



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

## NEWS RELEASE

### AngloGold Ashanti Outlines Capital Allocation, Safety Philosophies at Mining Indaba

(PRESS RELEASE –CAPE TOWN) – AngloGold Ashanti's Chief Executive Officer will this week present to delegates at the Investing in African Mining Indaba in Cape Town, outlining the company's capital allocation philosophy as it looks to invest in brownfield projects in its own portfolio. He will also provide detail on the company's ongoing efforts to improve safety across its mines.

"In line with our inward focus, we will prioritise investment in low-risk, high-return projects at our existing operations, in jurisdictions and ore bodies we understand," CEO Srinivasan Venkatakrishnan said. "Rather than looking first to M&A to improve our portfolio, we will use our much improved balance sheet to increase reinvestment to extend mine lives and increase profitability at key assets."

AngloGold Ashanti has since 2013 used 'self-help' measures including asset sales and efficiency improvements to reduce debt and improve balance sheet flexibility without diluting shareholders, and whilst improving the safety and cash-flow margins across its 17-mine portfolio. The company, which emphasises margin growth over volume growth, will continue that philosophy this year as it focuses on both sustaining and growth projects.

AngloGold Ashanti will post second-half and full-year 2016 financial and operating results on February 21, at which time it will provide its outlook for production, costs and capital expenditure for 2017. As Venkat pointed out at the third-quarter results on November 14, capital expenditure will increase in 2017.

Higher **sustaining-capital expenditure** in 2017 is expected at:

- Cuiaba in Brazil, where a greater rate of ore reserve development will improve mining flexibility hampered by geotechnical challenges in recent years;
- Iduapriem in Ghana, to strip waste rock from the Teberebie ore body to extend mine life, and lower cash costs;
- Geita, in Tanzania, to replace the mine's original 20-year old power plant to ensure reliable electricity supply, and also continue the ramp-up of underground production in advance of depletion of open-pit ore in future;
- Sunrise Dam, in Australia, where investment in plant modifications are expected to improve gold recoveries;
- Kibali, in the DRC, where additional ore reserve development will be conducted ahead of a ramp-up in underground production;

It is currently anticipated that sustaining capital will decline in 2018.

There will also be **growth capital invested** in the construction of a new plant at Siguiri, in Guinea, which will process harder ore, extending mine life, lowering cost and increasing production, whilst also improving exploration potential in the area surrounding the mine. At Sadiola, in Mali – subject to

receiving requisite government approvals, agreements, consents and permits -- AngloGold Ashanti and joint venture partner IAMGold anticipate commencing a project to build a sulphide treatment plant that will also increase output and extend mine life.

At Tropicana, in Australia, mining and processing is being optimised at minimal additional capital cost, to increase production and lower costs. (See December 15, 2016 press release).

AngloGold Ashanti will continue to adopt its disciplined approach to future planning and capital allocation, seeking returns in the mid-teens through the commodity cycle. The company will also continue to measure its ore reserves at a gold price of \$1,100/oz, well below current spot prices. "We have a very careful process to evaluate and rank all of our capital allocation opportunities, and this year we have a very compelling slate of projects from within our portfolio that we believe outranks anything currently available out there in the market," he said. "We factor in all aspects of risk and demand a return in the mid- to high-teens before we approve these investments."

### **Safety is the First Priority**

AngloGold Ashanti has made significant improvements to its safety performance across its portfolio as it has focused on embedding a more vigilant culture across its business, coupled with greater use of the latest technologies available to monitor and mitigate risk. This includes, among a host of others, the use of in-stope netting to mitigate against potentially fatal falls-of-ground, and automatic coupling of rail cars, reducing another major hazard of underground work.

Like in any heavy industry, and especially in a company like ours that employs more than 50,000 people globally, human error remains among our greatest challenges. This is an aspect of the business that we continue to work hard to mitigate in cooperation with a broad group of stakeholders. Most recently, the company has been without an operating fatality across its South African portfolio for more than six months.

"We are clear that safety remains our highest priority," Venkat said. "We have made a step change in safety in recent years, but will continue to look for the latest technology available to help us improve further."

The presentation is available on the Company's website.

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