



ANGLO**GOLD**ASHANTI

# Q1 2020 MARKET UPDATE

Results for the quarter ended 31 March 2020

# DISCLAIMER

*Certain statements contained in this document, other than statements of historical fact, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, total cash costs, all-in sustaining costs, all-in costs, cost savings and other operating results, return on equity, productivity improvements, growth prospects and outlook of AngloGold Ashanti Limited's (AngloGold Ashanti or the Company) operations, individually or in the aggregate, including the achievement of project milestones, commencement and completion of commercial operations of certain of AngloGold Ashanti's exploration and production projects and the completion of acquisitions, dispositions or joint venture transactions, AngloGold Ashanti's liquidity and capital resources and capital expenditures and the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental health and safety issues, are forward-looking statements regarding AngloGold Ashanti's operations, economic performance and financial condition. These forward-looking statements or forecasts involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements and forecasts are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic, social and political and market conditions, the success of business and operating initiatives, changes in the regulatory environment and other government actions, including environmental approvals, fluctuations in gold prices and exchange rates, the outcome of pending or future litigation proceedings, any supply chain disruptions, any public health crises, pandemics or epidemics (including the COVID-19 pandemic) and other business and operational risks and other factors. For a discussion of such risk factors, refer to AngloGold Ashanti's annual report on Form 20-F for the year ended 31 December 2019, which has been filed with the United States Securities and Exchange Commission (SEC). These factors are not necessarily all of the important factors that could cause AngloGold Ashanti's actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Consequently, readers are cautioned not to place undue reliance on forward-looking statements. AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except to the extent required by applicable law.*

*All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein.*

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

## *Non-GAAP financial measures*

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



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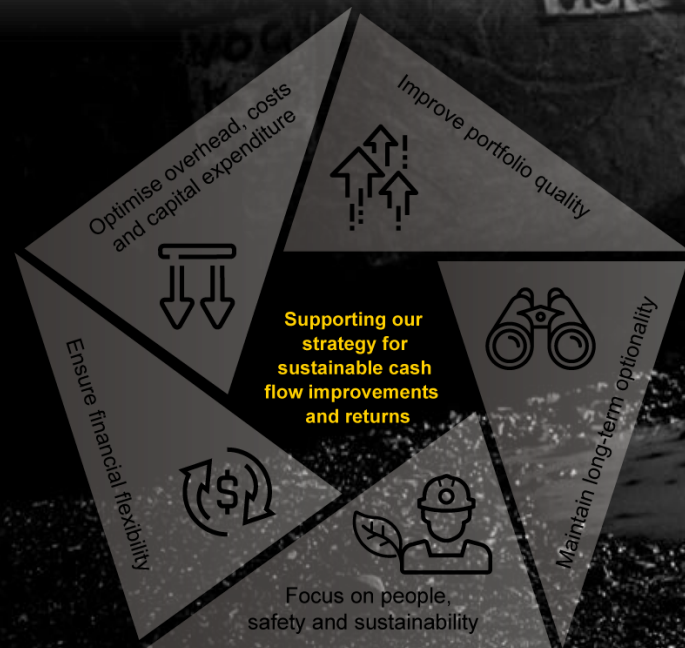
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# POSITIONED TO CREATE VALUE THROUGH THE CYCLE

Generate sustainable cash flows and shareholder returns by focusing on **five key areas** aimed at driving our investments to deliver improving margins, extended mine lives and a pipeline for the future!



**Portfolio improvements**



**Replace and grow reserves**



**Excellence in ESG**



**Robust balance sheet**



**Disciplined capital allocation**



# TARGETING ZERO HARM

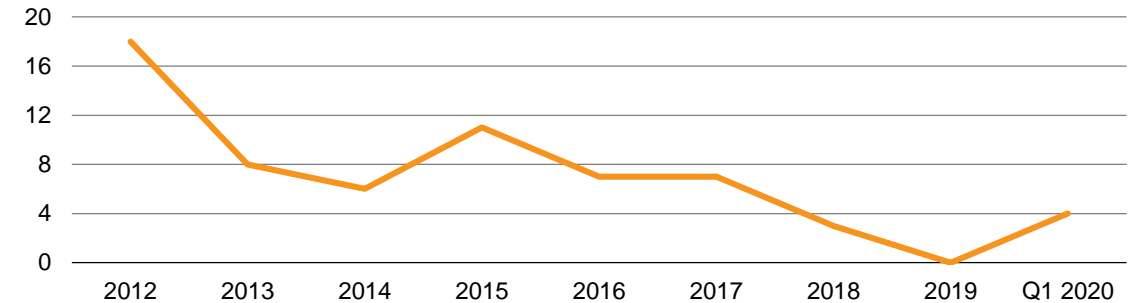
Long-term safety improvements continue

## Working towards **zero harm**, excellence in environmental stewardship and community development

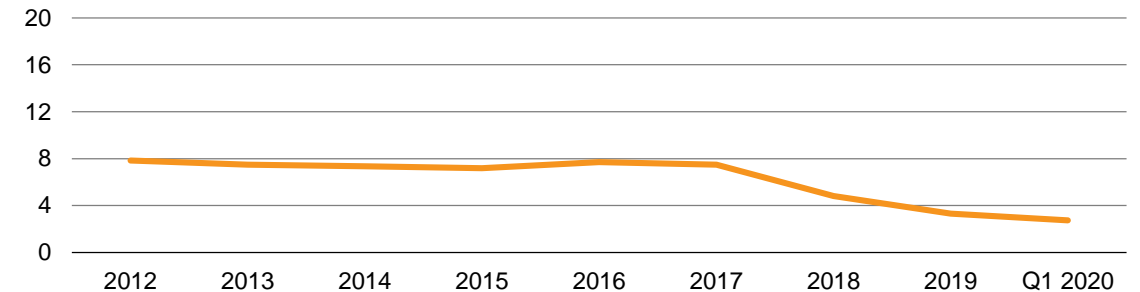
- Regrettably four fatalities occurred in two separate fatal incidents in March at the Mponeng mine and; one fatality in April at Covalent Water
- All-injury frequency rate (AIFR) improved 2% to 2.75 injuries per million hours worked
- We pledge to protect the health of our employees and host communities, while working to ensure business continuity



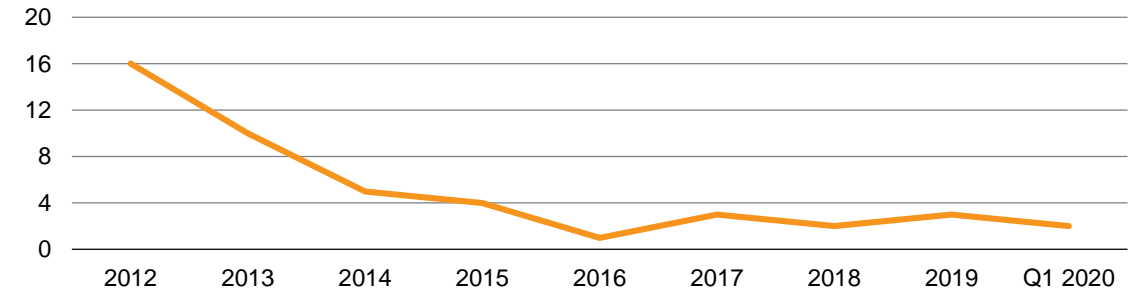
### Fatalities



### AIFR per million hours worked



### Reportable environmental incidents



# OPERATING AND FINANCIAL HIGHLIGHTS

## OPERATING HIGHLIGHTS

- Q1 2020 production: 716,000oz; strong performances at Geita, Iduapriem and Kibali
- AISC\* of \$1,047/oz; AISC margin improved to 34%, from 22% in Q1 2019
- AIFR improved 2.75 versus Q1 2019 at 4.22
- Covid-19 impact limited: stoppages impacted 11,000oz Q1 2020

## FINANCIAL HIGHLIGHTS

- Adjusted EBITDA up 54% year-on-year to \$473m; Adjusted net debt down 10%
- Adjusted net debt to adjusted EBITDA improved to 0.85 times
- Free cash flow before growth capital increased 231% to \$94m
- Cash flow from operating activities up 227% to \$219m
- \$2.3bn\*\* of available liquidity, no near-term debt maturities

### Americas

140,000oz

\$1,157/oz AISC\*

### Continental Africa

360,000oz

\$879/oz AISC\*

### South Africa\*\*\*

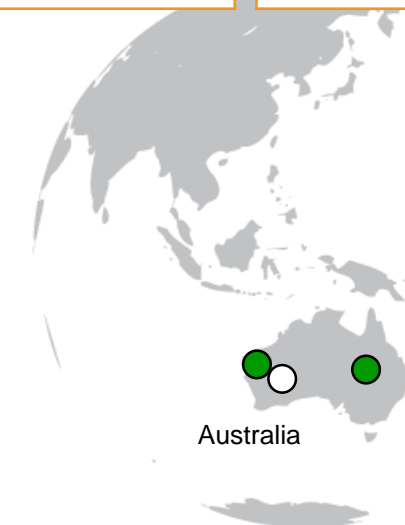
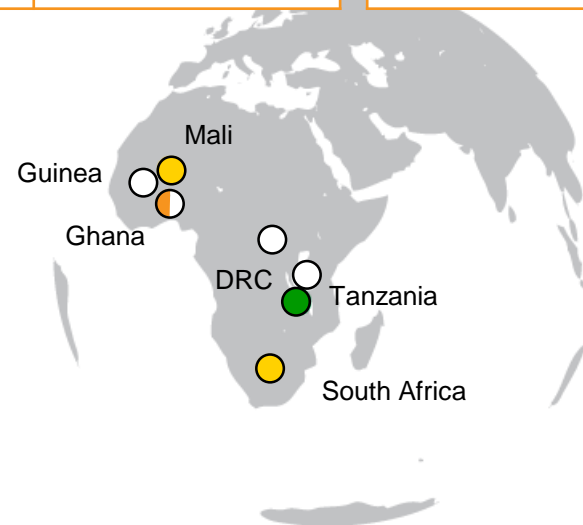
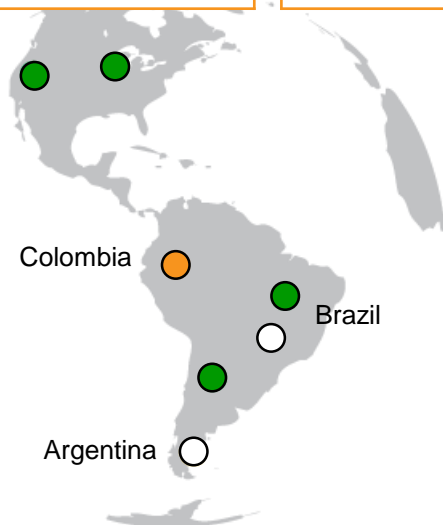
86,000oz

\$1,227/oz AISC\*

### Australia

130,000oz

\$1,184/oz AISC\*



**716koz**  
Produced from continuing and discontinued operations

**\$1,047/oz**  
Group AISC\* continuing and discontinued operations

**\$473m**  
Group Adjusted EBITDA

\*AISC World Gold Council standard

\*\* At 30 April 2020, excludes cash lock-up positions at Kibali and Sadiola, where AngloGold Ashanti's combined share totals about \$300m; no near term maturities

\*\*\*Discontinued operations

All figures refer to continuing and discontinued operations, unless otherwise stated.

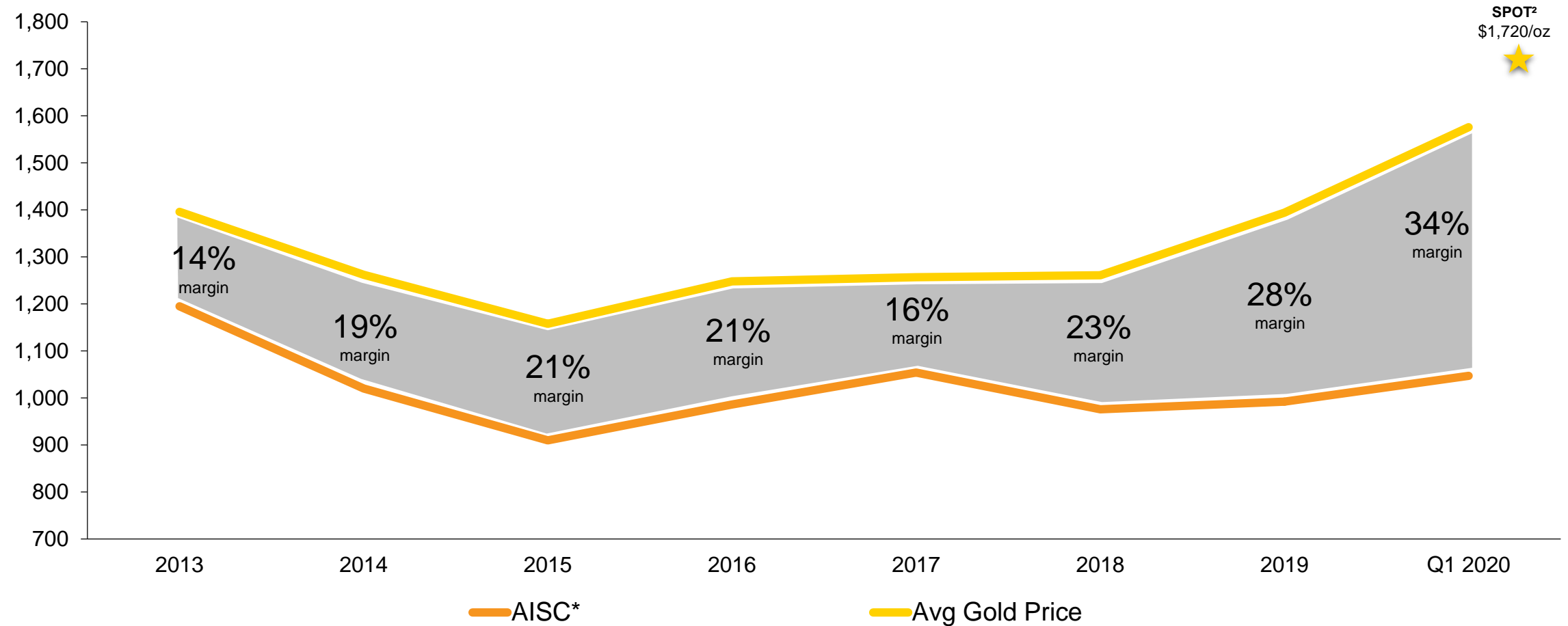
○ Operations ○ Projects ● Asset sales underway ● Greenfields exploration

# IMPROVING MARGIN TREND

Higher gold price provides opportunity to expand margins

## All-in Sustaining Costs<sup>1</sup> vs. Gold Price Received

\$/oz



1. World Gold Council standard  
2. Spot – 8 May 2020

## South African asset sale

- Agreed to sell South African portfolio and liabilities to Harmony Gold
- Consideration package valued at approximately \$300m
- SA Competition Tribunal has approved transaction
- Expected closing around 30 June 2020\*



## Sadiola sale

- Cash consideration of up to \$52.5m
- \$25m cash upfront
- \$25m in deferred payments
- up to \$2.5m additional payout depending on SEMOS cash at closing
- \$6m attributable dividend prior to closing
- Expected closing around 30 June 2020\*



## Gramalote Project

- B2Gold to fund \$13.9m investment and exploration programme to earn back to 50:50 partnership and assume management of the project
- Partners agree c. \$37m budget for feasibility study
- Aim for final feasibility study by Q1 2021



***Cerro Vanguardia sale process: Decision taken to retain CVSA following an extensive sale process***

AngloGold Ashanti recognizes the critical role it plays in managing COVID-19 at our operations, in our communities and in the regions in which we operate. We are guided by our values and a pledge to protect the health of our employees and host communities, while working to ensure business continuity.

## Our Aims

- Protect employees and the business
- Stabilise our supply chains and ensure liquidity
- Plan ahead, anticipate risks and adjust quickly
- Work closely with key stakeholders and communities
- Be transparent, communicate clearly

## Strategic Measures

- Cross-functional team managing crisis response
- Primary consumables inventory: c.4 months and building
- Site contingency plans under regular testing and review
- Market guidance withdrawn
- Prudent approach to liquidity - \$2.3bn\* of available liquidity
- Supporting host governments and communities



# CORONAVIRUS PANDEMIC – IMPACT ON OUR OPERATIONS



## Measures taken to limit the spread of COVID-19 at our operations

- All non-essential travel halted; heightened approval protocols for essential travel
- Increased awareness, surveillance and screening; strict quarantine protocols in place
- Voluntary work-from-home for those roles that allow it at office sites
- Close collaboration with relevant national health authorities at all sites & offices to ensure responses are aligned
- Cooperating with local community healthcare systems to supplement and support wherever possible



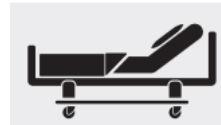
**IMPACT TO OUR OPERATIONS:** *Anticipated impact based on current forecasts ~2% of annual production*

Site	Date suspended	Reason	Update
Serra Grande, Brazil	27 March 2020	Response to measures taken by local authorities	Operations resumed 5 April
CVSA, Argentina	21 March 2020	Countrywide restrictions on travel and border closings	Processing of stockpiles resumed on 6 April
South Africa	27 March 2020	Response to measures taken by national authorities	Surface operations resumed 6 April; 15 April: Mines permitted to operate at 50% capacity

# CORONAVIRUS PANDEMIC – HUMANITARIAN EFFORTS



AngloGold Ashanti introduced a host of initiatives on our mine sites and at the surrounding communities – these include providing hand washing stations, alcohol-based hand sanitizers, and personal hygiene campaigns



## Highlights of global humanitarian efforts:

South Africa	Ghana	Tanzania	Guinea	Brazil	Argentina	Colombia
<ul style="list-style-type: none"> <li>Two hospitals provided for exclusive use by govt; direct contributions to state healthcare institutions, to aid frontline effort</li> <li>Pledged R20m to Solidarity Response Fund – for rapid, targeted support of healthcare system and humanitarian support to vulnerable communities</li> <li>Paid employee salaries/ benefits during shutdown</li> <li>Partnership with Sasol and Imperial to provide bulk sanitizer to public hospitals</li> <li>Additional interventions underway</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturing hand sanitiser for public use</li> <li>Donation to President’s COVID-19 Trust Fund</li> <li>AGA Health Foundation supporting Ashanti Regional Health Directorate, Obuasi Municipal and District Assemblies and the Municipal Health Directorate</li> <li>AGA Malaria team, helping disinfect health centres in Obuasi Municipality and District</li> <li>Additional interventions underway</li> </ul>	<ul style="list-style-type: none"> <li>Invested in various health projects in Geita region which will facilitate the efforts to fight the disease</li> <li>Donation of \$200,000 to the Tanzanian government</li> <li>Donation of 10X1,000 litres water tanks for public handwashing campaigns</li> <li>Awareness campaigns</li> <li>Construction of COVID-19 Isolation centre underway</li> <li>Donations of essential PPE</li> <li>Additional interventions underway</li> </ul>	<ul style="list-style-type: none"> <li>Donated masks, thermometers and gloves to Siguiri authorities to fight against COVID-19</li> <li>Broadcast information programme using local radio station to raise awareness on preventative measures</li> <li>Additional interventions underway</li> </ul>	<ul style="list-style-type: none"> <li>R\$1.5m donated to hospitals in the Minas Gerais and Goiás states</li> <li>COVID-19 awareness campaign, educating employees and communities about the virus and providing ways to protect themselves and loved ones</li> <li>Paid employee salaries and benefits during operational shutdown</li> <li>Additional interventions underway</li> </ul>	<ul style="list-style-type: none"> <li>Donations to the Province of Santa Cruz - these included a range of hospital resources including disposable coveralls, transparent glasses, latex gloves and breathing units</li> <li>Supplied ingredients for hand sanitiser to the Puerto San Julián police department and disposable coveralls to the Fire Department</li> <li>Paid employee salaries and benefits during operational shutdown</li> <li>Additional interventions underway</li> </ul>	<ul style="list-style-type: none"> <li>Launched the “A Purpose for Life” campaign to protect the health and well-being of the people as well as the delivery of food parcels and medical equipment including laser thermometers</li> <li>Donated US\$15,280 to food banks in Bogota and Medellin, to help people who are unable to work during the quarantine period</li> <li>Additional interventions underway</li> </ul>



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# COMPARISON OF KEY METRICS

Particulars	Q1 2020	Q1 2019	Q1 2020 vs Q1 2019 (% chg)
Gold Production from continuing ops (koz)z	630	661	(5)
Gold Production from discontinued ops (koz)z	86	91	(5)
Gold Production from continuing and discontinued ops (koz)z	716	752	(5)
<b><i>Continuing and Discontinued operations</i></b>			
Gold price received (\$/oz)	1,576	1,297	22
Total cash costs (\$/oz)	814	791	3
Corporate & marketing costs (\$m) <sup>(1)</sup>	16	20	(20)
Exploration & evaluation costs (\$m)	27	25	8
All-in sustaining costs (\$/oz) <sup>(2) (3)</sup>	1,047	1,009	4
All-in costs (\$/oz) <sup>(2) (3)</sup>	1,221	1,108	10
Adjusted EBITDA (\$m)	473	307	54
Cash inflow from operating activities (\$m)	219	67	227
Interest, tax, working capital, Kibali (\$m)	259	250	4
Free cash inflow (outflow) (\$m)	4	(109)	104
Capital expenditure (\$m) <sup>(4)</sup>	199	141	41

(1) Includes administration and other expenses

(2) World Gold Council standard

(3) COVID-19 impacts on the first quarter AISC was \$18/oz, an impact on costs of around 1% and predominately related to production impacts

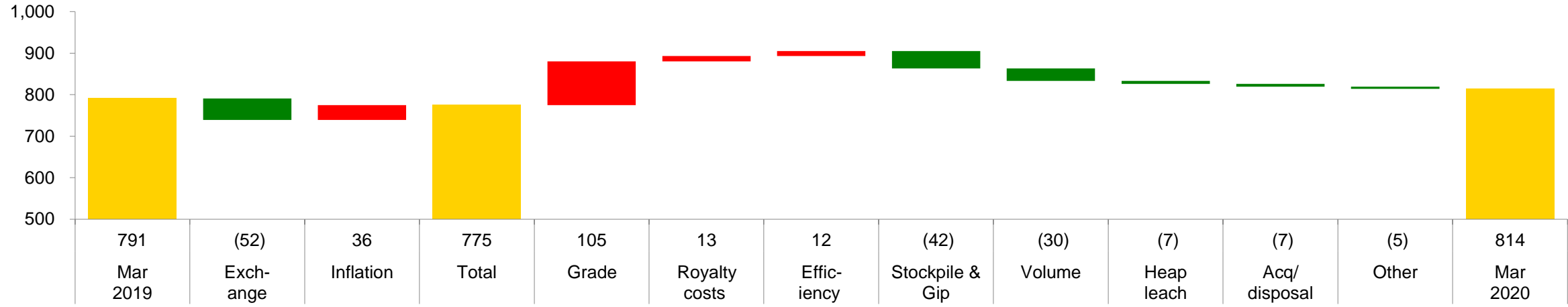
(4) Includes equity accounted investments

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# COST PERFORMANCE

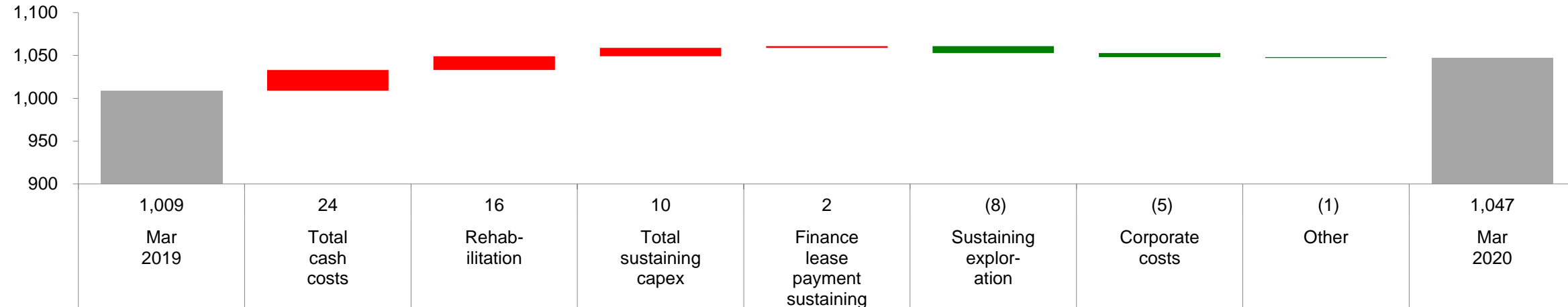
## Total Cash Cost Q1 2020 vs Q1 2019

\$/oz produced



## All-in Sustaining Costs\* Q1 2020 vs Q1 2019

\$/oz sold



\*AISC - World Gold Council standard

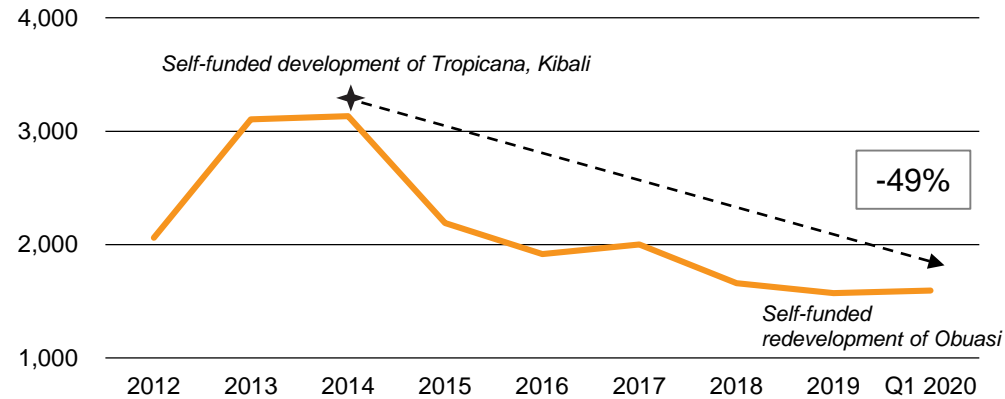
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# BALANCE SHEET STRATEGY ENFORCES DISCIPLINE

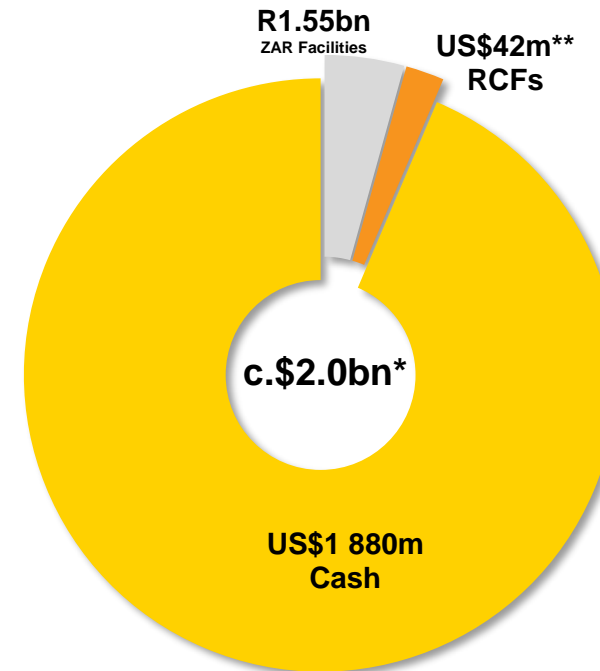
*A diverse portfolio and proactive management of our balance sheet has given us flexibility during this unprecedented time.*

## Adjusted Net Debt

\$m



## Facilities and Cash available\*\*\*



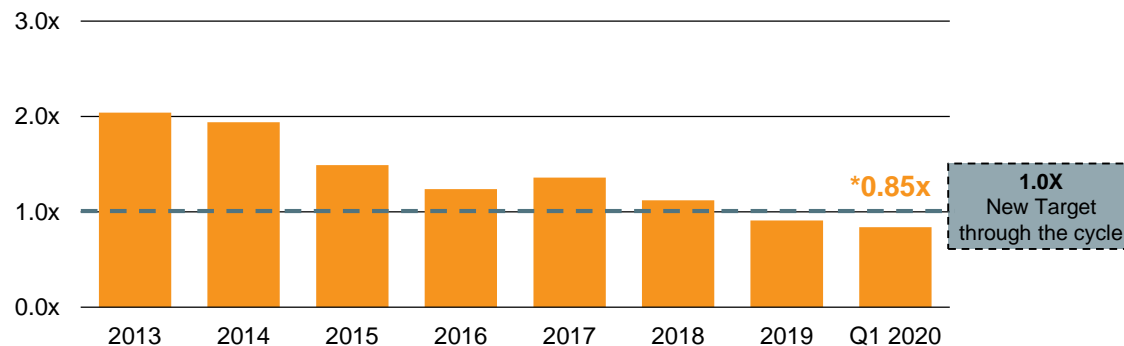
On 15 April 2020 – AngloGold Ashanti utilised the facilities and cash available to redeem the \$700m 10-year bond

\*Total calculated with ZAR facility at R17.8402/\$, and AUD facility at A\$0.6135/\$

\*\* US\$1.4bn RCF includes a capped facility of AU\$500m

\*\*\*Prior to \$700m bond redemption on 15 April 2020

## Adjusted Net Debt to Adjusted EBITDA



Last-12-months Adjusted net debt to Adjusted EBITDA ratio

\*Calculations include discontinued operations

## 2020 GUIDANCE WITHDRAWN IN LATE MARCH DUE TO COVID-19

- Performance for the year to date consistent with prior guidance
- Obuasi ramp-up and project continues to make progress; will contribute new ounces this year
- Sale of SA assets and Sadiola pending; timing dictates impact on production, net debt and other metrics
- Operating costs tailwinds: lower oil price and weaker local currencies
- Working to recover from any impacts to our operations and mitigate potential risks that may arise
- Operating cost headwinds: working capital impacts of increasing spares inventories and ore stockpiles, increased logistics costs, etc.
- Inventory levels increased to an average of four months across portfolio to mitigate possible disruptions
- Growth capex related to Obuasi, Tropicana, Quebradona and Gramalote



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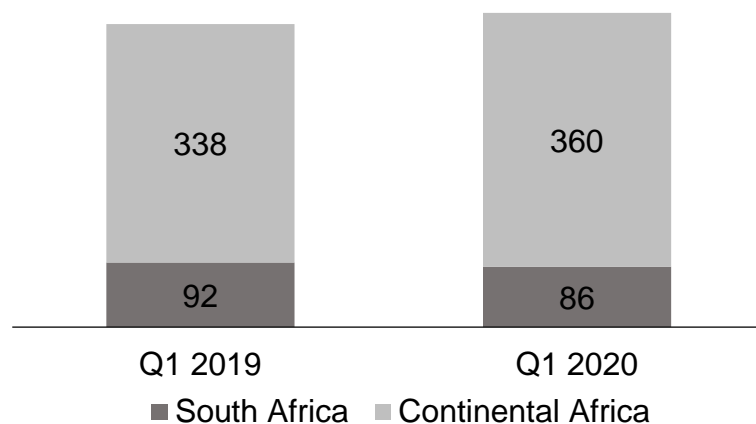
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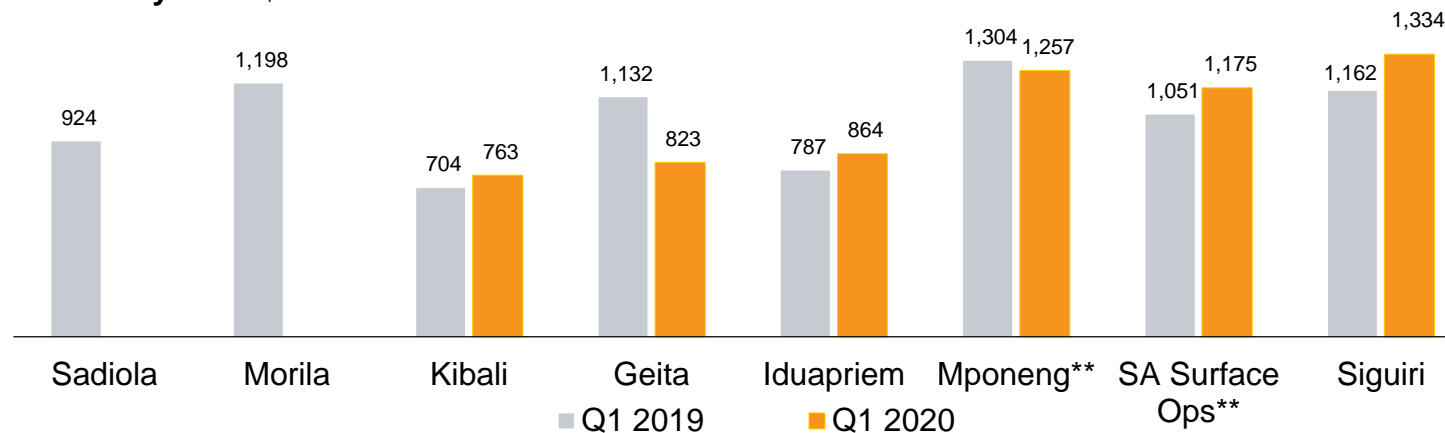
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# AFRICAN OPERATIONS PERFORMANCE

Production koz



AISC\* by mine \$/oz



<b>Continental Africa</b>	<ul style="list-style-type: none"> <li>Produced 360,000oz at AISC of \$879/oz for Q1 2020 compared to \$969/oz for Q1 2019</li> <li>Strong production performances at Kibali, Iduapriem and Geita</li> <li>Geita delivered a 24% year-on-year increase in production; Geita Hill underground mining permit granted by Government of Tanzania</li> <li>Siguri - Combination Plant throughput operating at design capacity, as well as the crusher plant exceeding the hard rock 50:50 design target</li> </ul>
<b>South Africa</b>	<ul style="list-style-type: none"> <li>Successful COVID-19 compliance audit of AngloGold Ashanti's systems and preparations was conducted by the DMRE</li> <li>Safe start-up processes in preparation for resumption of underground mining on a limited basis was complete by the end of April -- with technical teams assessing access tunnels and associated infrastructure</li> <li>As employees return to site, the current focus is on increasing screening and surveillance – including health-status checks, temperature monitoring and recent travel history</li> </ul>

\*AISC - World Gold Council standard

\*\*Discontinued operations

## AFRICAN OPERATIONS: AREAS OF FOCUS

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- Maintain solid performances at Geita and Iduapriem
- Further intensify focus on safety and health practices, particularly at SA assets
- Continue to improve on recovery rates at Siguiri
- Maintain focus on increasing ORD and increasing Reserve Conversion over next 2 to 3 years
- Proactively manage supply chains and work with host communities to prevent spread of COVID-19



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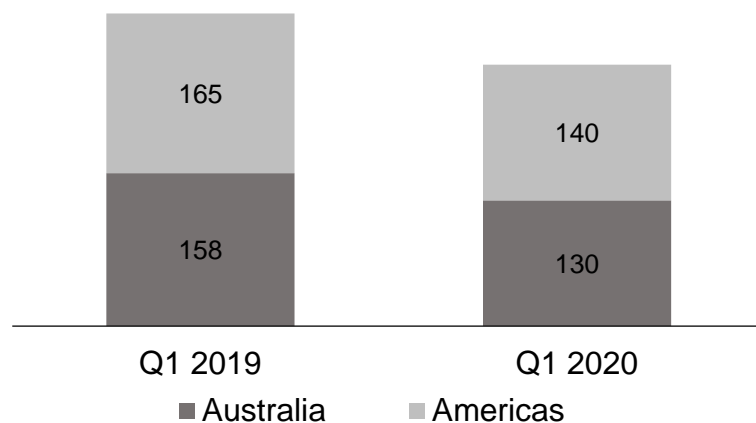
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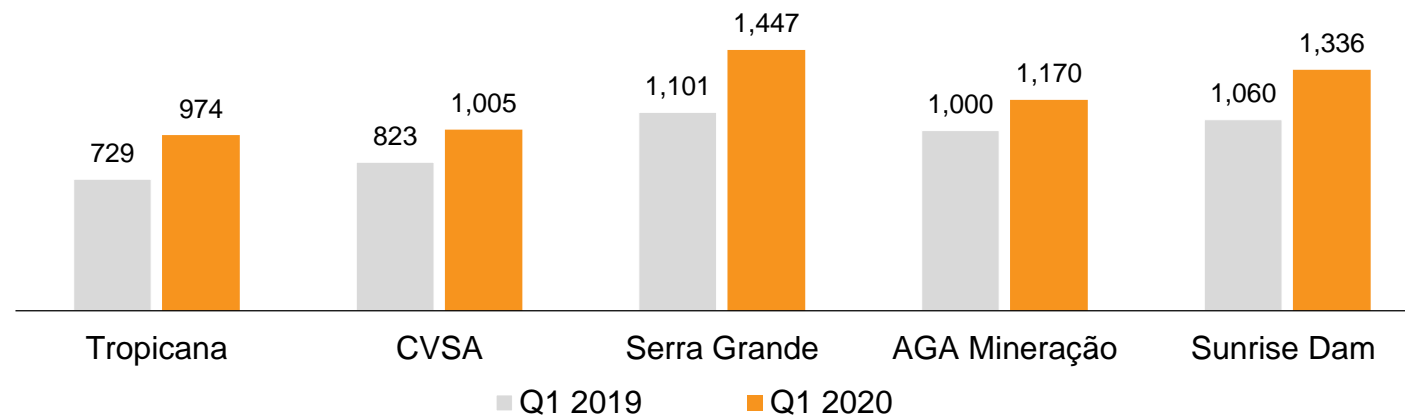
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# INTERNATIONAL OPERATIONS PERFORMANCE

Production koz



AISC\* by mine \$/oz



## Americas

- Production for the region was impacted by lower grades, geotechnical issues in the underground areas in Brazil, unexpected heavy rainfalls and the impacts of the COVID-19 pandemic
- Safe restart at Serra Grande on 5 April 2020, and at CVSA on 6 April 2020
- CVSA sales process terminated recognising the maximum potential value from the remaining resource endowment will be better realised within the AngloGold Ashanti portfolio

## Australia

- Sunrise Dam's stoping flexibility continues to improve and underground exploration drilling was ahead of expectations in Q1 2020
- Boston Shaker underground mine remains on track to begin production in H2 2020 with key underground infrastructure progressing to schedule
- Tropicana gold production reached the 3-million-ounce milestone

# INTERNATIONAL OPERATIONS – AREAS OF FOCUS

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- Drive additional cost savings through Operational Excellence initiatives
- Improve the flexibility of assets through increased drilling
- Maintain focus on increasing ORD and increasing Reserve Conversion over next 2 to 3 years
- Progress feasibility studies at Quebradona
- Boston Shaker on track to being in production during the second half of 2020
- Close management of costs to balance competing needs of assets





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# OBUASI MINE – INVESTING IN AFRICA’S NEXT GENERATION GOLD MINE

*Our management team is closely monitoring progress and activities at Obuasi to maintain the trajectory of good work and continue Phase 2 construction activities safely*



## PHASE 2 – RAMPING UP TO 4,000TPD CAPACITY

*Phase 2 comprises new plant build, surface infrastructure and new and refurbished underground infrastructure. Phase 2 reached 55% completion at the end of Q1 2020*





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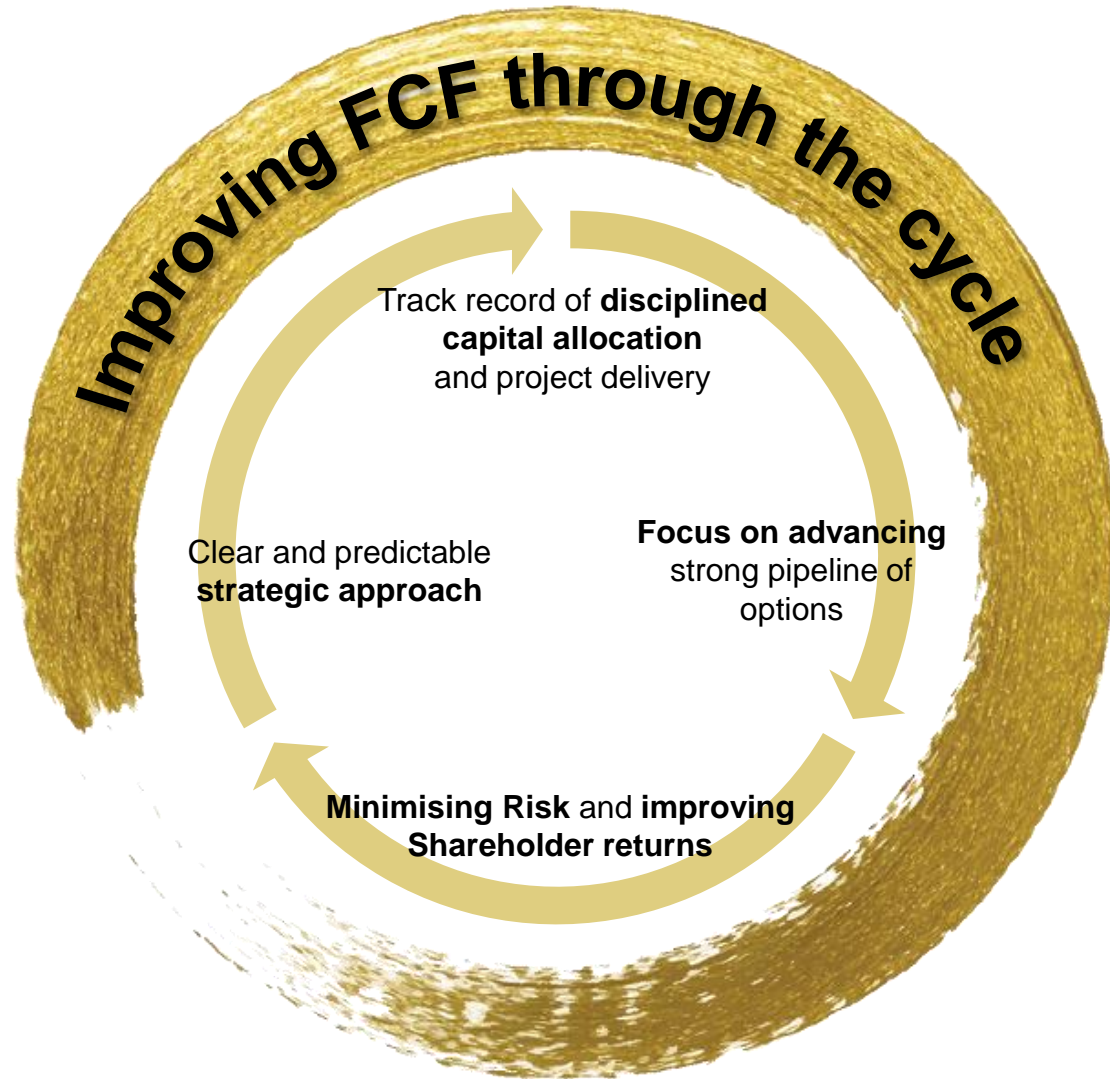
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## 2020 Priorities

- Proactive Health and Safety management
- Continued focus on sustainability and safety improvements
- Target increased Reserve Conversion
- Aim to progress divestment processes
- Obuasi ramp-up production towards 4,000tpd
- Optimise margins and cash conversion
- Enforce capital discipline in rising gold price environment



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