

7 December 2017

## PRESS RELEASE

- *Long Island mining strategy to go ahead, further extending mine life*
- *Additional ball mill approved to lift plant throughput and gold recovery*
- *2.1 million ounces of gold production added to the Tropicana business plan*
- *Ore Reserve increased to 4.08 Moz (100% project)*
- *Underground mining potential enhanced by encouraging Boston Shaker drilling results*

### **Tropicana partners AngloGold Ashanti and Independence Group commit to Long Island**

**(Press Release)** -- AngloGold Ashanti Australia Ltd (AGAA) is pleased to announce that the Tropicana Joint Venture has approved Phase One of the Long Island strategy, increasing production from the mine in the medium term and extending mine life.

Long Island has been driven by developing a more cost-effective way to mine waste. It involves using a strip-mining approach that minimizes waste haulage distances by using in-pit backfill, rather than trucking the material long distances to surface waste dumps. The completed Tropicana pit will be used as the first backfill location.

Phase One of Long Island comprises mining of the Havana South and Boston Shaker pits ahead of the next decision point in 2020, on whether to start stripping the Havana Main pit, and the third decision point in 2022, on whether to commence with the final stages of the Havana Main pit. The phased approach provides optionality and the flexibility to adjust to prevailing economic conditions.

The full Long Island strategy adds 2.1 million ounces to Tropicana's business plan, extending mine life by approximately seven years to 2027. The project value has been enhanced by the decision to install an additional 6MW ball mill in the processing plant, enabling throughput to be matched to the increased mining rate and improving gold recovery by up to 3% to approximately 92%.

Grade streaming, which prioritizes the processing of higher-grade ore and stockpiling lower-grade material for processing at a later date, has resumed at Tropicana and will continue through 2018 and 2019. Gold production (100%) is forecast to be between 478,000oz and 492,000oz next year and between 530,000oz–548,000oz in 2019.

"This project is in line with our approach of developing cost-effective brownfield projects with attractive payback periods that extend life and improve margins," said Michael Erickson, AngloGold Ashanti's Senior Vice President Australia. "The project validates the innovative ideas developed by our site team and technical specialists, and also gives us an excellent base from which we can investigate adding additional value through underground mining opportunities and regional exploration."

Gold production over Tropicana's remaining life of mine is now forecast to be about 4Moz. This does not include potential future underground production from mineralization at the Boston Shaker ore body, which remains open at depth. Following a scoping study, which is currently underway, a pre-feasibility study on underground mining will begin in 2018.

Tropicana lies about 330km east-northeast of the Western Australian town of Kalgoorlie. AGAA, which manages the mine, owns a 70% stake and Independence Group NL has the remaining 30%.

The Long Island strategy is underpinned by continued exploration success, evidenced by another increase in the Ore Reserve to 66.59 Mt grading 1.91 g/t for a total of 4.08 Moz. This represents an increase of 280,000oz over the past year, even after depletion of about 550,000oz is taken into account.

Including gold produced to date, Tropicana has delivered a 72% increase in Ore Reserves since the Tropicana project was approved in November 2010. *(Full Ore Reserve and Mineral Resource information can be found in AngloGold Ashanti Ltd's ASX Release dated 7 December 2017, on <http://www.anglogoldashanti.com/investors/announcements/>).*

Mining rates at Tropicana have been successfully increased over the past year to more than 90 Mtpa with the addition last year of a 600 tonne face shovel, de-risking the increase to the Long Island mining rate of between 95-107 Mtpa. The mining rate will peak at 107 Mtpa in 2019 and continue at that rate for about four years until the bulk of the Havana pit is mined.

To achieve the additional material movement increase, a second 600t shovel with up to five additional Caterpillar 793 trucks and supporting ancillary equipment, will be added to the fleet. The capital expenditure related to Long Island will be approximately A\$18 million, primarily for expansion to the accommodation camp and heavy vehicle workshop infrastructure.

The additional fleet will be provided by Macmahon Holdings as part of the mining contract at the site.

Productivity improvements through AGA's Operational Excellence programme have resulted in a reduction in mining costs at Tropicana over the past two years to A\$3.07/t using conventional mining methods. It is anticipated that ongoing mining efficiencies will further reduce mining costs by 5-10% during Phase One.

## **Ends**

## **Contacts**

Johannesburg

JSE Sponsor: Deutsche Securities (SA) Proprietary Limited

## **Media**

Chris Nthite +27 11 637 6388/+27 83 301 2481  
Stewart Bailey +27 81 032 2563 / +27 11 637 6031  
General inquiries

cnthite@anglogoldashanti.com  
sbailey@anglogoldashanti.com  
media@anglogoldashanti.com

Investors  
Stewart Bailey +27 81 032 2563 / +27 11 637 6031  
Sabrina Brockman +1 646 880 4526/ +1 646 379 2555  
Fundisa Mgidi +27 11 6376763 / +27 82 821 5322

sbailey@anglogoldashanti.com  
sbrockman@anglogoldashanti.com  
fmgidi@anglogoldashanti.com

*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, cash costs, all-in sustaining costs, all-in costs, cost savings and other operating results, productivity improvements, growth prospects and outlook of AngloGold Ashanti's 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, and business and operational risk management.*

*For a discussion of such risk factors, refer to AngloGold Ashanti's annual report on Form 20-F for the year ended 31 December 2016, which was 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 news release has not been reviewed or reported on by the Company's external auditors.*

*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. AngloGold Ashanti posts information that is important to investors on the main page of its website at [www.anglogoldashanti.com](http://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.*

Incorporated in the Republic of South Africa Reg No: 1944/017354/06  
ISIN. ZAE000043485 – JSE share code: ANG CUSIP: 035128206 – NYSE share code: AU

Website: [www.anglogoldashanti.com](http://www.anglogoldashanti.com)