	-
Headline earnings (loss)	115	18	27	111
Headline earnings (loss) per ordinary share (cents) ⁽¹⁾	28	4	6	27
Diluted headline earnings (loss) per ordinary share (cents) ⁽²⁾	28	4	6	27

⁽¹⁾ Calculated on the basic weighted average number of ordinary shares.

⁽²⁾ Calculated on the diluted weighted average number of ordinary shares.

10 Non-current assets and liabilities held for sale

Kopangang gold mine, West Gold Plant and related infrastructure (Kopangang Sale Assets)

The Kopangang gold mine is situated approximately 170 kilometres southwest of Johannesburg. It is included in the South Africa reporting segment. Kopangang gold mine was previously recognised as a combination of tangible assets, current assets, current and long term liabilities. Due to the change in mine plans to restructure Kopangang, an impairment of \$34m was recognised at 30 June 2017. On 19 October 2017, AngloGold Ashanti Limited announced that it had entered into an agreement to dispose of the Kopangang Sale Assets to Heaven-Sent SA Sunshine Investment Company Limited ("HSC"), a Chinese capital management company headquartered in Hong Kong. The purchase consideration will be settled on the closing date by a payment of R100 million in cash and the transfer of certain gold bearing rock dumps from a subsidiary of HSC, namely Village Main reef Limited, to AngloGold Ashanti. Kopangang mine is a single shaft system, which produces gold as its primary output. In 2017, Kopangang mine produced 91,000 ounces of gold (2016: 91,000 ounces).

Moab Khotsong gold mine and related infrastructure, Nufcor and Margaret Water Company (Moab Sale Assets)

The Moab Khotsong gold mine is situated approximately 180 kilometres southwest of Johannesburg. It is included in the South Africa reporting segment. Moab Khotsong gold mine was previously recognised as a combination of tangible assets, current assets, current and long term liabilities. On 19 October 2017, AngloGold Ashanti Limited announced that it had entered into a sale and purchase agreement, to dispose of various assets situated in the Vaal River region of South Africa to Harmony Gold Mining Company Limited for a cash consideration of US\$300 million.

The assets and related interests to be sold include the following:

- The Moab Khotsong mine (which incorporates the Great Nologwa mine) and related infrastructure;
- AngloGold Ashanti's entire interest in Nuclear Fuels Corporation of South Africa Proprietary Limited (Nufcor); and
- AngloGold Ashanti's entire interest in Margaret Water Company NPC.

Moab Khotsong is an underground mine which produced 294,000 ounces in 2017 (2016: 280,000 ounces).

The above transactions are subject to fulfilment of a number of conditions precedent including regulatory and third party approvals which are expected to be obtained within the next several months.

The carrying amount of major classes of assets and liabilities include:

US Dollar million	31 December 2017 (Reviewed)		
	Moab Sale assets	Kopangang Sale assets	Total
Tangible Assets	277	12	289
Intangible assets	2	-	2
Inventories	16	5	21
Other investments	31	5	36
Non-current assets held for sale	326	22	348
Environmental and rehabilitation provision	20	9	29
Provision for pension and post-retirement benefits	1	-	1
Trade, other payables and deferred income	10	5	15
Deferred taxation	81	-	81
Non-current liabilities held for sale	112	14	126
Net non-current assets held for sale	214	8	222

Accounting policy

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.

11 Number of shares

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
Authorised number of shares:				
Ordinary shares of 25 SA cents each	600,000,000	600,000,000	600,000,000	600,000,000
A redeemable preference shares of 50 SA cents each	2,000,000	2,000,000	2,000,000	2,000,000
B redeemable preference shares of 1 SA cents each	5,000,000	5,000,000	5,000,000	5,000,000
C redeemable preference shares at no par value	30,000,000	30,000,000	30,000,000	30,000,000
Issued and fully paid number of shares:				
Ordinary shares of 25 SA cents each	410,054,615	408,223,760	410,054,615	408,223,760
A redeemable preference shares of 50 SA cents each	2,000,000	2,000,000	2,000,000	2,000,000
B redeemable preference shares of 1 SA cents each	778,896	778,896	778,896	778,896

In calculating the basic and diluted number of ordinary shares outstanding for the period, the following were taken into consideration:

Ordinary shares	409,759,701	408,169,347	409,265,471	407,519,542
Fully vested options	4,965,424	3,334,117	6,174,606	5,065,500
Weighted average number of shares	414,725,125	411,503,464	415,440,077	412,585,042
Dilutive potential of share options	-	2,056,495	-	2,121,358
Dilutive number of ordinary shares	414,725,125	413,559,959	415,440,077	414,706,400

12 Share capital and premium

	As at Dec 2017 Reviewed	As at Dec 2016 Audited
US Dollar million		
Balance at beginning of period	7,161	7,119
Ordinary shares issued	26	42
Sub-total	7,187	7,161
Redeemable preference shares held within group	(53)	(53)
	7,134	7,108

13 Borrowings

AngloGold Ashanti's borrowings are interest bearing.

	As at Dec 2017 Reviewed	As at Dec 2016 Reviewed
US Dollar million		

Change in liabilities arising from financing activities:

Reconciliation of total borrowings

A reconciliation of the total borrowings included in the statement of financial position is set out in the following table:

Opening balance	2,178	2,737
Proceeds from borrowings	815	787
Repayment of borrowings	(767)	(1,333)
Finance costs paid on borrowings	(125)	(159)
Interest charged to the income statement	130	136
Translation	37	10
Closing balance	2,268	2,178

Reconciliation of finance costs paid:

A reconciliation of the finance cost paid included in the statement of cash flows is set out in the following table:

Finance costs paid on borrowings	125	159
Commitment fees, environmental guarantees fees and other borrowing costs	13	13
Total finance costs paid	138	172

14 Exchange rates

	As at Dec 2017 Unaudited	As at Dec 2016 Unaudited
ZAR/USD average for the year to date	13.30	14.68
ZAR/USD average for the quarter	13.63	13.90
ZAR/USD average for the half year to date	13.39	13.98
ZAR/USD closing	12.36	13.73
AUD/USD average for the year to date	1.30	1.35
AUD/USD average for the quarter	1.30	1.34
AUD/USD average for the half year to date	1.28	1.33
AUD/USD closing	1.28	1.39
BRL/USD average for the year to date	3.19	3.48
BRL/USD average for the quarter	3.25	3.29
BRL/USD average for the half year to date	3.21	3.27
BRL/USD closing	3.31	3.26
ARS/USD average for the year to date	16.57	14.78
ARS/USD average for the quarter	17.55	15.46
ARS/USD average for the half year to date	17.42	15.20
ARS/USD closing	18.65	15.89

15 Financial risk management activities

Borrowings

The rated bonds are carried at amortised cost and their fair values are their closing market values at the reporting date (fair value hierarchy – level 1) which results in the difference noted in the table below. 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 the fair value.

	As at Dec 2017 Reviewed	As at Dec 2016 Audited
US Dollar million		
Carrying amount	2,268	2,178
Fair value	2,377	2,203

Fair Value hierarchy

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;
- 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 tables set out the group's financial assets measured at fair value by level within the fair value hierarchy:

Type of instruments:

	31 December 2017 Reviewed				31 December 2016 Reviewed			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
US Dollar million								
Equity securities	80	-	-	80	51	-	-	51

Environmental obligations

Pursuant to environmental regulations in the countries in which we operate, we are obligated to close our operations and rehabilitate the lands which we mine in accordance with these regulations. As a consequence, AngloGold Ashanti is required in some circumstances to provide either reclamation bonds issued by third party entities, establish independent trust funds or provide guarantees issued by the operation, to the respective environmental protection agency or such other government department with responsibility for environmental oversight in the respective country to cover the potential environmental rehabilitation obligation in specified amounts.

In most cases, the environmental obligations will expire on completion of the rehabilitation although in some cases we are required to potentially post bonds for events unknown that may arise after the rehabilitation has been completed.

In South Africa, AngloGold Ashanti has established a trust fund which has assets of ZAR 1.39bn and guarantees of ZAR 1.52bn issued by various banks, for a current carrying value of the liability of ZAR 1.15bn. In Australia, since 2014, the group has paid an amount of AUD \$4m into a Mine Rehabilitation Fund for a current carrying value of the liability of AUD \$113.2m. At Iduapriem the group has provided a bond comprising of a cash component of \$9.8m with a further bond guarantee amounting to \$35.9m issued by Ecobank Ghana Limited and Barclays Ghana Limited for a current carrying value of the liability of \$44.3m. At Obuasi the group has provided a bond comprising of a cash component of \$20.3m with a further bank guarantee amounting to \$30m issued by Nedbank Limited for a current carrying value of the liability of \$211m. In some circumstances, the group may be required to post further bonds in future years which will have a consequential income statement charge for the fees charged by the providers of the reclamation bonds.

16 Capital commitments

US Dollar million	As at Dec 2017 Reviewed	As at Dec 2016 Audited
Orders placed and outstanding on capital contracts at the prevailing rate of exchange ⁽¹⁾	87	58

⁽¹⁾ Includes the group's attributable share of capital commitments relating to associates and joint ventures.

Liquidity and capital resources

To service the above capital commitments 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 above commitments. 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.

17 Contractual commitments and contingencies

AngloGold Ashanti's material contingent liabilities at 31 December 2017 and 31 December 2016 are detailed below:

Contingencies and guarantees

US Dollars million	Dec 2017 Reviewed	Dec 2016 Audited
Contingent liabilities		
Litigation - Ghana ^{(1) (2)}	97	97
Litigation - North America ⁽³⁾	-	-
Tax disputes - Brazil ⁽⁴⁾	24	15
Tax dispute - AngloGold Ashanti Colombia S.A. ⁽⁵⁾	150	141
Tax dispute - Cerro Vanguardia S.A. ⁽⁶⁾	27	29
Groundwater pollution ⁽⁷⁾	-	-
Deep groundwater pollution - Africa ⁽⁸⁾	-	-
	298	282

Litigation claims

⁽¹⁾ 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 20 February 2014, AGAG was served with a demand issued by MBC claiming a total of \$97m. In December 2015, the proceedings were stayed in the High Court pending arbitration. In February 2016, MBC submitted the matter to arbitration.

⁽²⁾ 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 emission 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 subsequently did not timely file their application for directions, but AGAG intends to allow 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. This matter has been adjourned indefinitely. AGAG intends to allow some time to pass prior to applying to have

the matter struck out for want of prosecution. 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.

- (3) Litigation - On 19 October 2017, Newmont Mining Co. filed a lawsuit in the United States District Court for the Southern District of New York against AngloGold Ashanti and certain related parties, alleging that AngloGold Ashanti and such parties did not provide Newmont with certain information relevant to its purchase of the Cripple Creek & Victor Gold Mining Company in 2015 during the negotiation- and-sale process. AngloGold Ashanti believes the lawsuit is without merit and intends to vigorously defend against it. The matter is proceeding. In view of the limitation of current information for the accurate estimation of a liability, no reliable estimate can be made for the obligation.

Tax claims

- (4) Tax disputes - AngloGold Ashanti Limited's subsidiaries in Brazil are involved in various disputes with tax authorities. These disputes involve federal tax assessments including income tax, royalties, social contributions, VAT and annual property tax. In December 2017, new VAT assessments of \$14 million were received. Collectively, the possible amount involved is approximately \$24m (2016: \$15m). Management is of the opinion that these taxes are not payable.
- (5) 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 and equity tax returns. On 23 October 2013, AGAC received the official assessments from the DIAN which established that an estimated additional tax of \$21m (2016: \$21m) will be payable if the tax returns are amended. Penalties and interest for the additional taxes are expected to be \$129m (2016: \$120m). The Company believes that the DIAN has applied the tax legislation incorrectly. AGAC subsequently challenged the DIAN's ruling by filing lawsuits in March 2015 and April 2015 before the Administrative Tribunal of Cundinamarca (the trial court for tax litigation). Closing arguments on the tax disputes were presented in February and June 2017 and judgement is pending.
- (6) Tax dispute - 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 \$6m (2016: \$7m) relating to the non-deduction of tax losses previously claimed on hedge contracts. The AFIP is of the view that the financial derivatives could not be considered 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 \$21m (2016: \$22m). CVSA and AFIP have corresponded on this issue over the past several years and while management is of the opinion that the taxes are not payable, the government continues to assert its position regarding the use of the financial derivatives. CVSA filed an appeal with the Tax Court on 19 June 2015, and the parties submitted their final reports in July 2017. The matter is pending with the Tax Court.

Other

- (7) Groundwater pollution - AngloGold Ashanti 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.
- (8) Deep groundwater pollution - The group has identified potential water ingress and future pollution risk posed by deep groundwater in certain underground mines in Africa. Various studies have been undertaken by AngloGold Ashanti since 1999 to understand this potential risk. In South Africa, 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, 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.

18 Impact of the adoption of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) was issued by the International Accounting Standards Board (IASB) during May 2014. AngloGold Ashanti is mandatorily required to apply IFRS 15 for annual reporting periods beginning on or after 1 January 2018.

Management has assessed the potential impact of IFRS 15 on the financial statements of the group and concluded that the group does not sell product based on multiple-element arrangements and it does not sell product on a provisional or variable pricing basis and as such the new standard does not have a significant impact on the timing or amount of the group's revenue recognition. However, the adoption of IFRS 15 will result in the presentation of by-product revenue in Revenue from product sales where previously by-product revenue was included in cost of sales. Revenue from product sales includes gold income and by-product revenue. This change in classification results in a corresponding increase in costs of sales, and therefore will not have an impact on previously reported gross profit.

As currently reported:

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Reviewed	Year ended Dec 2016 Audited
US Dollar million				
Revenue	2,416	2,213	4,543	4,254
Gold income	2,324	2,125	4,356	4,085
Cost of sales	(1,874)	(1,763)	(3,582)	(3,263)
Gain (loss) on non-hedge derivatives and other commodity contracts	9	50	10	19
Gross profit	459	412	784	841
Gross profit %	19.75%	19.39%	18.00%	20.59%

By-products revenue for the six months ended 31 December 2017 and 2016 and the years ended 31 December 2017 and 2016 (\$74m, \$69m and \$154m and \$138m, respectively) is included in the revenue line, but is offset and thus reduces cost of sales in the detailed income statement.

On adoption of IFRS 15, AngloGold Ashanti will disclose revenue from all product sales in the detailed income statement.

Accordingly, the detailed income statement would be restated for the effects of adopting IFRS 15 as follows:

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Unaudited	Year ended Dec 2016 Unaudited
US Dollar million				
Revenue	2,416	2,213	4,543	4,254
Revenue from product sales	2,398	2,194	4,510	4,223
Cost of sales	(1,948)	(1,832)	(3,736)	(3,401)
Gain (loss) on non-hedge derivatives and other commodity contracts	9	50	10	19
Gross profit	459	412	784	841
Gross profit %	19.14%	18.78%	17.38%	19.91%

AngloGold Ashanti intends to apply IFRS 15 retrospectively to each prior reporting period presented in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

IFRS 9 *Financial Instruments*

The Group's financial assets include debt instruments, cash restricted for use and cash and cash equivalents which will be subject to IFRS 9 expected credit loss model as they are to be carried at amortised cost. We have evaluated the possible impact of the expected credit loss model and we do not expect the adoption of IFRS 9 to have a significant impact on total assets, total liabilities or the results of the group.

The accounting policy for listed equity investments will depend on the nature of the listed investment. Listed investments which are held to meet rehabilitation liabilities in future will be classified as fair value through profit and loss. Listed investments held for other purposes will be classified as fair value through other comprehensive income.

19 Dividends

The directors of AngloGold Ashanti Limited (Registration Number 1944/017354/06) declared **Dividend No.119** for the year ended 31 December 2017 as detailed below. In terms of the withholding tax on dividends which became effective on 1 April 2012, the following additional information is disclosed:

Dividends have been declared out of total reserves	
Gross dividend declared per ordinary share in South African cents	70.00
Dividends tax rate applicable to shareholders liable to pay the dividend tax	20%
Net dividend in South African cents (where dividend tax at 20% is payable on payment date)	56.00
The issued ordinary share capital of AngloGold Ashanti at date of declaration is	410,097,264
AngloGold Ashanti's tax reference number	9640006608

In compliance with the requirements of Strate, given the Company's primary listing on the JSE, the salient dates for payment of the dividend are as follows:

To holders of ordinary shares

	2018
Currency conversion date for Australian dollars and Ghanaian cedis	Friday, 16 March
Last date to trade ordinary shares cum dividend	Monday, 19 March
Last date to register transfer of certificated securities cum dividend	Monday, 19 March
Ordinary shares trade ex-dividend	Tuesday, 20 March
Record date	Friday, 23 March
Payment date	Friday, 6 April

Dividends in respect of dematerialised shareholdings will be credited to shareholders' accounts with the relevant CSDP or broker.

19 Dividends continued

To comply, with further requirements of Strate, share certificates may not be dematerialised or rematerialised between Tuesday, 20 March 2018 and Friday, 23 March 2018, both days inclusive. No transfers between South African, Australian and Ghana share registers will be permitted between Friday, 16 March 2018 and Friday, 23 March 2018, both days inclusive.

To holders of CHES Depositary Interests (CDIs)

Each CDI represents one-fifth of an ordinary share.

2018	
Last date to trade ordinary shares cum dividend	Wednesday, 21 March
Last date to register transfer of certificated securities cum dividend	Wednesday, 21 March
Ordinary shares trade ex-dividend	Thursday, 22 March
Record date	Friday, 23 March
Payment date	Friday, 6 April

To holders of American Depositary Shares (ADS)

Each American Depositary Share represents one ordinary share.

2018	
Ex dividend on New York Stock Exchange	Thursday, 22 March
Record date	Friday, 23 March
Approximate date of currency conversion	Friday, 6 April
Approximate payment date of dividend	Monday, 16 April

Assuming an exchange rate of R11.6641/\$, the gross dividend payable per ADS, which is subject to a 20% South African withholding tax, is equivalent to 6 US cents. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion.

To holders of Ghanaian Depositary Shares (GhDSs)

100 GhDSs represent one ordinary share

2018	
Last date to trade and to register GhDSs cum dividend	Thursday, 15 March
GhDSs trade ex-dividend	Tuesday, 20 March
Record date	Friday, 23 March
Approximate payment date of dividend	Monday, 9 April

Assuming an exchange rate of R1/¢0.3827, the gross dividend payable per share, which is subject to a 20% South African withholding tax, is equivalent to 0.26789 cedis. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion.

20 Announcements

On 19 October 2017, AngloGold Ashanti announced the disposal of its Kopanang Mine, the West Gold Plant and related infrastructure – AngloGold Ashanti announced that it has entered into an agreement to dispose of the Kopanang Mine, the West Gold Plant and the related infrastructure to Heaven-Sent SA Sunshine Investment Company Limited (“HSC”), a Chinese capital management company headquartered in Hong Kong. Refer to Note 10 - Non-current assets and liabilities held for sale, for details.

On 19 October 2017, AngloGold Ashanti announced the sale of various assets in the Vaal River Region including the Moab Khotsong Mine to Harmony – AngloGold Ashanti announced that it has entered into a sale and purchase agreement (the “SPA”) to dispose of various assets situated in the Vaal River region of South Africa to Harmony Gold Mining Company Limited (“Harmony”) for a cash consideration of US\$300 million (the “Transaction”). Refer to Note 10 - Non-current assets and liabilities held for sale, for details.

By order of the Board

SM PITYANA
Chairman

S VENKATAKRISHNAN
Chief Executive Officer

KC RAMON
Chief Financial Officer

19 February 2018

Non-GAAP disclosure

From time to time AngloGold Ashanti Limited may publicly disclose certain "Non-GAAP" financial measures in the course of its financial presentations, earnings releases, earnings conference calls and otherwise. Set out below are measures extracted from financial information regularly presented to the Chief Operating Decision Maker (the Chief Executive Officer and the Executive Committee).

The group uses certain Non-GAAP performance measures and ratios in managing the business and may provide users of this financial information with additional meaningful comparisons between current results and results in prior operating periods. The Non-GAAP financial measures are used to adjust for fair value movements on the convertible bonds as well as the highly volatile marked-to-market movements on unrealised non-hedge derivatives and other commodity contracts, which can only be measured with certainty on settlement of the contracts. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, the reported operating results or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures that other companies use.

A Adjusted headline earnings (loss)

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Unaudited	Year ended Dec 2016 Unaudited
US Dollar million				
Headline earnings (loss) (note 9)	115	18	27	111
Gain (loss) on unrealised non-hedge derivatives and other commodity contracts	(9)	(49)	(10)	(18)
Deferred tax on unrealised non-hedge derivatives and other commodity contracts (note 8)	3	15	3	5
Fair value adjustment on issued bonds	-	(34)	-	(9)
Repurchase premium and cost on settlement of issued bonds (note 5)	-	30	-	30
Provision for losses and impairments (reversals) in associates	(8)	4	(11)	24
Adjusted headline earnings (loss)	101	(16)	9	143
Adjusted headline earnings (loss) per ordinary share (cents) ⁽¹⁾	24	(4)	2	35

⁽¹⁾ Calculated on the basic weighted average number of ordinary shares.

B Price received

	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Unaudited	Year ended Dec 2016 Unaudited
US Dollar million				
Gold income (note 2)	2,324	2,125	4,356	4,085
Adjusted for non-controlling interests	(50)	(42)	(103)	(83)
	2,274	2,083	4,253	4,002
Realised gain on other commodity contracts	12	10	23	19
Associates and joint ventures' share of gold income including realised non-hedge derivatives	237	234	453	433
Attributable gold income including realised non-hedge derivatives	2,523	2,327	4,729	4,454
Attributable gold sold - oz (000)	1,977	1,827	3,761	3,567
Price received per unit - \$/oz	1,277	1,274	1,258	1,249

Rounding of figures may result in computational discrepancies.

C All-in sustaining costs and All-in costs¹

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Unaudited	Year ended Dec 2016 Unaudited
Cost of sales (note 3)	1,874	1,763	3,582	3,263
Amortisation of tangible and intangible assets (note 3)	(431)	(445)	(823)	(809)
Adjusted for decommissioning amortisation	1	5	4	9
Corporate administration and marketing related to current operations	29	31	63	59
Associates and joint ventures' share of costs	148	161	306	295
Inventory writedown to net realisable value and other stockpile	-	12	3	13
Sustaining exploration and study costs	32	34	65	70
Total sustaining capex	429	421	829	695
All-in sustaining costs	2,082	1,982	4,029	3,595
Adjusted for non-controlling interests and non-gold producing companies	(30)	(31)	(64)	(58)
All-in sustaining costs adjusted for non-controlling interests and non-gold producing companies	2,052	1,951	3,965	3,537
Adjusted for stockpile write-offs	-	(17)	(3)	(18)
All-in sustaining costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs	2,052	1,934	3,962	3,519
All-in sustaining costs	2,082	1,982	4,029	3,595
Non-sustaining project capital expenditure	70	71	124	116
Technology improvements	4	8	10	14
Non-sustaining exploration and study costs	22	33	50	56
Care and maintenance (note 4)	34	33	62	70
Corporate and social responsibility costs not related to current operations	12	31	24	40
All-in costs	2,224	2,158	4,299	3,891
Adjusted for non-controlling interests and non-gold producing companies	(31)	(30)	(63)	(53)
All-in costs adjusted for non-controlling interests and non-gold producing companies	2,193	2,128	4,236	3,838
Adjusted for stockpile write-offs	-	(17)	(3)	(18)
All-in costs adjusted for non-controlling interests, non-gold producing companies and stockpile write-offs	2,193	2,111	4,233	3,820
Gold sold - oz (000)	1,977	1,827	3,761	3,567
All-in sustaining cost (excluding stockpile write-offs) per unit - \$/oz	1,038	1,058	1,054	986
All-in cost per unit (excluding stockpile write-offs) - \$/oz	1,109	1,155	1,126	1,071

D Total cash costs¹

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Unaudited	Year ended Dec 2016 Unaudited
Total cash costs (note 3)	1,451	1,323	2,709	2,435
Adjusted for non-controlling interests, non-gold producing companies and other	(21)	(23)	(41)	(41)
Associates and joint ventures' share of total cash costs	146	156	295	289
Total cash costs adjusted for non-controlling interests and non-gold producing companies	1,576	1,456	2,963	2,683
Gold produced - oz (000)	2,002	1,867	3,744	3,606
Total cash cost per unit - \$/oz	787	780	792	744

⁽¹⁾ Refer to the Supplementary report for Summary of Operations by Mine

Rounding of figures may result in computational discrepancies.

E Adjusted EBITDA²

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Unaudited	Year ended Dec 2016 Unaudited
Profit (loss) before taxation	90	157	(63)	269
Add back:				
Finance costs and unwinding of obligations	86	83	169	180
Interest received	(7)	(11)	(15)	(22)
Amortisation of tangible and intangible assets	431	445	823	809
Adjustments:				
Exchange (gain) loss	6	5	11	88
Fair value adjustment on issued bonds	-	(34)	-	(9)
Impairment and derecognition of assets (note 5)	182	2	297	3
Impairment of other investments (note 5)	2	-	3	-
Write-down of inventories (note 5)	-	12	3	12
Retrenchment costs	14	10	90	14
Care and maintenance (note 4)	34	33	62	70
Net profit (loss) on disposal of assets (note 5)	(7)	(4)	(8)	(4)
(Gain) loss on unrealised non-hedge derivatives and other commodity contracts	(9)	(49)	(10)	(18)
Repurchase premium and cost on settlement of issued bonds	-	30	-	30
Associates and joint ventures' special items	(2)	8	(2)	(11)
Associates and joint ventures' - adjustments for amortisation, interest, taxation and other	56	80	116	137
Other amortisation	(4)	-	7	-
Adjusted EBITDA (note F)	872	767	1,483	1,548

⁽²⁾ EBITDA (as adjusted) and prepared in terms of the formula set out in the Revolving Credit Agreements.

F Interest cover

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Unaudited	Year ended Dec 2016 Unaudited
Adjusted EBITDA (note E)	872	767	1,483	1,548
Finance costs (note 6)	72	72	142	158
Interest cover - times	12	11	10	10

G Free cash flow

US Dollar million	Six months ended Dec 2017 Unaudited	Six months ended Dec 2016 Unaudited	Year ended Dec 2017 Unaudited	Year ended Dec 2016 Unaudited
Net cash inflow (outflow) from operating activities	676	710	997	1,186
Net cash inflow (outflow) from investing activities	(450)	(425)	(862)	(702)
Finance costs (note 6)	(72)	(72)	(142)	(158)
Movements in restricted cash	8	(3)	8	(8)
Acquisitions, disposals and other	-	(40)	-	(40)
Free cash flow	162	170	1	278

Rounding of figures may result in computational discrepancies.

H Net asset value - cents per share

US Dollar million	As at Dec 2017 Unaudited	As at Dec 2016 Unaudited
Total equity	2,704	2,754
Number of ordinary shares in issue - million (note 11)	410	408
Net asset value - cents per share	659	675
Total equity	2,704	2,754
Intangible assets	(138)	(145)
	2,566	2,609
Number of ordinary shares in issue - million (note 11)	410	408
Net tangible asset value - cents per share	626	639

I Net debt

US Dollar million	As at Dec 2017 Unaudited	As at Dec 2016 Unaudited
Borrowings - long-term portion	2,230	2,144
Borrowings - short-term portion	38	34
Total borrowings	2,268	2,178
Corporate office lease	(15)	(15)
Unamortised portion of the convertible and rated bonds	18	23
Cash restricted for use	(65)	(55)
Cash and cash equivalents	(205)	(215)
Net debt	2,001	1,916

Rounding of figures may result in computational discrepancies.

Administration and corporate information

ANGLOGOLD ASHANTI LIMITED

Registration No. 1944/017354/06
Incorporated in the Republic of South Africa

Share codes:

ISIN:	ZAE000043485
JSE:	ANG
NYSE:	AU
ASX:	AGG
GhSE: (Shares)	AGA
GhSE: (GhDS)	AAD

JSE Sponsor:

Deutsche Securities (SA) Proprietary Limited

Auditors: Ernst & Young Inc.

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Directors

Executive

S Venkatakrishnan^{*§} (Chief Executive Officer)
KC Ramon[^] (Chief Financial Officer)

Non-Executive

SM Pityana[^] (Chairman)
A Garner[#]
R Gasant[^]
DL Hodgson[^]
NP January-Bardill[^]
MJ Kirkwood^{*}
M Richter[#]
RJ Ruston⁻
SV Zilwa[^]

^{*} British [§] Indian [#] American
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Governance and Company Secretary:
ME Sanz Perez

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AngloGold Ashanti posts information that is important to investors on the main page of its website at www.anglogoldashanti.com and under the "Investors" tab on the main page. This information is updated regularly. Investors should visit this website to obtain important information about AngloGold Ashanti. No material on the AngloGold Ashanti website forms any part of, or is incorporated by reference into, this document. References herein to the company's website shall not be deemed to cause such incorporation.

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