S&P Global
Ratings

RatingsDirect®

AngloGold Ashanti Ltd.

Primary Credit Analyst:
Omega M Collocott, Johannesburg (27) 11-214-4854; omega.collocott@spglobal.com

Secondary Contact:
Rishav Singh, Johannesburg (27) 11-214-4856; rishav.singh@spglobal.com

Table Of Contents

Table Of Contents (cont.)

AngloGold Ashanti Ltd.

Business Risk: FAIR

Vulnerable — Excellent

Financial Risk: INTERMEDIATE

Highly leveraged — Minimal

Anchor	Modifiers	Group/Gov't
bb+	bb+	bb+

Issuer Credit Rating

BB+/Stable/--

South Africa National Scale

zaAAA/--/zaA-1+

Credit Highlights

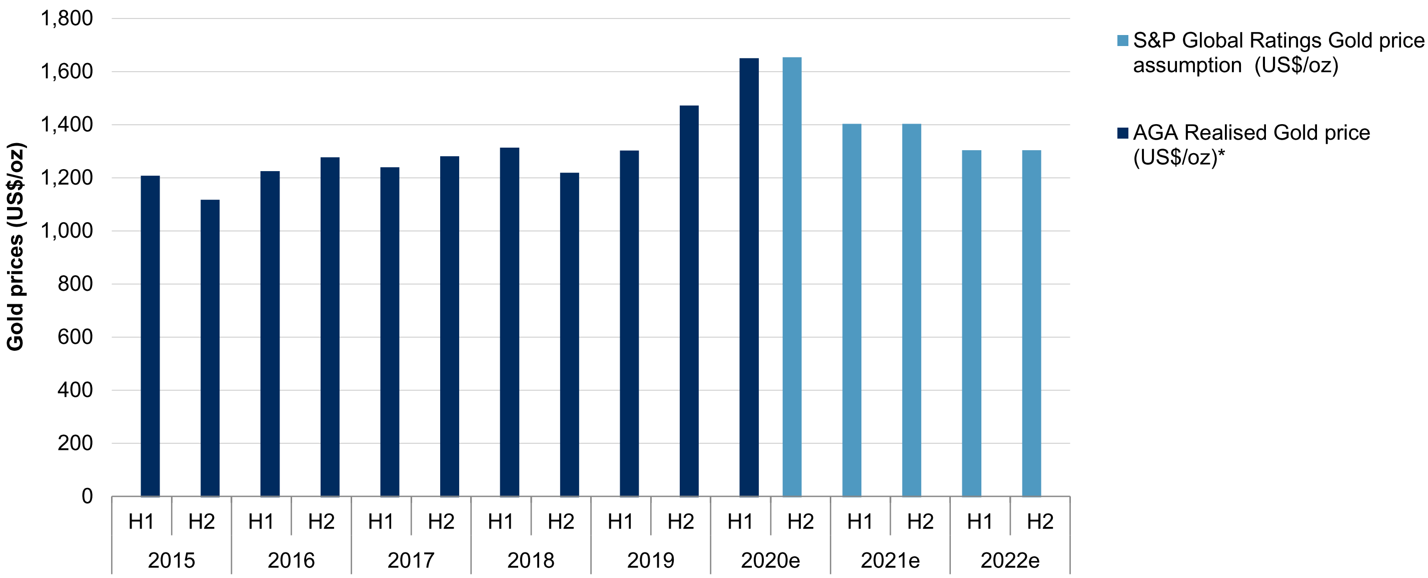
Overview

Key strengths	Key risks
The world's third-largest gold miner, with broad geographic and mine-site diversification, and a solid exploration pipeline.	Exposure to volatility in gold prices, given the single-product focus, and to jurisdictions with volatile currencies, which affect costs.
Improving operating margins following rationalization and planned disposal of high-cost assets, and continued focus on operational efficiency.	Relatively high operating costs, in part due to complex mine-site and jurisdiction profiles.
History of disciplined liquidity, refinancing, and operational management.	Potential for adverse regulatory or legislative changes in certain jurisdictions, many of which carry high country risk.
Clear financial policy targets, including reported net debt to EBITDA of 1.0x through the cycle, and moderate dividends.	Possible further COVID-19-related operational shutdowns, given the evolving regulations and infection rates in various jurisdictions, and social distancing challenges at mining operations.

Gold prices have remained resilient, limiting the effect of the COVID-19 pandemic on the company's performance. S&P Global Ratings anticipates that AngloGold's annual production will decline by 2%-3% in 2020, largely because of the lockdown initiated in South Africa during the first quarter of the year, combined with lower production in the second quarter, particularly in the Mponeng mine, which is in the process of being disposed. The anticipated delay in the completion of Phase 2 of the Obuasi redevelopment will also reduce production from this asset in 2021, relative to previous expectations. Overall, we expect a limited COVID-19-related production impact on continuing operations. AngloGold's performance is supported by strong gold prices in 2020, which we expect will moderate somewhat over 2021 and 2022.

Chart 1

Higher Gold Prices In 2020 Will Offset COVID-19-Related Production Losses



*Estimate of average spot price for 1H 2020. e--Estimate. H--Half-year. oz--Ounces. Source: S&P Global Ratings.

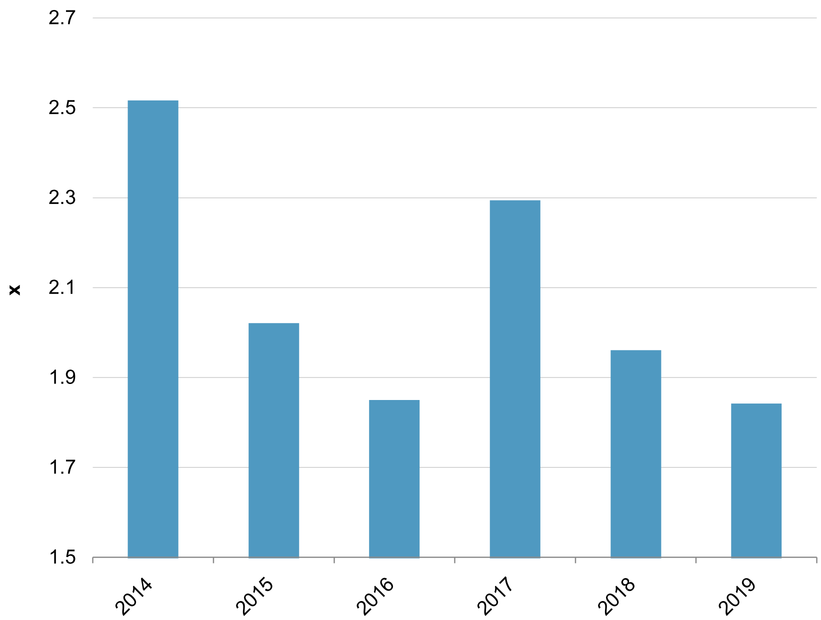
Exposure to high-risk operating jurisdictions is significant, but not overly concentrated. At present, AngloGold Ashanti's operations in the Americas, Continental Africa, and Australia represent almost 90% of the group's revenue, but no single country exposure is significant enough to constrain the rating. That said, the disposal of the South African operations, combined with the ramp-up of the Obuasi mine in Ghana, could cause AngloGold Ashanti's exposure to Ghana to constrain the rating in future, unless there are other changes during our forecast period.

On April 29, 2020, we lowered our long-term foreign currency ratings on South Africa to 'BB-' from 'BB' and lowered our long-term local currency ratings to 'BB' from 'BB+', with a stable outlook. Although AngloGold Ashanti is headquartered in South Africa, its exposure to the country is not material--the country accounted for only 12% of the group's 2019 revenue. Because the company has started the process of exiting its South African Mponeng mine and Surface operations, its long-term exposure to South Africa will be negligible.

The sale of the South Africa assets will help AngloGold Ashanti to reduce its leverage, despite its high capital expenditure (capex). In recent years, the company's financial policy, including leverage targets, moderate dividends, and a focus on asset sales, has helped it to reduce debt. Given the planned disposal of the South African assets in 2020, and our current gold price and foreign exchange rate expectations, we anticipate that the company's credit metrics will remain in line with our expectations for the rating. For cash flow modeling purposes, we have assumed that the South African assets will be disposed of at the beginning of 2021.

Chart 2

Adjusted Debt To EBITDA Has Been Declining Since 2017



Source: S&P Global Ratings.

Outlook: Stable

The stable outlook indicates that we expect the gold price to peak in 2020, before moderating somewhat during 2021 and 2022. This, together with the positive impact on cash costs of the planned South African asset sales and Obuasi mine redevelopment will largely offset COVID-19-related production losses, which we estimate at 2%-3% of 2020 budgeted production. Under our current gold price assumptions, we expect weighted-average credit metrics to sit comfortably within our intermediate financial risk category, with funds from operations (FFO) to debt at about 55% (2019: 39.1%), debt to EBITDA below 2.0x (2019: 1.8x), and free operating cash flow (FOCF) to debt above 5%.

Downside scenario

We may lower the rating if the company cannot maintain credit metrics comfortably commensurate with an intermediate financial risk profile or generate positive FOCF. This could result, for instance, from a lower-than-expected gold price, adverse foreign exchange movements, or unexpected operational issues that lead to weaker or more volatile earnings and cash flow than we anticipate in our base case.

Due to AngloGold Ashanti's diverse mining portfolio, our ratings on the company are not currently constrained by the sovereign ratings on countries where it operates, including South Africa. That said, country risk is an important factor in our analysis, given the impact royalties, taxation, regulation, potential labor strikes, or other social issues may have on earnings and cash flow.

Upside scenario

We could raise the rating if we expected the company would sustain its debt to EBITDA comfortably below 1.5x and its FFO to debt above 60%, while maintaining its strong liquidity profile.

Our Base-Case Scenario

Assumptions

- Gold price of $1,650 per ounce (/oz) during the rest of 2020 and $1,400/oz in 2021.
- Production of around 3.2 million ounces in 2020 (assuming the South African assets are disposed of at the beginning of 2021) and 2.9 million ounces in 2021.
- Cash cost of around $790/oz-$800/oz in 2020 and $765/oz in 2021, largely reflecting cost efficiencies following the disposal of the South African operations and increasing production from Obuasi.
- Capex of around $950 million in 2020 and $1.0 billion in 2021.
- Moderate dividend payments, in line with the company's financial policy.

Key Metrics

AngloGold Ashanti Ltd.--Key Metrics				
	--Fiscal year end Dec. 31, 2019--			
	2018a	**2019a**	**2020e**	**2021f**
Gold price (/oz)	1,268	1,387	1,650	1,400
Production (oz)*	3,400	3,281	3,200	2,900
EBITDA (bil. $)	1.3	1.3	1.9-2.2	1.0-1.3
Debt/EBITDA (x)	1.8	1.8	0.8-1.1	1.4-1.7
FFO/debt (%)	38.7	39.1	95-105	40-50
FOCF/debt (%)	6.1	5.3	30.0-40.0	(10.0-15.0)

Notes: All figures adjusted by S&P Global Ratings. Key debt adjustments include lease liabilities and asset retirement obligations. *Includes production from South African assets (discontinued operations) for 2018-2020. a--Actual. e--Estimate. f--Forecast.

Revenue is expected to grow by 17%-18% in 2020 before declining in 2021 and 2022. We expect gold prices to support revenue growth in 2020, even as production is affected by stoppages in response to the spread of the COVID-19 pandemic. Revenue in 2021 and 2022 is likely to be hit by moderating gold prices, and slightly lower production caused by COVID-19-related delays in Phase 2 of the Obuasi redevelopment.

EBITDA margins will improve from 2020, supported by the sale of the South African assets, which carry higher costs. Higher gold prices will also boost EBITDA through higher revenue in 2020, while lower-cost production from Obuasi will begin to support margins from 2021 onward. However, we agree with management's guidance that dividends from Kibali will be moderate.

Credit metrics, including adjusted leverage, will remain broadly unchanged, supported by asset divestments. These will balance AngloGold Ashanti's continued capex to support growth at Obuasi, Tropicana, Quebradona, and Gramalote. We expect the company's debt to EBITDA, as adjusted by S&P Global Ratings, to be 0.8x-1.1x in 2020, increasing to 1.4x-1.7x in 2021; and FFO to debt to be around 100% in 2020 and 40%-50% in 2021.

Company Description

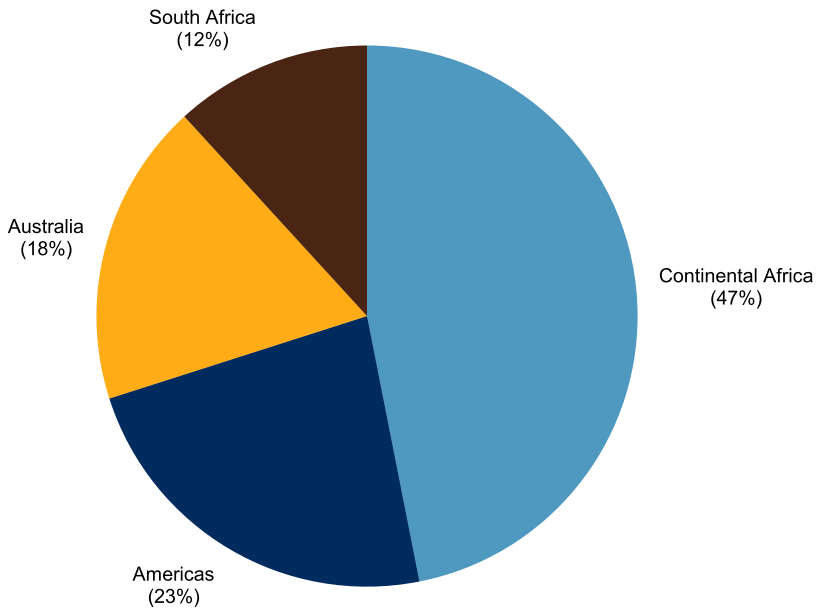
Headquartered in South Africa, AngloGold Ashanti is the third-largest gold miner in the world, measured by production. The company has an attributable gold ore reserve of 43.9 million ounces and an attributable mineral resource of 175.6 million ounces. In our view, AngloGold Ashanti is likely to sustain relatively stable long-term production, notably from several current and mid-term expansion projects. We estimate its average mine lives at between seven and eight years based on proven and probable reserves in 2019. In 2019, AngloGold Ashanti generated around $4.1 billion in gold revenue from continuing and discontinued operations.

The company has global operations, including 14 operations and three exploration projects in four regions, namely South Africa, Continental Africa, Australasia, and the Americas. In 2018, the company completed a rationalization of its South African operations--it expects to divest its remaining South African operations (comprising one mine and its reprocessing operations) during 2020, effectively eliminating exposure to its historical home market.

AngloGold Ashanti is listed on the Johannesburg, New York, and Australian stock exchanges, and had a market capitalization of around $13 billion on July 16, 2020.

Chart 3

Exposure To Tilt Toward Continental Africa After South African Assets Are Sold
Revenue by geography (2019)



Source: S&P Global Ratings.

Peer Comparison

Table 1

AngloGold Ashanti Ltd. -- Peer Comparison

Industry Sector: Mining

	AngloGold Ashanti Ltd.	Gold Fields Ltd.	Newmont Corporation	Polyus PJSC	Sibanye Stillwater Ltd.	Barrick Gold Corp.
Ratings as of July 17, 2020	BB+/Stable/--	BB+/Stable/B	BBB/Stable/--	BB/Positive/--	B+/Stable/--	BBB/Positive/A-2
	--Fiscal year ended Dec. 31, 2019--					
(Mil. $)						
Revenue	3,525.0	2,967.1	10,306.0	4,005.0	5,211.6	7,693.0
EBITDA	1,295.0	1,176.1	3,779.0	2,616.0	921.4	3,668.0
Funds from operations (FFO)	931.0	862.3	3,012.1	2,094.0	705.9	2,723.0
Interest expense	176.0	144.9	495.9	328.0	203.4	516.0
Cash interest paid	143.0	132.0	329.9	272.0	114.9	333.0

Table 1

AngloGold Ashanti Ltd. -- Peer Comparison (cont.)

Industry Sector: Mining

	AngloGold Ashanti Ltd.	Gold Fields Ltd.	Newmont Corporation	Polyus PJSC	Sibanye Stillwater Ltd.	Barrick Gold Corp.
Cash flow from operations	829.0	894.1	3,042.7	1,950.0	690.0	2,040.4
Capital expenditure	703.0	612.5	1,501.2	795.0	550.7	1,313.9
Free operating cash flow (FOCF)	126.0	281.6	1,541.5	1,155.0	139.3	726.5
Discretionary cash flow (DCF)	83.0	232.5	(12.5)	508.0	133.3	178.5
Cash and short-term investments	466.0	515.0	2,480.0	1,801.0	395.2	3,314.0
Debt	2,382.2	1,876.2	8,042.5	3,436.2	2,747.3	5,382.7
Equity	2,676.0	2,908.7	23,794.2	1,913.0	2,225.3	29,827.0
Adjusted ratios						
EBITDA margin (%)	36.7	39.6	36.7	65.3	17.7	47.7
Return on capital (%)	15.7	11.3	7.8	47.2	10.2	19.6
EBITDA interest coverage (x)	7.4	8.1	7.6	8.0	4.5	7.1
FFO cash interest coverage (x)	7.5	7.5	10.1	8.7	7.1	9.2
Debt/EBITDA (x)	1.8	1.6	2.1	1.3	3.0	1.5
FFO/debt (%)	39.1	46.0	37.5	60.9	25.7	50.6
Cash flow from operations/debt (%)	34.8	47.7	37.8	56.7	25.1	37.9
FOCF/debt (%)	5.3	15.0	19.2	33.6	5.1	13.5
DCF/debt (%)	3.5	12.4	(0.2)	14.8	4.9	3.3

Business Risk: Fair

AngloGold Ashanti is exposed to volatile gold prices and its operating costs are slightly above the industry average. However, its large scale and diverse assets and operating cost currencies balance these factors. We see the company's operating margin as low and its all-in sustaining costs per ounce (AISC/oz) as higher than that of several rated peers (see tables 1 and 2). That said, the company has been divesting some of its highest cost operations over the past few years and has improved its reported AISC margin to 28% in 2019, from a low of 16% in 2017. Over the same period, AISC/oz fell by around 6%, largely as a result of asset rationalization in South Africa. We expect AISC/oz to moderate following the disposal of the remaining South African assets, and the ramp-up of the Obuasi mine.

We continue to view country risks as an important rating factor. AngloGold's exposure to Continental Africa is increasing, and the potential for adverse regulatory and legislative changes in Tanzania, the Democratic Republic of Congo, and Ghana remain relevant.

Table 2

Comparison Of All-In Sustaining Cost (AISC) For Rated Issuers			
	Rating*	**Q1 2020 AISC (US$/oz)**	**Q4 2019 AISC (US$/oz)**
Polyus PJSC	BB/Positive	684.0	576.0
Newcrest Mining Ltd.	BBB/Stable	827.0	864.0
Barrick Gold Corp.	BBB/Positive	954.0	923.0
Gold Fields Ltd.	BB+/Stable	975.0	864.0
Kinross Gold Corp.	BBB-/Stable	993.0	925.0
Newmont Corporation	BBB/Stable	1,030.0	900.0
Yamana Gold Inc.	BB+/Stable	1,032.0	1,012.0
AngloGold Ashanti Ltd.§	BB+/Stable	1,047.0	1,009.0
IAMGOLD Corporation	B+/Stable	1,230.0	1,161.0
Sibanye Stillwater Ltd.	B+/Stable	1,520.4	1,274.6
Collective data			
Median		1,011.5	924.0
Average		1,029.2	950.9

*Long-term rating and outlook on July 17, 2020. §Reported by AngloGold Ashanti. Source: S&P Global Market Intelligence.

Financial Risk: Intermediate

AngloGold Ashanti's cash generation at the current gold price is strong, including modest dividend payments from Kibali. Furthermore, in recent years management has developed a track record of asset disposals to reduce leverage, and has revised down its leverage target (reported net debt to EBITDA) to below 1.0x (0.91x on Dec. 31, 2019).

The company's earnings and free cash flow generation remain highly sensitive to changes in gold prices and foreign exchange rates. We expect an improvement in credit metrics in 2020, following ongoing asset rationalization in South Africa and the upscaling of production from Obuasi, which poured its first gold in December 2019. We anticipate that capex requirements will rise in 2020, but that investments at Geita, Quebradona, Obuasi and the Tropicana Boston Shaker will lead to stable production and offer future cost benefits. The pandemic delayed some of the investment at Obuasi by affecting supply chains and construction, which could defer the resulting capex and cash flows for a couple of quarters.

Financial summary

Table 3

AngloGold Ashanti Ltd.--Financial Summary					
Industry sector: Mining					
	--Fiscal year ended Dec. 31--				
	2019	**2018**	**2017**	**2016**	**2015**
(Mil. $)					
Revenue	3,525.0	3,336.0	3,394.0	4,192.0	3,983.0
EBITDA	1,295.0	1,252.5	1,246.0	1,398.0	1,269.5
Funds from operations (FFO)	931.0	945.8	942.5	1,069.9	833.7

Table 3

AngloGold Ashanti Ltd.--Financial Summary (cont.)

Industry sector: Mining					
	--Fiscal year ended Dec. 31--				
	2019	**2018**	**2017**	**2016**	**2015**
Interest expense	176.0	183.7	178.5	191.1	252.8
Cash interest paid	143.0	140.7	143.5	175.1	251.8
Cash flow from operations	829.0	795.8	822.5	1,050.9	923.7
Capital expenditure	703.0	575.0	675.0	711.0	667.0
Free operating cash flow (FOCF)	126.0	220.8	147.5	339.9	256.7
Discretionary cash flow (DCF)	83.0	181.8	89.5	324.9	251.7
Cash and short-term investments	466.0	335.0	212.0	215.0	471.0
Gross available cash	466.0	335.0	212.0	215.0	471.0
Debt	2,382.2	2,311.1	2,607.2	2,583.0	2,562.5
Equity	2,676.0	2,694.0	2,704.0	2,754.0	2,467.0
Adjusted ratios					
EBITDA margin (%)	36.7	37.5	36.7	33.3	31.9
Return on capital (%)	15.7	12.5	9.6	10.1	8.7
EBITDA interest coverage (x)	7.4	6.8	7.0	7.3	5.0
FFO cash interest coverage (x)	7.5	7.7	7.6	7.1	4.3
Debt/EBITDA (x)	1.8	1.8	2.1	1.8	2.0
FFO/debt (%)	39.1	40.9	36.1	41.4	32.5
Cash flow from operations/debt (%)	34.8	34.4	31.5	40.7	36.0
FOCF/debt (%)	5.3	9.6	5.7	13.2	10.0
DCF/debt (%)	3.5	7.9	3.4	12.6	9.8

Reconciliation

Table 4

AngloGold Ashanti Ltd.--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. $)

	--Fiscal year ended Dec. 31, 2019--							
AngloGold Ashanti Ltd. reported amounts								
	Debt	**Shareholders' equity**	**Revenue**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**
Reported	2,033	2,640	3,530	1,210	621	143	1,295	958
S&P Global Ratings' adjustments								
Cash taxes paid	--	--	--	--	--	--	(221.0)	--
Cash interest paid	--	--	--	--	--	--	(143.0)	--
Reported lease liabilities	171.0	--	--	--	--	--	--	--
Postretirement benefit obligations/deferred compensation	72.0	--	--	8.0	8.0	8.0	--	--

Table 4

AngloGold Ashanti Ltd.--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. $) (cont.)								
Accessible cash and liquid investments	(466.0)	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	--	6.0	--	--
Share-based compensation expense	--	--	--	21.0	--	--	--	--
Dividends received from equity investments	--	--	--	77.0	--	--	--	--
Asset-retirement obligations	423.4	--	--	--	--	19.0	--	--
Nonoperating income (expense)	--	--	--	--	182.0	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	--	(129.0)
Noncontrolling interest/minority interest	--	36.0	--	--	--	--	--	--
Debt: Fair value adjustments	102.0	--	--	--	--	--	--	--
Debt: Other	46.8	--	--	--	--	--	--	--
Revenue: Derivatives	--	--	(5.0)	(5.0)	(5.0)	--	--	--
EBITDA: Settlement (litigation/insurance) costs	--	--	--	(16.0)	(16.0)	--	--	--
Total adjustments	349.2	36.0	(5.0)	85.0	169.0	33.0	(364.0)	(129.0)
S&P Global Ratings' adjusted amounts								
	Debt	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**
Adjusted	2,382.2	2,676.0	3,525.0	1,295.0	790.0	176.0	931.0	829.0

Liquidity: Strong

We view AngloGold Ashanti's liquidity as strong. We estimate that the ratio of sources to uses of liquidity exceeds 1.5x for the 12 months from March 31, 2020 and 1.0x for the subsequent 12-month period. We consider the company to have well-established bank relationships, a generally high standing in credit markets, and prudent risk management.

Principal Liquidity Sources	Principal Liquidity Uses
• Cash and cash equivalents of $1,870 million on March 31, 2020. • Estimated annual cash FFO of $1.5 billion-$1.6 billion for the coming 12 months. • Availability under committed credit lines maturing beyond 12 months of about $108 million.	• Debt maturities of around $700 million in 2020. • Working capital outflows of about $155 million. • Capex of $950 million-$990 million in 2020 and 2021. • A dividend payment of around $50 million, in line with the company's guidance.

- Asset sales of $225 million in the first 12 months, reflecting the disposal of the South African assets and Sadiola.

RCF drawdowns

A portion (around $1.45 billion) of the cash on hand on March 31, 2020 related to drawdowns in March 2020 under the company's $1.4 billion and ZAR2.5 billion revolving credit facilities (RCFs). These RCF drawdowns reflected the expectation at that time that COVID-19 would soon lead to lockdowns, and could have other unpredictable effects. In April 2020, part of the RCF funds were used to repay the company's maturing $700 million bond. The company bolstered liquidity further by raising a 364-day $1 billion standby credit facility from a banking syndicate. The banks may choose to extend this for a further six months. This gives AngloGold Ashanti a cushion should it face more pandemic-related costs and delays.

Debt maturities

As of Dec. 31, 2019:

- Within one year: $734 million (repaid on April 15, 2020).
- One to two years: $110 million;
- Two to five years: $898 million*.
- More than five years: $291 million.

*Excluding the $1.4 billion RCF that expires in 2023.

In light of AngloGold Ashanti's track record of maintaining strong liquidity, we expect longer-term funding to be raised and used to restore availability under the RCF, before the bridging facility expires in April 2021.

Covenant Analysis

The company has comfortable headroom under the financial covenant linked to the RCF, which stipulates maximum net debt to adjusted EBITDA of 3.5x. This metric was 0.91x on Dec. 31, 2019. Financial covenants under the RCF are calculated based on consolidated results of AngloGold Ashanti Holdings PLC. As such, the divestment of the South African business will have no impact on covenant metrics.

Compliance expectations

The company reported net debt to EBITDA on March 31, 2020, of 0.93x. We expect covenant compliance to remain comfortable for the next two years.

Environmental, Social, And Governance

We see ESG credit factors for AngloGold Ashanti as broadly in line with those of industry peers. The company focuses on retaining its regulatory and social licenses to operate within a complex operating environment, especially in South Africa, where roughly 12% of production was based in 2019. However, the company is currently in the process of divesting its remaining assets in South Africa. Environmental risks associated with tailings storage facilities, mine reclamation, and water and energy consumption appear manageable at this time. Safety is an important social factor that has seen significant improvement over the years. We view AngloGold's $63 million share of a $400 million settlement related to silicosis and tuberculosis class action litigation in South Africa as having little impact on the company's overall risk profile. With regard to COVID-19, the company has prioritized protection of employees, communities, and assets, along with support for government measures to help fight the pandemic.

Issue Ratings - Recovery Analysis

Key analytical factors

- The issue rating on the senior unsecured notes and RCF is 'BB+' and the recovery rating is '3', reflecting our valuation of the company as a going concern with a substantial asset base.
- However, the issue and recovery ratings are constrained by the unsecured nature of the notes; therefore, we cap the recovery rating at '3', despite indicative recovery prospects exceeding 70%.
- In our hypothetical default scenario, we envisage intensified competition, slowing demand, and gold price volatility leading to declining revenue and margins.
- We value AngloGold Ashanti as a going concern, supported by the company's leading market position and its large and diverse asset base.

Simulated default assumptions

- Simulated year of default: 2025
- EBITDA multiple: 5.0x
- EBITDA at emergence: $695.3 million
- Jurisdiction: South Africa

Simplified waterfall

- Emergence EBITDA: about $695.2 million (capex represents 6% of three-year average sales, the cyclicality adjustment is 15%, in line with the specific industry subsegment, and an operational adjustment of 50% to reflect additional capex needs well in excess of 6% of sales)
- Multiple: 5.0x
- Gross recovery value: about $3.48 billion

- Priority liabilities (administrative costs and priority claims): $172 million
- Net value available to creditors: $3.30 billion
- Unsecured debt claims: about $3.28 billion*
- Recovery prospects: 50%-70% (rounded estimate 65%)§
- Recovery rating: 3

*All debt amounts include six months of prepetition interest. §Although recovery prospects exceed 70%, the recovery rating is capped at '3' due to the unsecured nature of the notes.

Ratings Score Snapshot

Issuer Credit Rating

BB+/Stable/--

Business risk: Fair

- **Country risk:** Moderately high
- **Industry risk:** Moderately high
- **Competitive position:** Fair

Financial risk: Intermediate

- **Cash flow/leverage:** Intermediate

Anchor: bb+

Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Strong (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : bb+

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- General Criteria: Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- Criteria - Corporates - General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016

- Criteria - Corporates - Recovery: Methodology: Jurisdiction Ranking Assessments, Jan. 20, 2016
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Metal Price Assumptions: Gold Shines, While Slow Recovery Flattens Other Metal Prices, July 1, 2020

Regulatory Disclosures

Regulatory disclosures applicable to the most recent credit rating action can be found at "South Africa Corporate And Infrastructure National Scale Ratings Raised After Criteria Review; Removed From UCO," published July 2, 2018, on RatingsDirect.

Disclaimers

This rating has been determined by a rating committee based solely on the committee's independent evaluation of the credit risks and merits of the issuer or issue being rated in accordance with S&P Global Ratings published criteria and no part of this rating was influenced by any other business activities of S&P Global Ratings.

This credit rating is solicited. The rated entity did participate in the credit rating process. S&P Global Ratings did have access to the accounts, financial records and other relevant internal, non-public documents of the rated entity or a related third party. S&P Global Ratings has used information from sources believed to be reliable but does not guarantee the accuracy, adequacy, or completeness of any information used.

Glossary

- Anchor: The starting point for assigning an issuer a long-term rating, based on its business risk profile assessment and its financial risk profile assessment.
- Business risk profile: This measure comprises the risk and return potential for a company in the market in which it

participates (its industry risk), the country risks within those markets, the competitive climate, the company's competitive advantages and disadvantages (its competitive position).

- Comparable rating analysis: This involves taking a holistic review of a company's stand-alone credit risk profile (SACP), because each of the subfactors that ultimately generate the SACP can be at the upper or lower end, or at the midpoint, of such a range. It may also touch upon the overall comparative assessment of an issuer in relation to its peers across industry and jurisdiction and may capture some factors not (fully) covered, such as a short operating track record, entities in transition, unusual structures, or contingent risk exposures.
- Competitive advantage: The strategic positioning and attractiveness to customers of the company's products or services, and the fragility or sustainability of its business model.
- Competitive position: Our assessment of a company's: competitive advantage; operating efficiency; scale, scope, and diversity; and profitability.
- Corporate Industry and Country Risk Assessment (CICRA): Derived by combining an issuer's country risk assessment and industry risk assessment.
- Country risk: This measures a country's influence on the overall credit risks for a rated company with regards to a country's economic, institutional and governance effectiveness, financial system, and payment culture/rule of law risks.
- CreditWatch: This highlights the potential direction of a short- or long-term rating over the short term, typically less than three months. Ratings may be placed on CreditWatch where, in our view, an event or a deviation from an expected trend has occurred or is expected and additional information is necessary to determine the rating impact.
- Creditworthiness: Ability and willingness of a company to meet its debt and debt-like obligations; measured by assessing the level current and future resources relative to the size and timing of its commitments.
- Diversification/portfolio effect: Applicable to conglomerates. An assessment of the extent to which an entity's multiple core business lines are correlated and whether each contributes a material source of earnings and cash flow.
- Earnings: Proxy for profit or surplus yielded by an entity after production and overhead costs have been accounted for in a given period.
- EBITDA margin: This is EBITDA as a fraction of revenues.
- EBITDA: This is earnings before interest, tax, depreciation, and amortization.
- Economies of scale: This is the cost advantage that arises with increased size or output of a product.
- Efficiency gains: Cost improvements.
- Financial headroom: Measure of deviation tolerated in financial metrics without moving outside or above a predesignated band or limit typically found in loan covenants (as in a debt-to-EBITDA multiple that places a constraint on leverage) or set for the respective rating level. Significant headroom would allow for larger deviations.
- Financial risk profile: This measure comprises our assessment of a company's cash flow/leverage analysis. It also takes into account the relationship of the cash flows the organization can achieve given its business risk profile. The measure is before assessing other financial drivers such as capital structure, financial policy, or liquidity.
- Free operating cash flow: Cash flow from operations minus capital expenditure.
- Funds from operations: EBITDA minus interest expense minus current tax.

- Group rating methodology: The assessment of the likelihood of extraordinary group support (or conversely, negative group intervention) that is factored into the rating on an entity that is a member of a group.
- Industry risk: This addresses the major factors that affect the risks that companies face in their respective industries.
- Issue credit rating: This is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific class of financial obligations or a specific financial program.
- Issuer credit rating: This is a forward-looking opinion of an obligor's overall creditworthiness.
- Leverage: The level of a company's debt in relation to its earnings before interest, tax, depreciation, and amortization.
- Liquidity: This is the assessment of a company's monetary flows, assessed over a 12 to 24 month period. It also assesses the risk and potential consequences of a company's breach of covenant test, typically tied to declines in EBITDA.
- Management and governance: This addresses how management's strategic competence, organizational effectiveness, risk management, and governance practices shape the issuer's competitiveness in the marketplace, the strength of its financial risk management, and the robustness of its governance.
- Operating efficiency: The quality and flexibility of the company's asset base and its cost management and structure.
- Outlook: This is the assessment of the potential direction of a long-term issuer rating over the short to intermediate term (typically six months to two years).
- Rating above the sovereign assessment: Our assessment of whether an entity can be rated above the sovereign rating on a jurisdiction it has a material exposure to.
- Scale, scope, and diversity: The concentration or diversification of business activities.
- Stand-alone credit profile (SACP): S&P Global Ratings' opinion of an issue's or issuer's creditworthiness, in the absence of extraordinary intervention or support from its parent, affiliate, or related government or from a third-party entity such as an insurer.

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	**bb+**	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of July 17, 2020)*

AngloGold Ashanti Ltd.	
Issuer Credit Rating	BB+/Stable/--
South Africa National Scale	zaAAA/--/zaA-1+

Ratings Detail (As Of July 17, 2020)*(cont.)		
Issuer Credit Ratings History		
25-Apr-2016		BB+/Stable/--
04-Apr-2014		BB+/Negative/--
31-Jan-2014		BB+/Watch Neg/--
02-Jul-2018	*South Africa National Scale*	zaAAA/--/zaA-1+
09-Aug-2017		zaAA/--/zaA-1+
25-Apr-2016		zaA/--/zaA-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.