



ANGLOGOLD ASHANTI

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Website: www.anglogoldashanti.com

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GREENFIELD EXPLORATION

Greenfield exploration activities were undertaken in five regions (Australia, Americas, Pacific, Sub-Saharan Africa and the Middle East & North Africa) during Q2 2012. A total of 109,387 metres of diamond, RC and aircore drilling was completed at existing priority targets and used to delineate new targets in Australia, Colombia, Guinea, Egypt, the Solomon Islands and the DRC. Expenditure this quarter was US\$27.6m compared to US\$20.8m in Q1 2012.

During the second quarter, greenfields exploration in the **Americas** continued in Colombia, Brazil and North America.

In **Colombia**, exploration included diamond drilling using man-portable rigs at the Nuevo Chaquiro target on the Quebradona project. Here a total of 2,157m was drilled, completing the planned 11,000m program to test the porphyry Cu-Au-Mo and associated epithermal mineralisation. It is anticipated that a further 25,000m of diamond drilling will be completed on the project during 2012. At the Santa Rita target in the Rio Dulce block, detailed geologic mapping and sampling has outlined a mineralised hydrothermal breccia, over which ground IP and magnetics surveys will be undertaken.

In **Brazil**, AngloGold Ashanti entered into a joint venture with Graben Resources in the Juruena Belt.

In the **Solomon Islands**, exploration activities continued at the Kele and Mase Joint Ventures, held by AGA (51%) and XDM Resources (49%); land access negotiations continued for the tenement application associated with the Vangunu JV project (AGA 50%, XDM 50%), and were finalised for tenement applications associated with the New Georgia JV project (AGA 50%, XDM 50%).

At the Mase Project, follow-up mapping and surface sampling continued on coincident geochemical and geophysical targets at Pundakona, and Mase East. In total, 868 samples were collected including 565 soil, 168 stream and 135 rock chips. At the Kele Project, diamond drilling continued on the Konga prospect, with 3 holes completed for 1168.2m. Other work included mapping and first pass sampling over geophysical and geochemical targets at Konga and Kele West. In total, 183 surface samples were collected, including 70 soil/auger, 21 stream and 92 rock chips. Assays are awaited for the majority of this work, but results to date have included up to 2.45g/t Au in rock chips from the Konga area.

In **Sub-Saharan Africa**, generative exploration programs were carried out in the DRC, Guinea and Tanzania.

In **Guinea**, exploration work focussed on resource delineation at the Saraya orebody located in Block 2, while along the Kounkoun trend in Block 3 and infill and resource delineation drilling was undertaken. Soil sampling continued in Block 4, with drill testing planned to commence after the wet season in Q4,

At Saraya, Saraya South and Didi (Block 2), 15,144m of drilling was completed, comprising of 13,612m aircore, 1,302m RC and 230m of diamond core. Drilling continues to delineate high-grade results with peak values returned during the quarter including; 34m @ 1.52g/t from 158m in SARCDD013, 14m @ 3.05g/t from 15m, 16m @ 1.03g/t from 83m and 24m @ 1.04g/t from 142m in SARC342, 19m @ 4.01g/t from 85m in SARC345 and 17m @ 1.57g/t from 214, 15m @ 4.16g/t and 21m @ 2.14g/t from 281m in SARCDD013.

At Kounkoun Central and Kounkoun South (Block 3), a total of 13,803m was drilled following up previously delineated ore zones, and comprises 4,762m aircore, 8,114m RC and 207m of diamond core. Best results include, but not limited to; 16m @ 3.38g/t from 97m in KKAC311, 28m @ 1.69g/t from 122 including 7m @ 3.6g/t in KKAC510, 36m @ 2.12g/t from 40m and 38m @ 1.24g/t from 88m in KKAC516, 40m @ 2.47g/t from 2m including 15m @ 3.17g/t KKRC056 and 26m @ 2.26g/t from 137m including 10m @ 3.7g/t in KKRC060.

In **Tanzania**, a 1,500m diamond drilling programme has commenced at the Mkurumu Project, in Joint Venture with the Mafulira Village Mining Company. The drilling follows airborne geophysical surveying, sampling and geological mapping, and is expected to be completed in early August. A further 1,500m of diamond drill testing of priority targets at the Lusahunga Project, is scheduled to commence in mid-August. The Lusahunga licences (150km west of Geita Gold Mine) are the subject of a Heads of Agreement concluded with Oryx Mining and Exploration Ltd during 2010.

In the **Democratic Republic of the Congo**, (Ashanti Goldfields Kilo JV) exploration over the Kilo Greenstone Belt included diamond drilling, using helicopter supported man-portable drill rigs. A total of 4,065m of diamond drilling was completed at the Mt Tsi and Camp 3 projects. Assay results are still awaited.

Greenfields exploration in the **Middle East & North Africa** region is being undertaken by Thani Ashanti; a 50:50 Strategic Alliance between AngloGold Ashanti and Thani Investments. Here exploration activities during the quarter included diamond drilling at Hutite, Anbat and Kab Alabyad (Egypt), channel-chip sampling at Pandora (Djibouti) and stream sediment sampling at Kerkasha and Akordat North (Eritrea).

At Hutite, 5,022m of diamond drilling was completed from the Central Domain and results were received from nine holes. The best results include: 7m @ 7.1 g/t Au from 72m and 7m @ 20.9 g/t Au from 82m in HUD042, 4m @ 4.2 g/t Au from 152m in HUD047, 3m @ 11.9g/t Au from 207 in HUD048 and 2m @ 17.2 g/t Au from 105m in HUD035. The mineralisation in the Central Domain is defined over 1km of strike and down to 200m below surface. Deep drilling to a depth of 900m below surface will commence in Q3 2012.

A total of 1,086m of diamond drilling was completed at the Anbat prospect, located 45km SW of Hutite. The drilling continued to test the veined granodiorite and also the altered felsic porphyry on the contact of the granodiorite and sedimentary rocks. Further encouraging results were received from the felsic porphyry and include: 3m @ 22.3g/t Au from 118m in AND019 and 3m @ 21.6g/t Au from 178m in AND020 and 45m @ 1.74 g/t Au from 43m in AND021. The results confirm that the porphyry is the main target at Anbat and 3D modelling of the porphyry will be completed before any further drilling takes place.

Kab Alabyad is a historical prospect located on the Wadi Kareem concession in Egypt. Surface mapping and sampling has defined a breccia structure over approximately 1km of strike. Seven diamond holes were completed for 1,672 m with most holes intersecting broad (>60m) zones of breccia of variable intensity and associated alteration. Some visible gold has been noted and results are expected in Q3 2012.

In Eritrea, a total of 821 stream sediment samples were collected from the Akordat North and Kerkasha exploration licences. These samples are following up from the 10,000 line km airborne EM, magnetic and radiometric survey at the Kerkasha and Akordat North exploration licences. Results have been received from both exploration licences and highlight several anomalous catchments, some with > 1,000 ppb results, which will be followed up with soil sampling and mapping in Q3 2012.

Work completed at the non-managed Afar JV with Stratex International plc in Ethiopia and Djibouti has involved follow-up, systematic channel-chip sampling at Pandora (Djibouti) and preparations for an aeromagnetic and radiometric survey at Megenta (Ethiopia). The channel-chip sampling was completed perpendicular to the main Pandora vein at 25m intervals along the strike of the 1.7km long Pandora vein, with best results including, but not limited to, 11.1m @ 5.09g/t, 9.4m @ 3.37g/t, 17.9m @ 2.07g/t, 13.9m @ 5.35g/t and 5.3m @ 6.05g/t. Follow-up drilling at both Pandora and the nearby Hercules project is planned for Q3 2012.

Six areas were sampled within the Gordoh Exploration Licence (100% Thani Ashanti) in the Afar Rift of Ethiopia. This represents the first surface sampling at Gordoh since the EEL was granted in October 2011. Epithermal veins and potentially mineralised rocks were identified at Stockwork Hill, Midu and Harsuma areas.

BROWNFIELDS EXPLORATION

In **South Africa**, eight deep surface drilling sites were in operation during the quarter, five on the Moab Khotsong Mine and three at Mponeng (WUDLs). Nine shallow drilling sites were operational to the west of Kopanang.

Borehole MGR8 is being drilled just west of the Zaaipplaats area with the aim of locating additional Mineral Resources along the faulted northern margin of the Zaaipplaats blocks. The short deflection programme produced three representative intersections of Vaal Reef. Deflection 9 recorded a grade of 14,5cm @ 207.00g/t at a depth of 3220.4m. A long deflection to the north has now started. MGR6 is currently experiencing in hole problem. MHH2 advanced to 2,017.4m in the Allanridge Formation lavas. Borehole MMB6 started during the quarter. This is a high-speed hole being drilled to confirm the structure in the centre of the main Zaaipplaats block. The deep percussion attempt was abandoned at 594m when a third strong water inflow was intersected. The diamond drilling machine is currently being rigged. The deep percussion machine was moved to deepen the pilot hole of borehole MCY6, to the north of the Moab Middle Mine. A strong water inflow impeded advance after the hole was deepened from 349m to 520m. This is currently being grouted (an innovation on a percussion hole) before attempts to rapidly deepen the hole recommence.

UD51 reached a depth of 2,756.2m in Klipriviersberg lavas. UD59 advanced to 2,088.7m in Monte Christo Formation dolomites. UD60 advanced to 1,246m in the Eccles Formation dolomites. All three holes have experienced significant delays due to water losses.

In the Vaal Reef programme to the West of Kopanang, Borehole KGD1 was stopped at 1,203.1m as the Vaal Reef target was again faulted out. Borehole KDPL1 was completed after seven deflections were drilled. Borehole KGD9 was started as a replacement for KGD1 had reached a depth of 757.4m. Borehole KGD3 was started and reached 18.3m.

In the concurrent VCR programme, Borehole KGD7 intersected the VCR and reached a depth of 550.00 metres. Four short deflections were drilled. The hole was plugged and rigged down. Borehole KGD4 was stopped at 612.0m as the target was faulted out on a large structure. Borehole KGD5 was completed at 751.5m. The VCR was intersected, three deflections drilled and the hole was plugged and rigged down. Borehole KGD6 was also completed, at 674.4m. The VCR was intersected and three short deflections were drilled. The hole was plugged and rigged down. Borehole KGD8 was started at the end of the quarter. This borehole is exploring for the south-eastward extension of the Grootdraai VCR channel system south of the Shaft Fault complex. It reached a depth of 21.9m.

At Geita in **Tanzania**, exploration focused on Mineral Resource infill drilling programmes at Geita Hill West, Nyankanga Block 1, Nyankanga Block 2, Nyankanga Cut 7_8, Ridge 8, and the Star & Comet_Ridge 8 gap, as well as pre-resource drilling of refractory ore in the Matandani area. A total of 30,710.4m of RC and core were drilled.

Assay results returned to date show encouraging intersections including 34.12m@4.68g/t Au (GHDD0312) from 29.2m at Geita Hill West and 11.66m @ 14.59g/t Au from 21m (R8RC0121) which supports the concept of a shallow high grade connection between the Star & Comet and Ridge 8 deposits.

The ground regional gravity survey for the entire GGM tenement was completed with a total of 2470 survey stations been surveyed on a 500m x 250m grid. NSAMT survey results indicate significant conductors mapped in the Kukuluma terrain in the form of broad synformal structures extending to ~1km depth.

At Siguiri in **Guinea**, a total of 42,523m of drilling was completed. A total of 24,916m of RC infill drilling focused on upgrading oxide Mineral Resources around Kozan, Eureka East, Kossise, Soloni and Kalamagna. The infill drilling at Kozan and Eureka East returned some very good intersections, confirming the continuous and robust nature of these orebodies.

Reconnaissance and delineation drilling totalling 13,916m AC, focussed on the Balato and Sokunu East prospects with no further follow-up work proposed at this time.

The sterilisation of the new TSF site was also completed with 2,350m AC drilled this quarter.

Fresh rock RCDD drilling focused on the Sokunu and Sanu Tinti projects. This drilling aimed to test the fresh rock potential and depth extent of ore zones below the current pits as well as give valuable structural information on the mineralisation styles in the fresh rock. Two holes at Sokunu and Komatiguia were drilled to intersect the mineralised ore zones in the oxides for structural and lithological information purposes.

No geochemical soil sampling was done this quarter. Geophysics focused on IP gradient and gravity surveys at Silakoro and Sintroko South.

At Obuasi in Ghana, underground exploration drilling achieved 956m. Surface exploration continued at the Rusty Monkey and started at Sibi with some sterilisation drilling being completed at F-fissure. A total of 4,015.0m were drilled.

At the Iduapriem, drilling commenced on the Block 3W Mineral Resource conversion programme where a total of 5, 279m was drilled. This comprised 4,588m RC and 691m diamond.

In the Democratic Republic of the Congo, 6,501.5m of drilling was completed on the Mongbwalu Gold Project as the Mineral Resource upgrade programme was ramped up at Adidi. 24 holes representing 4,374.54m core and 23 RC holes for 2,127m were drilled.

At Kibali, assays from completed holes to the west of KCD were received during the quarter and suggest the possibility of a further mineralised system underneath the 9000 lodes. The potential of this system will be explored via further drilling.

Within a 10km radius of the main Sessenge – KCD deposit, there are a number of satellite deposits which are in Ore Reserve or are considered to have significant potential. Drilling commenced at three of these high priority satellite deposits. Assay results from drilling at the Mengu Hill area, ~7km NW of the KCD-Sessenge deposit, were received and best intersections include (MDD040) 74.7m@3.78g/t Au from 0m and (MDD042) 67m@5.93g/t Au from 0m. Drilling at Pakaka was designed to test the continuation of the Pakaka – Pamao – Bakangwe Aval mineralisation down plunge. The programme involves scout drilling of 4 diamond holes (1,620m) over a 1.5km strike length. Best intersections for the reconnaissance holes included (PDD145) 29m@3.2g/t from 394m.

The historical high grade Gorumbwa Mine is located immediately to the north of the Sessenge pit and to the west of the main KCD corridor. A first phase of diamond drilling designed to upgrade the Mineral Resource is nearing completion and consisted of four diamond holes for a total of 1,770m and two twin holes (600m).

In **Mali**, a total of 23,686m of RC and diamond drilling was completed at Sadiola and Yatela.

RC drilling (20,892m) concentrated on the Yatela targets of KW18, Alamoutala, Badji and Yiri and also sterilisation of the waste dumps. Results at KW18 suggest there is potential for a limited oxide Mineral Resource on three different areas to the northwest, southwest and south of the current pit infrastructure. These intersections are open along strike and further exploration testing is underway.

At Fleru (previously Yatela North West) reconnaissance geological mapping commenced at this termite target. The area is dominated by fine to medium grained quartzites a series of quartz-tourmaline veins towards the east. Mapping will continue to improve on the geological understanding of the area prior to exploration drilling.

Diamond drilling of 1,868m was completed on the Sadiola sulphide targets of the Sadiola and Tambali Pits with very encouraging results indicating the main Sadiola ore-body continues at significant depths below the current Sadiola Deep Sulphide pit design. Follow-up drilling at Manndakoto has confirmed the extension of NE-SW oxide mineralisation.

An IP survey over the Manndakoto oxide target has completed 18 line-km to date. Progress is likely to be slow due to the rainy season and it is expected that the survey will be completed late in the year.

At Navchab, in **Namibia**, exploration completed 43 holes (7,213m) during the quarter. 28 RC holes were completed on the Main Pit expansion project holes as HME waste dump condemnation holes. 15 Diamond holes were completed in the main pit expansion project area and down plunge extension area.

At AGABM in **Brazil**, drilling programmes continued at several targets in and around the production centers at Cuiaba – Lamego and CDS and at the Pari exploration project. Field work, sampling, and geological modeling are in progress at other projects within the Iron Quadrangle.

At MSG, the fast track exploration programme continued to evaluate the regional potential of the Joint Venture. The program targeted extensions of known ore bodies around the mine area. Beyond the mine area, mapping and sampling continued in target areas.

At CVSA in **Argentina**, the drilling programme tested targets at several veins. Trenching and channel sampling programs continued in advance of drill planning for other targets at Cerro Vanguardia and El Volcan along with drill testing potential targets generated from geophysics and mapping programs.

In the **United States of America** at Cripple Creek and Victor, infill drilling in the Cresson pit continued to test high grade targets. RC holes continued to intersect gold mineralisation below the designed pit bottoms in the northern part of the district. Drilling to target potential high grade zones below or adjacent to current pit designs continued.

In **Colombia** at Gramalote, the drilling in the quarter continued for pre-feasibility infrastructure and geotechnical projects with additional work to test satellite targets around the proposed Gramalote Central pit area. Mapping and sampling work continued around the Gramalote project district targets.

At La Colosa, drilling continued for geotechnical and hydrological studies. Four drills were operating during the quarter. Positive assay results continued to return from holes drilled in the first quarter of 2012. From the center of the main intrusion COL187 returned an intercept of 223.6m @ 1.73g/t from a depth of 126m. Drilling to the west of the deposit showed up economic gold, copper and molybdenum grades which will be followed up. The planning for the next round of drill platforms and holes was completed and submitted for permitting.

At Sunrise Dam in **Australia**, a total of 27,170m drilling was completed. The drilling was aimed at further defining and extending the underground Mineral Resource in the vicinity of the current workings. Mine life extension drilling consisted of two projects, the first being a grid of holes drilling

from surface using deep directional drilling to test the depths of the deposit and the second being designed to define the Vogue mineralisation which is an extension of the Cosmo and Dolly gold system and extends beyond the existing mine infrastructure by up to 400m and to depths of at least 800m below surface.

At Tropicana, drilling continued at Havana Deeps with a total of 1,128m of RC and 16,613m of diamond drilling completed in 38 holes. Drilling will conclude this Project in early July. A revised Mineral Resource will be finalised by the end of the year and will form the basis of a Prefeasibility Study into a possible mine extension.

Drilling of near mine targets resumed during the quarter with 8 RC holes and 8 diamond tails completed at Springbok and Boston Shaker North for 2,302m. An encouraging intercept of 5.0 m @ 3.97 g/t Au (from 75m) was made in SKRC007 at Springbok and further drilling is planned.

AngloGold Ashanti/De Beers Joint Venture

The main activities that occurred during the quarter relate to the SASA and Alaska projects.

In SASA the processing of all samples taken during the February drilling was completed. All but 3.5% of samples taken over the 260 x 60km exploration area contained gold. This suggests that the exploration is taking place within a significant gold province but that this search now needs to be narrowed down geologically to target areas of higher potential.

In Nome a number of processes are underway. The environmental baseline studies field work was successfully completed. Two survey vessels have been mobilised to site and the surveys will start in the first week of July.