ANGLOGOLD ASHANTI LTD
Form 6-K
April 08, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated March 31, 2015
Commission File Number 1-14846
AngloGold Ashanti Limited
(Name of registrant)
76 Jeppe Street
Newtown, 2001
(P.O. Box 62117, Marshalltown, 2107)
South Africa
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F X Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes
No X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes
No X

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes
No X

Enclosure: **ANGLOGOLD ASHANTI INTEGRATED REPORT FOR THE YEAR ENDED DECEMBER 31, 2014**

INTEGRATED
REPORT
2014
A TRULY
GLOBAL
PRODUCER OF GOLD

OUR
MISSION

To create value for our shareholders, our employees and our business and social partners through safely and responsibly exploring, mining and marketing our products. Our primary focus is gold, but we will pursue value creating opportunities in other minerals where we can leverage our existing assets, skills and experience to enhance the delivery of value.

OUR **VISION**

OUR **VALUES**

Safety is our first value.

We place people first and correspondingly put the highest priority on safe and healthy practices and systems of work. We are responsible for seeking out new and innovative ways to prevent injury and illness in our business and to ensure that our workplaces are free of occupational injury and illness. We live each day for each other and use our collective commitment, talents, resources and systems to deliver on our most important commitment .... to care.

We treat each other with dignity and respect.

We believe that individuals who are treated with respect and who are entrusted to take responsibility, respond by giving their best. We seek to preserve people's dignity, their sense of self-worth in all our interactions, respecting them for who they are and valuing the unique contribution that they can make to our business success. We are honest with ourselves and others, and we deal ethically with all of our business and social partners.

We value diversity.

We aim to be a global leader with the right people for the right jobs. We promote inclusion and team work, deriving benefit from the rich diversity of the cultures, ideas, experiences and skills that each employee brings to the business.

We are accountable for our actions and undertake to deliver on our commitments.

We are focused on delivering results and we do what we say we will do. We accept responsibility and hold ourselves accountable for our work, our behaviour, our ethics and our actions. We aim to deliver high performance outcomes and undertake to deliver on our commitments to our colleagues, business and social partners, and our investors.

We want the communities and societies in which we operate to be better off for AngloGold Ashanti having been there.

We uphold and promote fundamental human rights where we do business. We contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate. We aim to leave a legacy of enduring value.

We respect the environment.

We are committed to continually improving our processes in order to prevent pollution, minimise waste, increase our carbon efficiency and make efficient use of natural resources. We will develop innovative solutions to mitigate environmental and climate risks.

To be the
LEADING
mining company

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CONTENTS

We strive to generate free cash flow and returns to shareholders, after funding our investment requirements and servicing our debt.

Our primary
platform for reporting
is our online reporting website
www.aga-reports.com
THE
2014
SUITE OF REPORTS INCLUDES:
OUR 2014 SUITE OF REPORTS
>IR
Integrated Report 2014
>SDR
Sustainable Development Report 2014*
>R&R
Mineral Resource and Ore Reserve Report 2014
>AFS
Annual Financial Statements 2014
>OPS
Operational Profiles 2014**
>NOM
Notice of Annual General Meeting and Summarised
Financial Information 2014 (Notice of Meeting)
*
This report is an online report. A summary report is available as a PDF.
*** The operational profiles will be available on the website by the end of April 2015.*

SCOPE AND BOUNDARY OF REPORT

This Integrated Report 2014 is the primary report in our suite of reports for the financial year 2014. This report provides a concise overview of the performance of AngloGold Ashanti Limited (AngloGold Ashanti) – both financial and non-financial – in terms of our strategic objectives. It also explains the interdependence of the financial and non-financial aspects of our business.

While the 2014 suite of reports covers the period from 1 January to 31 December 2014, also noted are material events that have occurred subsequent to the year end and up to the reports' approval by the board on 19 March 2015.

To facilitate communication with its stakeholders, AngloGold Ashanti has a dedicated annual reporting website, www.aga-reports.com, which hosts online versions of the integrated and sustainable development reports as well as PDFs of the full suite of reports. In compliance with stock exchange requirements and legislation, the Notice of Meeting has been posted to shareholders.

COMPILATION OF THIS INTEGRATED REPORT

In compiling this report, we have been guided by the International Integrated Reporting Committee's framework on integrated reporting. The related principles, concepts and content elements have been adapted to meet our specific operating and business circumstances. This report depicts an holistic account of our business – both the financial and non-financial objectives and our performance against them – and describes our vision for the future. We have identified and engaged a diverse range of stakeholders during the year and their inputs have shaped the content of this report.

We have also taken account of those issues that are considered most important to the group's future sustainability. These issues were identified by means of a combined assurance process and by taking into account the views expressed by our stakeholders. Underpinning this report is a discussion of risks and material issues. For a detailed discussion of AngloGold Ashanti's material sustainability issues during the reporting period, please refer to the Sustainable Development Report 2014 (
>SDR
).

AngloGold Ashanti is committed to the progressive implementation of integrated reporting at all levels of our business. Under the guidance of the Audit and Risk Committee (Audit Committee), a combined assurance model was adopted by AngloGold Ashanti to provide a co-ordinated approach to all assurance activities and to facilitate group-wide integration by leveraging the various controls, governance and assurance processes. Although normally part of the process, during 2014, technical assurances were excluded from the coordinated combined assurance reviews.

All operations within AngloGold Ashanti were subjected to risk-based, integrated, combined assurance reviews focusing on commercial, safety and sustainability aspects of the business. The outcome of these reviews, as well as the independent technical reviews conducted, provided reasonable assurance to allow the board, on the recommendation of the Audit and Risk Committee, to determine the effectiveness of the group's system of internal controls. This report has also been produced in line with the recommendations of the King Report on Governance for South Africa 2009 (King III) and the Listings Requirements of the Johannesburg Stock Exchange (JSE), the base of our primary listing.

INTRODUCTION

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This report depicts
an holistic account
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Note: AngloGold Ashanti reports its group financial information in US dollars ($) in all its reporting and so, unless otherwise stated, the use of ‘$’ refers to US dollars.

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SCOPE AND BOUNDARY OF REPORT
continued

BOUNDARY OF REPORT

This Integrated Report 2014 (**>IR**) covers our global operations and while we have a diverse range of stakeholders, each with their own specific information requirements, this report is aimed primarily at investors and the providers of capital. Stakeholders are referred to other reports in this suite and the **>SDR**, in particular, for additional non-financial information. In addition, individual business profiles reviewing our performance at an operational level are available at www.aga-reports.com.

The content of this integrated report is based on our overarching strategy, the primary aim of which is to create value by generating sustainable free cash flow improvements and returns. It describes what we have done to create value and achieve our stated strategic objectives in the past year, what we have used to do this, what impact we have had in so doing, the risks we have faced, what circumstances have affected our ability to generate value and how well we have performed towards our goal of creating value.

Our Annual Financial Statements 2014 (**>AFS**) are prepared in accordance with International Financial Reporting Standards (IFRS) and our Mineral Resource and Ore Reserve Report 2014 (**>R&R**) information is in line with the SAMREC and JORC codes. As this is a group-level report, operational targets and performance are discussed at a regional rather than operational level, although some operational detail is provided where appropriate. Detailed information, including maps of our exploration activities with respect to both our greenfields and brownfields studies, is available on the AngloGold Ashanti website, www.anglogoldashanti.com.

Our reports cover all operations and entities in which the group has a controlling interest and which are under our management. We do not report on non-financial information for our Morila and Kibali operations, which are managed and operated by our joint venture partner Randgold Resources Limited.

Information relating to joint ventures and other interests is provided for context and where this is deemed to be material. Production and capital expenditure are expressed on an attributable basis, unless otherwise indicated. Employee data, average workforce data, including employees and contractors, are reported for AngloGold Ashanti with joint ventures being reported on an attributable basis. Although the employee and workforce data reported includes both our employees and contractors, AngloGold Ashanti does not directly employ a contractor workforce.

CORPORATE CHANGES DURING 2014

In response to the sharp drop in gold prices in 2013, AngloGold Ashanti underwent significant restructuring to address its cost base. In 2014 we continued to evaluate options to reduce costs and improve margins, with a view to addressing overall debt levels, by employing a range of interventions including continued rigorous focus on costs and the active management of the portfolio to improve its overall quality. This portfolio management led to a number of key operational decisions, including initiation of the process to close the Yatela mine in Mali; the sale of the Navachab mine in Namibia after it was deemed non-core; progression of the

REPORT AUDIENCE

While the primary audience of this report is the providers of financial capital, which is in line with the International Integrated Reporting Framework’s guidelines, this is not exclusively so. These providers of capital include shareholders (both direct and indirect), financiers and potential investors. Other interested parties and other stakeholders such as our employees, government, non-government organisations (NGOs) and business and social partners are encouraged to review this report in conjunction with other reports in our 2014 suite of reports. In particular,

the
>SDR
discusses AngloGold Ashanti's performance in terms of non-financial data. Refer to the Scope and Boundary of that report at www.aga-reports.com/14/sdr/reporting/scope-boundaries
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DIRECTORS' STATEMENT OF RESPONSIBILITY

life-extending projects at Mponeng Phase 1 and at Cripple Creek & Victor; and the transition of the Obuasi mine in Ghana to limited operations mode, a decision which resulted in the retrenchment of the workforce and the cessation of underground mining while a feasibility study on a mechanised mine is being completed. Cost management activities necessitated retrenchments contributing to the 13% decline in the average number of our workforce during the year.

EVENTS SUBSEQUENT TO YEAR END

Post year end, AngloGold Ashanti announced that plans were underway to consider a joint venture or sale for value of the Cripple Creek & Victor mine in the United States and to consider the sale for value of its interests in the Sadiola and Yatela mines in Mali. For further details, see page 50 in the CFO's report
>IR
.

APPROVALS AND ASSURANCE

Following the recommendation of the Audit Committee, AngloGold Ashanti's suite of 2014 reports for the year ended 31 December 2014, including the
>AFS
, were reviewed and
approved by the board of directors on 19 March 2015.

In accordance with the Companies Act No. 71 of 2008, as amended, the Annual Financial Statements 2014 were audited by the company's independent external auditors, Ernst & Young Inc., whose unqualified audit opinion may be found on page 41
>AFS
. Certain sustainability
information in our reports has been assured by Ernst & Young Inc., whose combined reasonable and limited assurance statement may be found in the
>SDR
.

INTRODUCTION

It is the responsibility of the Board of Directors of AngloGold Ashanti to
ensure the integrity of the Integrated Report 2014.

The board has reviewed this Integrated Report 2014 and in its opinion, this report addresses all material issues and presents fairly the integrated performance of the organisation and its impacts.

This report has been prepared in line with best practice pursuant to the recommendations of the King III Code (principle 9.1).

Sipho M Pityana
Wiseman Nkuhlu
Chairman
Deputy Chairman
Srinivasan Venkatakrishnan
Christine Ramon
Chief Executive Officer
Chief Financial Officer
19 March 2015
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CHAIRMAN’S LETTER

In reflecting on what has been a challenging year for the gold market in general, it is worth casting one’s mind back to the achievements of the past 24 months as we’ve sought to ensure the sustainability of the business.

Over this period, the management team at AngloGold Ashanti has taken decisive action to weather a turbulent market, notably by making deep and sustainable cuts on all expenditure and improving the quality of the portfolio by bringing into production two new, low-cost mines while making the difficult decision to close and sell others. The effectiveness of this endeavour is evidenced by the 22% drop in all-in costs in 2014. All of this has been done while recording our best ever safety performance. These impressive achievements were realised through management’s resolute application of the necessary discipline.

In October 2014 I took part in a dialogue between a number of Christian churches and the mining industry, “The ecumenical reflections on mining”, that was held at Lambeth Palace in London. It was a culmination of an initiative by AngloGold Ashanti in 2013, which saw us deliberate, together with other mining houses and the Vatican, to open a frank conversation about responsible mining and shared value; the latter embracing the concept that business competitiveness and social and community wellbeing are inter-dependent. These initiatives coincide with the UN initiative to develop a set of sustainable development goals (SDGs). All these deliberations bring into sharp focus the central question in our world, our societies and our enterprise: Can we positively contribute to the sustainable development of both the eco-system and the people? Our values at AngloGold Ashanti unambiguously mandate us to do so.

This conversation took place in the midst of commodity market stagnation at best, deterioration at worst. The year 2014 saw continuing decline in the gold market, with the average gold price received at $1,264/oz, almost 10% below the 2013 price of $1,401/oz and 24% below the 2012 equivalent. The decline in the currencies in most of our operating economies has done no more than maintain local gold prices, and this, in an environment of increasing energy, labour and other costs.

The Lambeth discussion, not unjustifiably, focused on the negative legacy of the industry as “a ruthless extractor of value with harmful consequences for communities”. It is a legacy that, as a new generation of leaders in the industry, we must acknowledge as part of our determination to fashion a different outcome, one that will result in all stakeholders viewing us as a reliable partner in the realisation of the SDGs. However, we also recognise that our ability to play such a role will always depend on ensuring that mining is a viable enterprise from which shareholders can earn reasonable returns. Achieving this depends on the combined efforts of all stakeholders in a relationship of mutual trust.

Notwithstanding some negative legacies, mining has also been a positive contributor to low and middle income economies. A recent research publication of the International Council on Mining and Metals (ICMM), of which we are a founding member, has developed a Mining Contribution Index, which you will find of great interest. Our operating jurisdictions: the Democratic Republic of the Congo (DRC), Guinea and Tanzania are in the top 25 countries, with Colombia not far behind. The table and graph clearly show how this manifests in some of the countries in which we operate.

DELIVERING RETURNS

We are encouraged by our shareholders’ support of both our company strategy and our vision of shared value and responsible mining. In striving to generate free cash flow and positive sustainable returns to shareholders, we continue to deliver on the fundamentals of our strategy, the key objectives of which are clearly articulated in both the CEO’s and the CFO’s reports and covered in detail in this report.

Sipho M Pityana
Chairman
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The management team at AngloGold Ashanti has taken decisive action to weather a turbulent market.
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Our new operations that started pouring gold in 2013, Kibali in the DRC and Tropicana in Australia, are now a year old and together contributed 595,000oz in 2014, making significant contributions to cash flow. For the first time, the DRC project is making a positive contribution to our business and to that economy. Australia contributed 14% of our gold production, compared with 8% previously. However, the precipitous fall in gold prices over the past two years meant we have had to withdraw from our Mongbwalu project in the DRC. We are grateful to the government of the DRC for its cooperation in this regard. In Namibia, we sold a non-core asset, the Navachab mine, as a result of a review of our portfolio. In Mali, we are also at an advanced stage of disposing off the assets. We have progressed discussions as promised to shareholders, to either joint venture or sell our interest in Cripple Creek & Victor in the US. This, at the same as we continue to consider other asset sale options. In all these processes, we have worked closely with the relevant stakeholders to take care of mutual interests to the extent possible. We are appreciative for the cooperation of all concerned.

We have had to take different decisions to reposition our persistently loss making, yet high-grade ore body, Obuasi mine in Ghana. This entailed the retrenchment of the entire labour force. The mine is currently at limited operation mode, while we conduct a feasibility study that will consider transforming Obuasi into a modern, mechanised operation. As we look at the options available to finance and operate Obuasi into the future, we are also exploring options to reduce risk while maintaining exposure to the upside of this resource by considering a joint venture with another industry or financial partner. We would not have achieved the progress we have made in this initiative without the support, understanding and encouragement of stakeholders; particularly the trade unions, government and the community. We remain confident that this partnership will carry us to the critical stage that will lead to the reopening and improved operation of this excellent asset.

Mining Contribution Index by country

Mining Contribution Index calculation

Country by MCI ranking

Population growth 2000 - 2012 (%)

Human Development Index (HDI)

Export contribution from metals and coal (%)

Change in export contribution 2007 – 2012 (% of %)

2012 metals and coal production value (% of GDP)

Mining Contribution

Index (MCI)
4. DRC
40
0.34
81.5
12.4
18.0
95.88
7. Guinea
31
0.39
60.1
9.1
34.7
94.79
13. Australia
19
0.93
57.3
8.9
10.0
89.86
21. Namibia
19
0.62
53.4
1.8
11.6
82.51
24. Tanzania
40
0.49
35.3
4.3
8.9
81.81
35. Colombia
20
0.71
19.9
2.8
3.5
78.00
36. Brazil
14
0.74
17.3
5.0
3.0
75.31
59. South Africa

19
0.66
38.8
(6.5)
17.1
62.43
60. Mali
45
0.41
42.3
(9.3)
20.7
62.27
62. Ghana
35
0.57
17.6
(0.7)
12.5
62.08
65. Argentina
11
0.81
6.8
2.0
0.9
61.59
67. United States
11
0.91
7.7
1.5
0.8
60.88
82. Russian Federation
(2)
0.78
9.6
(0.7)
4.4
54.39
Mining contribution index score
Above 80
60-80
40-60
“
We have worked
closely with the
relevant stakeholders
to take care of mutual
interests to the extent

possible. We are appreciative for the cooperation of all concerned.
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Source: The role of mining in national economies (2nd edition), ICMM (available at http://www.icmm.com/document/7950)
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CHAIRMAN'S LETTER
continued

All of these measures are designed to ensure that the company works toward operating only top class assets across diverse geographies where we are able to effectively bring to bear our technology, skills and financial capabilities. We have increased gold production while delivering good savings, through focused cost management initiatives, including significant reductions in staff numbers, particularly at corporate, regional and country offices. Although we have simultaneously exited a few exploration sites, we have significantly reduced exploration spend, and we have made good progress in our exploration portfolio. In Colombia, we have been successful in delineating a number of gold and copper-gold ore bodies resulting in a set of opportunities too extensive for AngloGold Ashanti to undertake alone. Consequently, we are exploring opportunities for partnerships or sale for value where we believe our assets stand to make a positive contribution to the country's mining landscape.

There has been good progress from our Technology and Innovation Consortium, with the goal of extracting otherwise sterilised gold reserves in South Africa from support pillars and enabling mining beyond current depths of about 4,000m. Nonetheless, South Africa's mining industry is in desperate need of a new strategy that defines its role and place in the country's agenda for growth. We must not lose out on future commodity booms. The leaders of industry, government and the trade unions owe it to the country to show urgency in developing such a strategy, rather than indulging in a fratricidal inward-looking fight to the finish. Our position in the international mining leadership stakes has already declined. The cost this time may be the industry itself.

FOREIGN DIRECT INVESTMENT (FDI)

Mining FDI often dominates the total flow of FDI in low-income economies that have only limited other attractions for international capital

60-90%
of total FDI

30-60%
of total exports

3-20%
of government revenues

3-10%
of total national income

1-2%
of total employment

EXPORTS

Mineral exports can rapidly rise to be a major share of total exports in low-income agrarian economies even when starting from a low base

GOVERNMENT REVENUE

Mineral taxation has become a very significant source of total tax revenues in many low-income economies with limited tax-raising capacity

NATIONAL INCOME (GDP AND GNI)

Modern-day mineral processing technology is sophisticated and highly capital intensive; locations are centralised as a result and most upstream value addition takes place outside the mine-host country

EMPLOYMENT

Mine employment on its own is usually small relative to the total

national labour force
Macro-level contributions of mining in low- and middle-income countries
Source: ICMM (various years) and Oxford Policy Management (various years).

"We are encouraged that the South African Minister of Mineral Resources shares our view that policy uncertainty is undesirable."

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The South African gold industry needs rationalisation in order to realise economies of scale, optimise the search for new technologies, and to enable a paradigm shift to a better educated and skilled workforce, capable of higher productivity and wage levels earned in a healthier and safer mining environment. Failure to do this will shorten its already dwindling future and compromise jobs and economic growth. These considerations were at the heart of our restructuring proposal of 2014 which took into account broader developments in the sector.

HEALTH AND SAFETY

Our commitment to confront the negative legacy of the industry's past has positioned our business well and seen us protect the interests of our stakeholders very well. We have been able to do this because we are not just about compliance, but about lifting our values. Mines that were once prone to high injuries and fatalities now enjoy record breaking safety performance. This is despite the earthquake that struck some of our South African mines in August. In the last five years, the number of fatalities has dropped from 15 in 2010 to six in 2014. Four of the 2014 fatalities were in South Africa's ultra-deep level mines. We are saddened by those deaths, in respect of which I convey our heartfelt condolences to the families, friends, communities and colleagues of Mncedi Ponti, Mafikizolo Sikhumbuzo Ngwenya, Thembinkosi Dubazane, and Lwazi Bovungana from the South African operations and Luiz Alberto Santos Cerqueira, and Thiago Luiz de Oliveira from Brazil. Although we are encouraged by our progress in this regard, one death on any of our mines is one too many and we cannot rest until all of our operations are completely safe.

We have over the years made great progress in establishing a healthier work environment, from our groundbreaking HIV prevention and treatment work, to significant reductions in the incidence of occupational lung disease, thanks to improved underground dust management, vastly improving living conditions in company-provided accommodation. In fact, together with Anglo American, Gold Fields, Harmony and Sibanye Gold, we announced in November 2014 an industry working group to address issues relating to fair compensation and medical care for occupational lung disease (OLD). The companies have begun to engage all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. We are seeking a comprehensive solution which deals both with the legacy compensation issues and future legal frameworks, and which, while being fair to employees, also ensures the future sustainability of companies in the industry.

EMPOWERMENT

Guided by the spirit of an industry agreed Mining Charter, AngloGold Ashanti can proudly claim to have played a central part in deracialising patterns of ownership in the South African economy resulting in one of our beneficiaries of this programme becoming the country's first black billionaire. This at the same time as we ensured a successful Employee Share Ownership Scheme (ESOP), a procurement programme aimed at mainstreaming black and women suppliers as well as a range of enterprise development initiatives. The renovated employee accommodation is a far cry from the old hostels that were an assault on the human dignity of our workers. We remain committed to improve the living conditions of our employees including a search for a solution to the negative consequences of the migrant labour system, initiatives to address employee indebtedness, where irresponsible lenders and debt administrators severely curtail their spending power.

This inclusive approach is delivered in varied ways in different jurisdictions often guided by prevailing policy frameworks. Our leadership appointments and talent management for instance, whilst single mindedly driven by the principle of merit and best person for the job, we have been able to address expectations for localisation and employment equity with great success. This is even though we recognise the need for an improvement in the number of African women in the executive leadership.

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The leaders of industry, government and the trade unions owe it to the country... [to develop a] new strategy that defines its role and place in the country's agenda for growth.
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CHAIRMAN'S LETTER
continued

In the review of the Mining Charter, while we are encouraged by the progress made in the professional assessment towards the commonly agreed industry transformation agenda, we trust that the outcome of this will be used objectively and fairly to ensure that those that have thus far failed to comply are brought along. For reasons already discussed, we would strongly advise against a shifting of the goal posts on empowerment. We are encouraged that the South African Minister of Mineral Resources shares our view that policy uncertainty is undesirable. In a similar vein, we trust that the previous agreements reached between government and the Chamber of Mines in respect of the Mineral and Petroleum Resources Development Amendment Bill, which the President recently returned to South Africa's National Assembly, will be maintained.

ARTISANAL SMALL-SCALE MINERS

Regulatory certainty is required in other jurisdictions as well to enable us to pursue our vision of shared value in mining. This is particularly so with regard to artisanal and small-scale mining (ASM). As AngloGold Ashanti we regard ASM as a legitimate entrepreneurial activity. After all, in many cases these are miners we found engaged in tenements we were allocated, and long after we will have left they will remain active. The absence of a permissive regulatory regime in some jurisdictions may inadvertently criminalise a legitimate economic activity. In communities where we operate, the company supports a formalisation of the ASM sector wherever possible. This affords us an opportunity to empower these entrepreneurs to embrace healthy and safe practices, protective of the environment and also adhere to decent work standards that we encourage.

In the Americas, our engagements with the ASM, for instance in the Gramalote concession, included establishing alternative livelihoods, including employment with the company, driven through a co-existence initiative, to promote the formalisation of the ASM activities and the use of improved technology for the artisanal extraction of gold, allowing for higher yields and lower impacts on the environment, as well as the integral development of the value chain.

At Geita, through a multi-stakeholder partnership initiative, together with the government of Tanzania and the World Bank, we have established a management advisory group that will pilot an operation in Lwamgasa village, whose aim is the formalisation of the ASM sector as a long-term sustainable solution. The pilot project was launched in September 2014 and it is anticipated that the geological evaluation will be completed in 2015, after which the construction of the small-scale mine will commence. This will be accompanied by training of the miners in safer methods of mining, mercury-free gold processing and other approaches that are more efficient, safer and environmentally friendly.

LABOUR RELATIONS

We pride ourselves on the positive relations we have usually enjoyed with our employees and their representative unions in the various jurisdictions. As a result of this relationship, great strides have been made in an industry that had a reputation of repression and unbridled exploitation. Today the entry level wages of our South African workers compare favourably to those of other industrial sectors. However, the differential between the lowest and the highest paid employee is disturbingly high. This is an untenable structural problem that requires carefully considered and sustainable resolution. We support the government initiated engagement process on labour relations that is led by Deputy President Cyril Ramaphosa and involves business, labour, government and community. Its purpose is to find solutions to this challenge as well as that of adversarial labour relations that are sometimes characterised by violence and unusually long strikes. AngloGold Ashanti has made a significant contribution to the discourse by allowing me to convene during June a colloquium of the country's leading labour relations thinkers whose conclusions have helped shape the engagements.

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Our company needs
to modernise its
operating methods, in
order to survive and in
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shareholder return.
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The biennial gold industry wage negotiations that get underway later in the first half of 2015 will take place against this background, which will be compounded by inter-union rivalry. Widely canvassed measures to stem violence that often accompanies some of the strike action will not have been agreed by the time of the forthcoming bargaining season. We trust, nonetheless, that the bargaining will be approached in a constructive and peaceful way by all sides.

Much hard work has been done in the gold sector to ensure that the institutionalised system of centralised collective bargaining, which has served the industry well for more than three decades, will continue to do so. Collective bargaining is an essential feature of any market economy, and it invariably includes elements of conflict. However, employers and employees need always to bear in mind that they have a common interest in minimising, or even avoiding, the losses through resorting to strike action that always accrue to all, including those who are not directly part of the employment relationship, as the platinum strike demonstrated so starkly.

CONCLUSION

Every one of the issues dealt with in this letter – a fair return to shareholders, employee and labour relations, health and safety, technological advancement, ASM, transformation, mining and society – bring home the complex and interrelated set of responsibilities that the board and management of a modern, and modernising, mining company faces. Our industry offers the potential to help lift the poorest societies out of poverty. It has done so in many parts of the world in recent decades. But companies have a responsibility to ensure they do so in a responsible way, even – perhaps especially – in locations where government regulation or its implementation is inadequate to ensure company contribution to shared value and respect for human rights.

Our company needs to modernise its operating methods, in order to survive and in order to ensure a fair shareholder return. But it needs to do so with awareness of, and appropriate responsibility for, the interests and rights of those affected by our activities – employees, host communities and governments. We need always to engage frankly with those stakeholders with a view to a fair sharing of the value generated by our activities. We need always to be aware of and honest about the trade-offs that tough decisions will require. The trade-offs, for example, between pressure for better wages, jobs and technological advancement in labour intensive environments as at our South African mines is a matter that should be at the forefront of the minds of the leaders of business and labour. AngloGold Ashanti has always sought to be at the cutting edge of the thinking about these issues. We seek to continue to play this role.

I welcome to the board Christine Ramon, who was appointed CFO with effect from October 2014. She is a seasoned CFO with an impressive depth of experience and will add an important dimension to our board and to the executive. I thank Richard Duffy, the company’s previous CFO, who had a long and distinguished career with the company. We are deeply grateful to Richard for the outstanding work he did over the 13 months of his reign. I wish him well and all the best in his future endeavours. I also welcome to the board Albert Garner, Maria Richter and Dave Hodgson. Dave was chief operating officer at our company until his retirement in 2005.

Finally, I want to acknowledge the extraordinary job that our CEO, Srinivasan Venkatakrishnan – Venkat – and his team continue to do in these most challenging times. I take this opportunity to also express my gratitude to my fellow board members, who have supported me throughout the year, and with whom we continue efforts to improve the company’s value proposition for our shareholders and all stakeholders.

Sipho M Pityana
Chairman
19 March 2015

“

...great strides
have been made
in an industry that

had a reputation of repression and unbridled exploitation
”

INTRODUCTION 13

OUR LEGACY
IS ONE OF
CREATING
VALUE

We strive to create
sustainable long-
term value for our
shareholders and all
other stakeholders.

AngloGold Ashanti is a global gold mining company with a geographically diverse, world-class portfolio of operations and projects. Headquartered in Johannesburg, South Africa, AngloGold Ashanti is the third largest gold mining company in the world, measured by production.

Our portfolio of 20 operations in 10 countries and a group of greenfield projects in Colombia is supported by a focused exploration programme. It comprises long-life, relatively low-cost assets with differing ore body types located in key gold-producing regions. A number of these assets are strongly leveraged to energy costs and currencies.

We work across the full spectrum of the mining value chain and are concerned with the impact of our activities on the varied and many communities and environments in which we operate. Our goal is to create sustainable value for our shareholders, employees, and social partners through safe and responsible mining practices and capital discipline.

Over the past two years, AngloGold Ashanti has transformed its business for improved efficiency and competitiveness and to deliver a record safety performance alongside production growth, reduced operating and overhead costs and improved cash flows. We will continue to aggressively identify and implement further operational efficiencies, reduce overhead structures, improve capital discipline and pursue other initiatives to improve underlying business performance. The company will also accelerate actions – including reducing debt, simplifying its portfolio and investigating options to unlock value from the Colombian portfolio – to strengthen its balance sheet.

Our organisational and management structure is aligned with global best corporate governance practices. Group support functions include planning and technical, strategy, sustainability, finance, human resources, legal and stakeholder relations. The planning and technical function focuses on the management of opportunities and the maintenance of long-term optionality in the business through a range of activities which includes brownfields and greenfields exploration, innovative research and technology development with a focus on mining excellence.

CORPORATE PROFILE

BUSINESS CONTEXT

See map overleaf for location of operations

to create value is based on five strategic pillars aimed at generating sustainable free cash flow improvements and returns.

For further detail regarding value creation and our strategic performance, see *Our business model* on pages 18 and 19, and *Our strategy*, on page 27
.

OUR
STRATEGY

“

AngloGold Ashanti is an independent gold producer with a diverse spread of shareholders comprising the

world's largest
financial institutions."
Annual production
(Moz)
10
11
12
13
14
4.5
4.3
3.9
4.1
4.4
Annual capital expenditure*
($bn)
10
11
12
13
14
1.02
1.69
2.32
1.99
1.21
* Includes equity-accounted investments
Annual gold income
($bn)
10
11
12
13
14
5.33
6.57
6.35
5.50
5.22
Average gold price received
($/oz)
10
11
12
13
14
561
1,576
1,664
1,401
1,264

15

CORPORATE PROFILE continued

4
7
6
10
9
2
3
1
11
8
5

1 Argentina
Cerro Vanguardia (92.5%)
2 Brazil
Serra Grande
AGA Mineração
3 Colombia
Gramalote (51%)
La Colosa
Quebradona
(1)
(Nuevo Chaquiro) (89.75%)
4 United States
Cripple Creek & Victor (CC&V)
10 South Africa
Vaal River
Great Noligwa
(4)
Kopanang
Moab Khotsong
West Wits
Mponeng
TauTona
Surface Operations
(5)
11 Australia
Sunrise Dam
Tropicana (70%)
5 Guinea
Siguiri (85%)
6 Mali
Morila (40%)
(2)
Sadiola (41%)
Yatela (40%)
(3)
7 Ghana
Iduapriem
Obuasi
8 DRC

Kibali (45%)
(2)
9 Tanzania
Geita
LEGEND
Operations
Projects
SOUTH
AFRICA
AMERICAS
CONTINENTAL
AUSTRALASIA
SOUTH
AFRICA
AFRICA

Percentages indicate the ownership interest held by AngloGold Ashanti, whether directly or indirectly. All operations are 100%-owned unless otherwise indicated.

(1)
Nuevo Chaquiro is the deposit within the Quebradona project.

(2)
Both Morila and Kibali are managed and operated by Randgold Resources Limited.

(3)
Mining has ceased at the Yatela mine which is in closure process.

(4)
The process of integrating Great Noligwa into Moab Khotsong began in 2014 and these operations will be treated as one cash-generating unit from 1 January 2015.

(5)
For the purposes of this report, Surface Operations includes First Uranium SA, which owns Mine Waste Solutions (MWS). MWS is managed and operated as a separate cash-generating unit.

LOCATION OF ANGLOGOLD ASHANTI’S
OPERATIONS AND ADVANCED PROJECTS

OPERATIONS

Our operations are grouped regionally as follows:

- South Africa (Vaal River, West Wits and Surface Operations)
- Continental Africa (Democratic Republic of the Congo, Ghana, Guinea, Mali and Tanzania)
- Americas (Argentina, Brazil and the United States)
- Australasia (Australia)

EXPLORATION

Exploration is aimed at providing an organic growth pipeline thereby creating significant value for the company.

Greenfields and brownfields exploration takes place in both established and new gold-producing regions through managed and non-managed joint ventures, strategic alliances and wholly-owned ground holdings. Our world-class discoveries include La Colosa, Gramalote and Quebradona (Nuevo Chaquiro) in Colombia and Tropicana in Australia.

SHAREHOLDERS

AngloGold Ashanti is an independent gold producer, with a diverse spread of shareholders comprising the world’s largest financial institutions. The Government of Ghana holds a 1.58% interest in the company.

The respective national governments hold direct interests in our operating subsidiary in Guinea and joint ventures in the DRC and Mali. In Argentina, the province of Santa Cruz has an interest in the Cerro Vanguardia operation.

The primary listing of the company’s ordinary shares is on the JSE in South Africa. Its ordinary shares are also listed on the New York, Australian and Ghana stock exchanges.

More detailed information on our stock exchanges listings is provided in the section on Shareholder Information on page 138.

At the end of December 2014, AngloGold Ashanti had 404,010,360 ordinary shares in issue and a market capitalisation of $3.51bn (2013: $4.73bn). Post year-end, at 19 March 2015, the date of approval of this report by the board, the market capitalisation was $3.80bn.

PRODUCT

While gold is the principal product, depending on local geological characteristics, several by-products are also produced. These are silver in Argentina, uranium in South Africa and sulphuric acid in Brazil. In compliance with all applicable legislations, great care is taken to ensure the safe production, transportation and storage of uranium and sulphuric acid, which are potentially hazardous.

Once mined, the gold ore is processed into doré (unrefined gold bars) on site and then dispatched to precious metals refineries for refining to a purity of at least 99.5%, in accordance with the standards of ‘good delivery’ as determined by the London Bullion Market Association (LBMA). This refined gold is then sold directly to bullion banks.

Geographic distribution of shareholders
as at 31 December 2014

- United States
49
- South Africa
25
- United Kingdom
9

•
Rest of Europe
5
•
Singapore
2
•
Ghana
2
•
Australia
1
•
Rest of world
7
%
BUSINESS CONTEXT
17

BUSINESS MODEL

Creating value and maximising sustainable free cash flow

As a gold mining company, AngloGold Ashanti is in the business of:

- exploring for and assessing ore bodies to mine
- accessing and mining those ore bodies which are economically viable
- processing the ore to extract gold (and other by-products) by targeting high-quality ounces
- marketing the gold produced

The operational costs incurred in this process include investing in machinery and equipment, skills enhancement, technology development and application, and development of our Mineral Resource and Ore Reserve.

Our current business strategy is aimed at maximising sustainable free cash flow. In response to a declining gold price – by 24% over the last two years – and to improve free cash flow and returns, there has been an intense focus on profitable production which increased for the second consecutive year in 2014. Hand-in-hand with this has been a strong focus on optimising overhead costs and capital expenditure. To this end, the company embarked on a restructuring and business rationalisation programme, now in its second year, to reduce cost and improve efficiencies.

For additional information on our strategy, its aims and targets and how we performed against these, refer to pages 27-29 of this report.

102.2Mt

Ore treated/milled

The volumes of ore mined and treated at our mining operations rose by 5% in 2014 from 97.1Mt in 2013.

58,057

People

The average number of people employed by AngloGold Ashanti declined by 13% in 2014, a consequence of the company’s rationalisation process, the sale of the Navachab mine and the transition of Obuasi in Ghana to limited operating status.

$92m

Corporate and marketing costs

An aggressive cost management initiative successfully resulted in an overall reduction of 54% year-on-year in overhead costs. This contributed to a decline in all-in sustaining costs of 13% to $1,026/oz.

$158m

*

Expensed exploration and evaluation costs

Exploration and evaluation costs declined by 47% in 2014 as a result of a focus on key targeted jurisdictions, aimed at supporting a focused, high-quality project and

exploration portfolio.
$1.2bn
*
Capital expenditure
Optimisation of capital expenditure continued whilst maintaining the long-term sustainability of the business. While capital expenditure was 39% lower in 2014, investment in key projects like the expansions at CC&V in the United States and Mponeng in South Africa, as well as the continued development of the underground mine at Kibali in the DRC, were maintained. Capital expenditure also continued on ore reserve development, the production ramp-up at Tropicana and Kibali, and on the reef-boring initiative in South Africa to enable safe extraction of ultra-deep ore bodies and pillars that would otherwise not be viable to mine.
** Includes equity-accounted investments*
AngloGold Ashanti's core strategic focus is to generate sustainable free cash flow by focusing on five key business objectives, namely: people, safety and sustainability; ensuring financial flexibility; actively managing all expenditures; improving the quality of our portfolio; and maintaining long-term optionality.
OUR
PROCESS
INPUTS

To achieve our strategy to improve sustainable free cash flow generation, we have focused on the production of high-quality ounces from the ore mined and treated. In 2014, gold production increased by 8%. Around 97% of our revenue is generated by gold sales.

In 2014, we produced an attributable:

4.4Moz
(2013: 4.1Moz)
Gold

3.5Moz
(2013: 3.3Moz)
Silver

1.3Mlb
(2013: 1.4Mlb)
Uranium

192t
(2013: 191t)
Sulphuric acid

Productivity levels are measured to monitor our output efficiency. All elements of the business maintained a sharp focus on cost control to augment productivity gains.

9.64oz/TEC
(2013: 8.14oz/TEC)
Productivity

In the course of conducting its business, AngloGold Ashanti's activities have an impact on the people it employs and whose safety is paramount, on the land disturbed by mining, and on the consumption of scarce resources such as water and energy, which in turn has an impact on the environment.

6
(2013: 8)
Number of fatalities

7.36
*
(2013: 7.48)
Safety – all injury frequency rate per million hours worked

** 7.15: Adjusted for earthquake impact*

$851m
(2013: $728m)
Discounted cost of future rehabilitation

65.0ML
(2013: 64.8ML)
Water used

31.8PJ
(2013: 32.7PJ)
Energy used

4.6Mt CO_2

e
(2013: 4.5Mt CO
2
e)
GHG emissions
$5,218m
(2013: $5,497m)
Gold income
The increase in production helped somewhat to offset the decline in price received, thereby reducing the impact on gold income.
$1,665m
(2013: $1,667m)
Adjusted EBITDA
The intense focus on costs and productivity, among other factors, helped to maintain adjusted EBITDA despite the lower gold price.
$3,133m
(2013: $3,105m)
Debt
Net debt to adjusted EBITDA at current levels is about 1.88 times, which is well within covenant limits of 3.5 times (2013: 1.86 times) and little changed on the previous year, despite the lower gold price.
THIS ENABLED THE FOLLOWING:
$251m
(2013: $247m)
Interest paid
$1,588m
(2013: $1,593m)
Wages and salaries paid
$778m
(2013: $840m)
Payments to government
$14.8m
(2013: $22.5m)
Community investment
OUTPUTS
IMPACTS
OUTCOMES
BUSINESS CONTEXT
19

Average monthly gold price
($/oz)
2013: average gold price
$1,401
Jan
Feb
Mar
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Apr
1,000
1,100
1,200
1,300
1,400
1,500
1,600
1,700
1,800
APRIL:
JULY:
$1,224
DECEMBER:
$1,285
Source: Bloomberg
$1,485
$1,671
JANUARY:
MAY: CORPORATE ROLES
STREAMLINED
Changes to executive part of initiative to streamline corporate and regional structures. A simpler strategy based on five key focus areas developed to improve sustainable free cash flow generation
MAY: NEW CEO
Srinivasan Venkatakrishnan appointed CEO
JUNE: IMPAIRMENT
Significant impairment of $2.9bn (pre-tax), owing to adverse changes in macroeconomic conditions and sharp fall in gold price
JUNE: CFO APPOINTED
Richard Duffy appointed CFO

JUNE: FORMAL COST
CUTTING PROGRAMME
Project 500, a formal cost-cutting programme, implemented to reduce costs by $500m in an 18-month period. The resulting review of expenditure led to significant cuts in corporate costs, expensed exploration and capital expenditure

AUG: BANKING COVENANT
RELAXED
Bankers successfully petitioned to temporarily relax banking covenant from 3 times net debt to adjusted EBITDA to 4.5 times for two testing periods

AUG: FOCUS ON
FINANCIAL FLEXIBILITY
To ensure flexibility of the balance sheet, a seven-year bond with an aggregate value of $1.25bn and bearing interest of 8.5% was issued, enabling us to repay in advance the $732.5m convertible bond due for redemption in May 2014

JULY:
COST
OPTIMISATION
Organisational and cost optimisation review leads to the first round of voluntary retrenchments

SEPT: WAGE
NEGOTIATIONS
CONCLUDED
Biennual wage negotiations concluded after a three-day strike at Vaal River operations

SEPT: YATELA CLOSURE
Closure of the Yatela mine in Mali announced

SEPT: FIRST GOLD
POURED
Kibali and Tropicana pour first gold

NOV: MOLOTO AUDIT
The Moloto Audit of compliance with South African Mining Charter targets completed. All targets met by end 2014

DEC: AMERICAS RECORD
Region produces 1Moz for first time in a calender year

TIMELINE OF CORPORATE ACTIVITY
2013 – 2014

2014: average gold price
$1,264
Average monthly gold price
($/oz)
Jan
Feb
Mar
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Apr
1,000
1,100
1,200
1,300
1,400
1,500
$1,200
DECEMBER:
$1,336
MARCH:
$1,311
JULY:
FEB: NEW CHAIRMAN
Sipho Pityana appointed chairman on
resignation of Tito Mboweni
JUNE: NAVACHAB SOLD
Sale of the Navachab mine in Namibia
concluded – all conditions precedent met
and monies paid
MAY: OBUASI SPECIAL
PROJECT LAUNCHED
Announced that Obuasi would be
managed as a special project to address
operational challenges
AUG: EARTHQUAKE
In South Africa, earthquake halts
production at Moab Khotsong and Great
Noligwa for several days; 3,300 people
brought safely to surface
AUG: RAND REFINERY
LOAN FUNDING
A $44m shareholder funding loan facility
extended to Rand Refinery as a
precautionary measure following
accounting records and inventory

discrepancies encountered after the implementation of a new software system. Funding drawn down in December 2014

AUG: THIS IS GOLD

Launch of This is Gold, a collaborative initiative aimed at providing insight into the South African gold sector

SEPT: PROPOSED CORPORATE RESTRUCTURING

A corporate restructuring and capital raising announced. This was withdrawn following extensive engagement with shareholders

SEPT: 224 FATALITY FREE DAYS

The longest fatality-free period – 224 days – in company's history and more than a year without a fall-of-ground fatality, despite the earthquake

SEPT: SELF-HELP STEPS TO DELEVERAGE

Prioritisation of measures to reduce debt over the medium term including improved efficiencies and potential joint ventures or asset sales for full value

SEPT: BANKING COVENANTS AND NEW FACILITIES ARRANGED

Revolving credit facility maturity profiles successfully extended. Banking covenants eased from 3 times net debt: adjusted EBITDA to 3.5 times, with one-time waiver to 4.5 times

NOV: NUEVO CHAQUIRO

Maiden Mineral Resource released for Nuevo Chaquiro, a copper-gold porphyry-style deposit located in the Quebradona project area in Colombia

OCT: CFO APPOINTED

Christine Ramon appointed CFO, replacing Richard Duffy

NOV: OCCUPATIONAL LUNG DISEASE

A collaborative initiative launched to seek a comprehensive solution to issues relating to compensation and medical care for occupational lung disease in South African gold mining industry

DEC: SAFETY

ACHIEVEMENT
For the first time in company history, the Continental Africa region completes a full year with no fatal accidents
DEC: LIMITED
OPERATIONS AT OBUASI
Mine development suspended and underground production halted. Retrenchments completed with agreement from unions
2014
BUSINESS CONTEXT
21

SEE MAP

We identify, prioritise, address and review external factors with a bearing on our ability to deliver our strategic objectives.

This enables us to highlight emerging issues that influence our short- and long-term economic viability and the sustainability of our business. Here we analyse those issues in our external environment – the gold market, stakeholder expectations, competition for resources and infrastructure, and health and safety – that are expected to continue to influence AngloGold Ashanti's performance.

THE GOLD MARKET

The Federal Reserve's monetary policy and the end of quantitative easing continued to depress the gold price in 2014, as the prospect of higher interest rates reduced the need for safe-haven investments. Demand for physical bars and coins had declined in 2013, in part as investors digested their heavy buying in 2012 and early 2013. Investors began a sell off of their gold holdings in the second half of 2013 and this continued into 2014. In particular, liquidations from exchange traded funds (ETFs) resulted in ETF gold holdings declining by almost 160t, significantly less than the 903t of liquidation in 2013. ETFs have now lost a third of their holdings since their peak at the end of 2012, when they held 89Moz (2,778t). Slowing growth in China, deflation in Japan and prospects for monetary stimulus in Europe helped to boost the attractiveness of the US dollar, which in turn weighed on gold.

In contrast, central banks remained steady net buyers of gold, a trend that has lasted several years, with net purchases of 14Moz in 2014 (2013: 13Moz). Russia's central bank started to accumulate domestically produced metal as Ukraine-related sanctions hindered normal gold exports.

Jewellery demand was largely sustained during 2014 at 7Moz (2,153t) level. Indian demand in the latter half of the year took up most of the slack occasioned by slower Chinese demand. This followed the lifting of import restrictions by the Indian government. The Chinese jewellery market has been consolidating after the exceptional growth of 2013 and as warehouse stocks of bullion continued to be drawn down. Apart from the United States and UK, where economies have been recovering and lifting jewellery demand, demand in much of the rest of the world has tended to be weaker.

ANALYSIS OF OUR EXTERNAL ENVIRONMENT

Our gold is sold in:

1
South Africa
2
United States
3
Australia
4
Asia
5
UK
6
Europe

“
Demand for physical bars and coins declined in 2014, in part as investors digested

their heavy buying
in 2012 and early
2013."
2014
Jan 2013
Dec 2014
Average monthly gold price ($/oz)
(January 2013 to December 2014)
1,000
1,250
1,500
1,750

SEE MAP
3
5
6
1
SEE MAP
EXTERNAL
ENVIRONMENT
CAPITAL MARKETS
Access to capital markets is a fundamental requirement for any company. Investors (mostly investment funds but also individuals) provide the lifeblood of capital to listed enterprises around the world, either by buying securities in the secondary markets, or by participating in primary placements of equity or debt as companies look to raise money for specific initiatives. Equity market conditions are currently challenging for gold producers, particularly for those in emerging markets as funds in these markets have seen withdrawal of cash by their own investors. The sharp decline in gold prices and the resultant contraction in producers' margins have hurt gold funds' performance resulting in declining valuations and investor redemptions. Against the backdrop of low equity valuations for gold producers and the amount required for the transaction proposed in September, shareholders declined the proposal to inject $2bn into the company to facilitate the debt reduction required to split the company. This prompted the decision to withdraw the proposal and remain a single entity, and to deleverage the balance sheet, generating cash from internal sources, including fundamental cost savings, joint ventures and/or asset sales, for full value.

REGULATORY UNCERTAINTY
The public burden placed on the mining industry has risen progressively over the past decade.

In South Africa:

- The enactment of the amended Mineral and Petroleum Resources Development Act (MPRDA) has been delayed, and it has been returned to Parliament for review. The gold industry, through the Chamber of Mines, has been in discussions with government.
- The Mining Charter, which gives effect to the MPRDA and is aimed at transforming the mining industry to redress historical imbalances, reached the end of the second five-year commitment period at the end of 2014. All of our operations

were audited and were commended
for the work done towards achieving
targets by the end of 2014.
In Argentina, regulatory concerns
around import restrictions, together
with inflationary pressures, continue to
have an operational impact.
AngloGold Ashanti's listings:
1
JSE
9
Ghana
7
NYSE
3
Australia
ENERGY CONSTRAINTS
As the gold mining sector is a significant user of
energy, a stable and affordable power supply is critical.
•
A directive to curtail energy usage in Ghana is not expected to affect operations
as Obuasi's transition to limited operating status will greatly reduce usage and
Iduapriem continues to optimise energy consumption.
•
South Africa's national power utility's generating capacity is severely constrained,
and is expected to remain under pressure for several more years. Planned
power outages are scheduled to continue until at least April 2015. Operations
engage directly with Eskom to manage outages and to participate in demand-
side management to reduce peak flow. The company is a member of the
Energy Intensive Users Group and collaborates with the Chamber of Mines
and other stakeholders to support the national electricity network and ensure
minimal disruptions. Back-up generators help to ensure employee safety during
outages and prevent infrastructural damage. We have implemented measures
underground, on surface and in residences to limit energy usage.
Constraints in:
1
South Africa
9
Ghana
BUSINESS CONTEXT
23

SEE MAP

SOCIAL LICENCE TO OPERATE

The sustainability of our business is influenced by public acceptance of our activities – the company must earn and maintain its social licence to operate through constructive and transparent communication and engagement.

AngloGold Ashanti strives to contribute positively to the communities and societies in which we operate, thus contributing towards their sustainable future. Our aim during the life of operations is to put in place the foundations of this future, by engaging with local communities, local and national governments and other stakeholders and by being in partnership with them. This we do by:

- Investing in communities
- Promoting local procurement
- Focusing on local employment and skills development

In Ghana in particular, extensive engagements involved government, employees, unions, regulators, communities and other stakeholders to address the operational and socio-economic challenges at Obuasi and the mine's transition to limited operating status while a new development plan is finalised. A multi-stakeholder working group was established to engage on the measures needed to return Obuasi to long-term viability. Significant progress had been made by year-end on determining the interventions needed to transform Obuasi into a modern, productive and cost-effective operation and how those interventions should be implemented. The Amendment to Programme of Mining Operations, which details technical, environmental, financial and social details around the transition, was submitted in July 2014 and was approved by the Ghanaian Government in November. This programme will enable the company to complete the feasibility study, carry out any necessary engagements with potential partners and conclude a way forward for the Obuasi mine.

ARTISANAL AND SMALL-SCALE MINING

Artisanal and small-scale mining (ASM) is a feature of gold mining regions around the world. While legal ASM is provided for in the legislative framework of most mining countries and has the potential to provide livelihoods, we distinguish between legal and illegal ASM. The presence of artisanal and small-scale miners can lead to illegal and criminal third-party activity on or around our operations and often presents increased and complex challenges to safety and security.

Much work has been done in and around our operations to ensure we work with the communities to deal with illegal ASM while working on forging partnerships where possible with legal ASM, which are a legitimate entrepreneurial activity. To protect our assets, our employees, the environment and local communities, we work with authorities to act against illegal ASM activity on our sites. We seek to address illegal ASM activity through strategic and security interventions and by taking action that is appropriate in terms of the law and in accordance with international principles of human rights, including the Voluntary Principles on Security and Human Rights (VPSHR) and their rules of engagement, and the UN Guiding Principles on Business and Human Rights. We have undertaken a number of key initiatives including the development of a guidance framework on how to manage ASM issues, from the implementation of capital projects to the identification of generic regional ASM risks and their control measures.

“

The company

must earn and
maintain its social
licence to operate."
"
Where possible,
our company
supports the
formalisation of
the ASM sector."
ASM is most
prevalent in:
10
Colombia
11
Brazil
12
Ghana
13
Guinea
14
DRC
16
Tanzania
Extensive community
engagement:
10
Colombia
12
Ghana
15
South Africa
16
Tanzania

13
10
11
17
12

16
15
SEE MAP
EXTERNAL
ENVIRONMENT
LABOUR RELATIONS

During the year, the South African platinum sector endured an unprecedented five-month strike related to wage negotiations.

The second year of a two-year wage agreement in the gold sector began in June 2014 without industrial action, although the 2013 agreement remains subject to an appeal to the Labour Court by the Association of Mineworkers and Construction Union (AMCU). That agreement was signed by the gold producers and three unions, NUM, UASA and Solidarity, representing 72% of employees in the sector at the time, and was extended to all employees irrespective of their union affiliation.

The 2013 agreement included a commitment to address employee indebtedness and in particular as related to emolument attachment orders (EAOs) and other aspects of employees' personal financial management. Given their stable employment, mineworkers are vulnerable to exploitation by unscrupulous lenders. Excessive levels of indebtedness affect employees' ability to flourish and fund their future. Much work was done in 2014 to develop and implement an initiative, *Masidibanise Izandla*, ('let's put our hands together') to provide financial guidance, advice and support to employees. The next round of wage negotiations in South Africa's gold mining sector is expected to begin in early 2015. The companies will again engage employees, through their organised labour representatives, in centralised collective bargaining to find a mutually acceptable outcome that provides a salary adjustment that is both affordable for the gold producers and adequate to their staff. It will be imperative for unions and companies to agree a link between higher pay and improved productivity levels, given the threat that diminishing productivity poses to the long-term viability of this industry in South Africa. AngloGold Ashanti will, as always, focus on ensuring peace and stability during this engagement with its employees.

Employee and union engagement at our other operations had positive outcomes. For instance, at Obuasi in Ghana, where the retrenchment of the entire workforce, with the full support of organised labour, was the principle labour issue, and in Argentina, where the increasingly difficult economic environment had the potential to affect relations with employees.

In:
12
Ghana
15
South Africa
17
Argentina

In:
12
Ghana
13
Guinea
15
South Africa
HEALTH AND SAFETY
Safety is not only our first value, it is our priority. Efforts to improve safety performance in 2014 were directed at deepening our understanding of how risks develop at our operations and at identifying the pathways – or sequences of events – which result in safety incidents. This included a focus on major hazard management – identifying and monitoring critical controls, instituting measures to reduce and control deviations, and continuing to build organisational safety capability and capacity.
In the course of conducting our business, employees may also be exposed to various health hazards. We actively manage these risks to ensure that our workplaces are free of occupational illness. To that end in South Africa, AngloGold Ashanti, Anglo American South Africa, Gold Fields, Harmony and Sibanye Gold announced in November 2014 that they had formed an industry working group to address issues relating to compensation and medical care for occupational lung disease in the gold mining industry in South Africa. Engagement has begun with all stakeholders, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. Essentially, the companies are seeking a comprehensive solution regarding the legacy compensation issues and future legal frameworks, which, while being fair to employees, also ensures the future sustainability of the industry.
Health-related community challenges include HIV/Aids in South Africa and malaria in much of the Continental Africa region. More recently, in 2014, the outbreak of the Ebola virus disease in Guinea resulted in the exploration programme in the vicinity of Siguiri being suspended.
BUSINESS CONTEXT
25

TOWARDS
VALUE
CREATION
THROUGH
CREDIBLE AND
SUSTAINABLE
BUSINESS
In this section, we explain
our strategy and our
performance against our
strategic objectives, and
the impact of our risks
and material issues.

STRATEGY

AngloGold Ashanti's core strategic focus is to generate sustainable free cash flow by focusing on five key business objectives, namely: people, safety and sustainability; ensuring financial flexibility; actively managing all expenditures; improving the quality of our portfolio; and maintaining long-term optionality.

ANGLOGOLD ASHANTI'S INVESTMENT CASE:

1.
High-quality portfolio of long-life, pure gold assets with strong leverage to energy and currencies

4.
Balance sheet flexibility – appropriate liquidity, covenant and maturities

2.
Prioritising margins over production growth – focus on cost and capital discipline

5.
Decisive, proactive balance sheet management; prioritising self-help measures to deleverage

3.
Decisive strategic response to a lower gold price – business plans adjusted and exploration curtailed

6.
Well-developed engagement model ensures strong stakeholder relationships and licence to operate

OUR STRATEGY

27

10
11
12
13
14
Expensed exploration and evaluation costs*
($m)
205
313
461
296
158
10
11
12
13
14
Net debt to adjusted EBITDA
(times)
0.68
0.19
0.81
1.86
1.88
10
11
12
13
14
Net debt
($m)
1,288
610
2,061
3,105
3,133
10
11
12
13
14
Production
(Moz)
4.5
4.3
3.9
4.1
4.4
Average gold price received
($/oz)

10
11
12
13
14
561
1,576
1,664
1,401
1,264
* Includes equity-accounted investments
STRONG
momentum maintained
in the drive to achieve our five strategic objectives
Improve portfolio quality
The gold price continued to decline in 2014. Focus on improving the quality of the portfolio was sustained, while maintaining cash flows and improving returns remained priorities. Production increased for the second consecutive year, due in large part to Tropicana and Kibali each having had their first full year of production. In line with our aim to simplify our portfolio and focus on quality ounces, the closure of Yatela was progressed, Navachab was sold, the CC&V expansion project was advanced, and operations at Obuasi in Ghana were significantly downscaled while a feasibility study is conducted on its future viability. A maiden Mineral Resource for the Nuevo Chaquiro deposit in Colombia was announced.
Ensure financial flexibility
Our prudent approach to managing the balance sheet and reducing exposure to financial risk yielded positive results. Self-help measures were implemented to enable deleveraging and to increase covenant headroom. The debt maturity profile was extended, maintaining good liquidity from multiple sources.
Maintain long-term
optionality
Again, the tight rein on capital expenditure continued. Following exits from non-core jurisdictions, exploration focused on more prospective areas in Australia, Colombia and Guinea. In addition to the savings achieved in 2013, additional savings were realised in 2014.
In 2014, AngloGold Ashanti reported the second year of improved operational performance, together with a record safety performance.
We will maintain the emphasis

on containing costs and the
culling of marginal production
if necessary.

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

10
11
12
13
14
Number of fatalities
15
15
18
8
6
10
11
12
13
14
Productivity
(oz/TEC)
9.15
9.32
8.07
8.14
9.64
10
11
12
13
14
All injury frequency rate
(per million hours worked)
9.76
11.50
7.83
7.48
7.36*
* 7.15 adjusted for earthquake impact
10
11
12
13
14
Community investment
($000)
16,080
20,612
24,907
22,536
14,799
10
11
12

13
14
Number of employees
62,046
61,242
65,822
66,434
58,057
10
11
12
13
14
Total cash costs
($/oz)
638
703
829
830
787
10
11
12
13
14
Cash flow from operating activities
($m)
(942)
2,813
1,969
1,246
1,220
10
11
12
13
14
Free cash flow
($m)
(1,979)
960
(672)
(1,058)
(112)
10
11
12
13
14
Corporate and overhead costs
($/oz)

49
64
74
49
21
10
11
12
13
14
Capital expenditure*
($bn)
1.02
1.69
2.32
1.99
1.21
* Includes equity-accounted investments
DELIVERING
on our strategy
resulted in:
+
+
+
Optimise overhead, costs and capital expenditure
Costs improved significantly across every metric during 2014, the result of continued focus on all expenditures and disciplined allocation of capital. All-in sustaining costs, which capture direct operating costs and sustaining capital, as well
as corporate overheads and exploration, fell 13% to $1,026/oz in 2014 compared with $1,174/oz in 2013. All-in costs, which also include capital expenditure on projects, dropped 22% over the same period, to $1,148/oz from $1,466/oz the
previous year.
Focus on people, safety and sustainability
People are the business, whether they be employees, host communities or other stakeholders affected by our activities. Our aim to drive sustainable cash flow improvements through our operations depends on our ability to operate safely, to operate with the cooperation and consent of our host communities and governments, and to remain careful stewards of the environment notwithstanding the invasive nature of mining. With these fundamental points guiding us at all times, we recorded the best ever safety performance in AngloGold Ashanti's history while also posting a record environmental performance, measured by the number of reportable incidents logged during the year. Furthermore, achieving our business objectives enables us to contribute to local socio-economic development, albeit at a lower level in 2014, reflecting deterioration in market conditions. While we're immensely proud of the progress we have made in core sustainability areas, we remain mindful of the fact that there is no room for complacency as we seek to achieve our ultimate goal of zero harm in the workplace and minimising our impact on the environment.

+
+
STRATEGY
29

MANAGING AND MITIGATING RISKS
Strategically managing threats and capitalising on opportunities
“
At AngloGold
Ashanti, we recognise that risk is a factor in all business and operational activities and, furthermore, that threat and opportunity are both facets of risk.”
Severity
Likelihood
Top group risks heat map
Strategic
Operational
External
Material risks identified
1
2
3
4
5
7
11
10
9
8
6
12
13
16
17
19
18
14
15
Obuasi
Growth
Reliability
Technology
Competetiveness
Reserves
Financial
Covenant and debt
Labour
Health
Power
Inflation
Country
Commodities and currencies
Skills
Regulatory
Operational and safety
Ebola
Social licence to operate

Risk and its identification, assessment, management and mitigation are fundamental to our business. All aspects of the risk management process underpin the execution of our strategy and planning for the future.

Hand-in-hand with this risk assessment process is the identifying of opportunities so as to harness and capitalise on these for the benefit of all stakeholders. Once they have been evaluated, significant risks and opportunities are prioritised and managed within the group's risk framework.

OUR PRINCIPAL RISKS

AngloGold Ashanti's major risks are classified in terms of three aspects as follows:

- Strategic risks are those taken voluntarily after consideration of risk-versus-reward to achieve AngloGold Ashanti's strategic objectives.
- Operational risks are preventable risks resulting from employees' undesirable and unauthorised actions as well as from breakdowns in routine operational processes and human error.
- External risks are those emanating from uncertain and uncontrollable events.

Risks assessments are undertaken annually. The risks discussed here were identified, reviewed and assessed by the Executive Committee.

Full details and the status of each of the risks are monitored on a continuing basis. The information provided for each risk includes details of the: risk context and background; risk performance indicators; mitigation plans; expected outcome and residual risks; expected dates for completion of mitigation measures; possible root causes and consequences; and mitigatory and preventative controls. This information is updated and provided twice a year to the Audit and Risk Committee.

TOP GROUP RISKS

The top group risks are depicted in the graphic below which maps the severity and likelihood of the top risks. The risks depicted are those that are considered to be within the 'likelihood' range of 'almost impossible' to 'almost certain' and 'consequence' of 'moderate' to 'extreme' should they materialise.

Our risks and their time horizons

We have categorised our risks in terms of their expected time horizons. Those with an imminent (short-term) horizon are more likely to occur within around 12 months. Those categorised as medium-term risks are considered to have a one- to three-year time horizon.

The cumulative impact of a number of these and other risks, should they materialise simultaneously or in succession, as well as the possible magnitude and velocity of the risks, is of major concern. Such an occurrence would be likely to cause significant headwinds that could adversely impact the implementation of AngloGold Ashanti's strategy, despite the successes achieved to date, and could potentially threaten AngloGold Ashanti's liquidity and viability.

The table below lists the top risks – both imminent and medium-term – to the group, ranked from highest to lowest in terms both of the potential severity of the consequence of each risk and the likelihood of that risk arising.

'Top' risks as at year-end 2014

Risk ranking 2014	**Type**	**Potential risk**
1	Strategic	Protracted financial pressure on the business from the depressed gold price coupled with high debt and declining grades and consequential rise in unit costs as assets mature **
2	External	Adverse gold and commodity prices, and currency movements *
3	Strategic	Inability to develop projects to bring the Ore Reserve to account **
4	External	Covenant compliance and inability to reduce debt *
5	External	Protracted labour-related stoppages in South Africa *
6	Operational	Operational and safety underperformance negatively impacting improved track record **
7	External	Legacy occupational and community health compensation claims/litigation **
8	Strategic	Inability to remain competitive impacting the long-term investment case *
9	External	Elevated country risk profile in core production areas **
10	Operational	Input cost inflation exceeding cost containment and productivity strategies **
11	External	Security of power supply and rising cost of power in South Africa *

12
Strategic
Failure to successfully operationalise (ATIC) technology step-change **
13
Operational
Asset integrity failures and compromised reliability at South African operations *
14
Strategic
Failure to demonstrate and/ or realise business case for Obuasi redevelopment *
15
External
Unfavourable regulatory environment changes *
16
Operational
Critical skills and talent retention *
17
External
Failure to acquire or loss of ‘social licence to operate’ *
18
Strategic
Lack of strategic growth projects to renew portfolio **
19
External
Operational disruption in West Africa resulting from Ebola virus disease **
** Denotes a risk with an imminent time horizon*
*** Denotes a risk with a medium-term time horizon*

MANAGING AND MITIGATING RISKS continued

Strategically managing threats and capitalising on opportunities

MITIGATION OF RISKS

Action plans to mitigate the risks identified have been put in place. The mitigation measures associated with the top five imminent risks
are detailed in the table below.

Mitigation of top five imminent risks

Risk
(ranking)
Potential consequences
Mitigation action plan
Expected outcome and
residual risk
Progress/current status

Adverse gold and
commodity prices, and
currency movements
a
(2)

•
Inadequate free cash
flow/liquidity/credit
rating impact
•
Inability to develop
strategic growth and
development projects
to bring reserves to
account
•
Lower market
capitalisation
•
Credible track record
of cost control and
solid delivery
•
Ongoing cost control
measures
•
Business planning and
portfolio optimisation
•
Asset sales
•
Access capital markets
•
Potential impact on
valuation
•
Altered asset portfolio

•
Premature closure
or moth-balling
of operations and
reduced production
profile
•
Elevated debt
•
Inability to pay
dividends
•
In progress
Covenant compliance
and inability to reduce
debt
b
(4)
•
Balance sheet stress
•
Raised cost of capital
•
Equity overhang
•
Inability to develop
strategic growth and
development projects
•
Impeded portfolio
options
•
Breach of debt
covenants
•
Proactive and
timely approach to
refinancing of facilities
•
Diversified sources/
facility tenor
•
Self-help measures to
generate cash from
internal sources to
reduce debt. Includes
optimising mine plans
for cash generation,
focus on high-margin
production, pursuing
efficiencies across

the portfolio and
considering potential
asset sales or joint
ventures for full value
•
Reduced costs
and restructured
organisation
•
Optimised portfolio
•
Potential impact on
valuation
•
Reduced production
profile
•
Severe capital
constraints
•
Inability to pay
dividends
•
Debt refinancing
(complete)
•
Additional mitigation
measures commenced
and in progress as the
gold price declined
sharply towards the
end of 2014
Protracted labour-
related stoppages
in South Africa
c,d
(5)
•
Production stoppages
and losses leading to
liquidity crisis
•
Intimidation of
employees and
violence and damaged
assets
•
Compromised safety
and operational
conditions
•

Lower market capitalisation

•

Organisational restructuring

•

Legal strategies

•

Three-tier union and employee consultation process/ media

•

Recognition agreements

•

Wage increases extended to all employees

•

Union/government facilitation

•

SASRIA insurance

•

Restructuring

•

Two-year wage agreement with higher input costs/wages

•

Inter-union tensions exacerbated by competition for majority representation at all South African gold mines

•

Restructuring occasioned by cost and gold price pressures

•

Ongoing litigation

•

Current labour law review and Mining Charter imperatives

•

AMCU's Labour Court Appeal (Q4 2015)

•

Labour Court review

of dismissed Moab
Khotsong employees
•
Wage negotiations
(mid-2015)
a
>IR: Refer to discussion on
the gold market on page 22
b
>AFS: Refer to group note
27 on group borrowings
(page 105)
c
>IR: Engagement with
organised labour on pages
39-40
d
>SDR: Refer to the
discussion on labour relations
at www.aga-reports.com/
14/sdr/material-issues/
stakeholder-engagement/
organised-labour

The mitigation measures associated with the top five medium-term risks are as follows:

Mitigation of top five medium-term risks

Risk
(ranking)
Potential consequences
Mitigation action plan
Expected outcome and
residual risk
Progress/current status

Protracted financial
pressure on business
from depressed gold
price coupled with high
debt and rapidly rising
costs of mature asset
portfolio
(1)

•
Inadequate free cash
flow/ liquidity
•
Inability to develop
strategic growth and
development
•
Low market
capitalisation
•
Credit rating impact
•
Premature closure
•
Cost reduction,
restructuring and
business plan review
•
Portfolio optimisation
•
Refinancing banking
facilities with looser
covenants
•
Credible cost control/
delivery
•
Access capital markets
•
Joint ventures and
asset sales
•
Potential impact on

valuation
•
Altered asset portfolio
•
Reduced production
profile
•
Elevated debt levels
•
Inability to pay
dividends
•
Continued focus on
optimising balance
sheet structure to
maintain financial
flexibility
•
Active cost
management
continues to counter
weaker gold price
Mitigation of top five imminent risks continued
Risk
(ranking)
Potential consequences
Mitigation action plan
Expected outcome and
residual risk
Progress/current status
Inability to remain
competitive impacting
long-term investment
case
e
(8)
•
Market capitalisation
reduction
•
Inability to reduce debt
•
Inadequate cash flow
and liquidity
•
Premature closure
or mothballing of
operations
•
Lack of strategic
growth projects

•
Credible track record
of cost control and
solid delivery
•
Ongoing cost control
measures
•
Business planning and
portfolio optimisation
•
Asset sales
•
Access capital markets
•
Improved market
capitalisation and
asset portfolio
•
Premature closure or
mothballing/reduced
production profile
•
Reduced debt levels
•
Inability to pay
dividends
•
In progress
Security of power
supply and rising cost
of power in South
Africa
f, g
(11)
•
Production losses
•
Inadequate free cash
flow/liquidity/credit
rating impact
•
Lower market
capitalisation
•
Compromised safety
•
Increased operational
costs
•
Flooding of workings

- Power saving and reduction initiatives
- Proactive and continuous engagement with Eskom
- Emergency response plans

Over the next three to five years:

- Frequent load-shedding disrupting production
- Potential for complete loss of power for 'days at a time' as Eskom protects the national grid
- Ongoing
- No ability to cater for complete, prolonged power loss from the grid

e
>IR: Refer to section entitled Planning for future from page 111
f
>SDR: Energy usage, efficiency and security at www.aga-reports.com/14/sdr/material-issues/environmental-stewardship/energy
g
>IR: Discussion on energy constraints on page 23

MANAGING AND MITIGATING RISKS continued

Strategically managing threats and capitalising on opportunities

Mitigation of top five medium-term risks continued

Risk
(ranking)
Potential consequences
Mitigation action plan
Expected outcome and
residual risk
Progress/current status

Inability to develop
projects to bring the Ore
Reserve to account
(3)

•
Ore Reserve write-
down and market
capitalisation decline

•
Production profile
and business plan
reduction

•
Loss of tenements

•
Premature mine
closure or mothballing

•
Identification of joint
venture partnerships
and alternative funding

•
Focused exploration
funding for critical
operations

•
Business planning and
portfolio optimisation

•
South Africa reef-
boring programme

•
Expansion and/or life
extension projects at
CC&V and Mponeng

•
Obuasi feasibility study

•
Ore Reserve decreases
and impairments

•

Loss of growth opportunity and returns via potentially having to partner at less than optimal value

•

In progress and ongoing

•

Completion dates uncertain

Operational and safety underperformance negatively impacting improved track record

a, b

(6)

•

Reduced cash flow and decreased liquidity

•

Decline in investor confidence

•

Credit ratings impact

•

Restricted ability to invest in strategic growth and development projects

•

Business planning and portfolio optimisation

•

Organisational restructuring

•

Project 500

•

Robust safety systems and leadership, training, KPIs, and bow-tie controls

•

Improved ability to deliver on business plans and market guidance

•

Improved asset

portfolio
•
Declining Ore Reserve
•
Initial phase of Project 500 complete and targets achieved
•
Ongoing
•
Project 500 team to continue searching for additional savings and efficiency opportunities
Legacy occupational and community health compensation claims/ litigation
c, d
(7)
•
Financial impact
•
Market capitalisation reduction
•
Reputational damage
•
Impacted employee well-being
•
Defend claims
•
Industry-wide project to assist with compensation and relief
•
Gold Working Group
•
Court ruling in favour of AngloGold Ashanti
•
Comprehensive solution involving all stakeholders
•
Identification of suitable alternatives
•
Indeterminate

•
Pursuing legal defence
of claims
Elevated country
risk profile in core
production areas
e, f
(9)
•
Adverse impact on
business plan delivery
•
Reduced market
capitalisation
•
Increased costs and
cash flow impact
•
Portfolio review
•
Focused exploration
•
Host government
and local community
engagement
•
Emergency evacuation
plans
•
Risk management
•
Balanced and diverse
portfolio
•
Moderation of host
government demands
and legislation
•
Indeterminate and
ongoing

a
>SDR: Improving safety performance at
www.aga-reports.com/14/sdr/material-issues/safety-health/safety-performance
b
>IR: Refer to the discussion on safety performance in the regional review on pages 70 to 93
c
>SDR: Building workplaces free of occupational illness at
www.aga-reports.com/14/sdr/material-issues/safety-health/occupational-illness#
d
>AFS: Refer to group note 36 on contingencies and contractual commitments on page 131
e

>SDR: Engaging with stakeholders, communities and governments at www.aga-reports.com/14/sdr/material-issues/stakeholder-engagement/

f

>IR: Refer to the regional review on pages 70 to 93

TOP GROUP OPPORTUNITIES

We recognise that identifying and managing opportunities is an important component of risk management. The company identifies suitable opportunities, endeavouring to exploit, harness, or maximise them with the aim of creating value from mitigating our risks. The following table lists our key opportunities along with the strategy for each.

Top group opportunities

Type

Opportunity

Strategy

Operational

Benefits from increase in gold price enhanced by cost reduction

- Actively improve the quality of the portfolio
- Focus on margins through initiatives to improve all-in sustaining costs and all-in costs, including Project 500
- Improve leverage to the gold price

Technology step-change in South Africa

- AngloGold Ashanti Technology and Innovation Consortium (ATIC)
- Proof of concept work relating to geological drilling, reef boring, ultra-high strength backfill and haulage boring machines
- Stakeholder identification and engagement

a

Benefits from weaker currencies and lower oil price

- Demonstrate leverage at operations most exposed to declining currencies
- Demonstrate leverage at operations that use most oil/diesel

Strategic

Colombia

- Revised tenements strategy with focused exploration funding
- Work to ensure that ‘social licence to operate’ is realised
- Partnering options

b

Obuasi

- Maintain integrity of site and infrastructure during limited operations phase
- Deliver feasibility study; refine to ensure optimal returns from high-

margin, mechanised operation

- Ensure buy-in for redevelopment from all stakeholders including government
- Ensure optimal regulatory and fiscal environment
- Test market for potential, value-creating joint venture and find optimal funding structure

Business planning and portfolio optimisation processes

- Sound business planning with top-down goals
- Portfolio rationalisation and optimisation

Asset sale or joint venture for full value

- Potential to realise full value in cash for sale or joint venture of operating asset
- Increased ability to deleverage in a value-enhancing manner

STRATEGY

a

>IR: Refer to the discussion on technology and innovation in Planning for the future on pages 111 to 117

b

>IR: Refer to the Americas regional review on page 88 to 93

Focus on people, safety and sustainability
•
Operational and safety underperformance negatively impacting improved track record (6)
•
Protracted labour-related strikes
1
(5)
•
Critical skills and talent retention
2
(16)
•
Failure to acquire or loss of 'social licence to operate' (17)
•
Legacy occupational and community health compensation claims/litigation (7)
Ensure financial flexibility
•
Adverse gold and commodity, and currency movements (2)
•
Protracted financial pressure on business from depressed gold price coupled with high debt and rising costs of mature asset portfolio (1)
•
Covenant compliance and inability to reduce debt (4)
•
Protracted labour-related strikes (5)
•
Legacy occupational and community health compensation claims/litigation (7)
•
Operational and safety underperformance negatively impacting improved track record (6)
Optimise overhead, costs and capital expenditure
•
Protracted labour-related strikes (5)
•
Failure to demonstrate and/or realise business case for Obuasi redevelopment (14)
•
Security of power supply and rising cost of power in South Africa (11)
•
Unfavourable regulatory environment changes
3
(15)
•
Operational and safety underperformance negatively impacting improved track record (6)
•
Input cost inflation exceeding cost containment and productivity strategies (10)
•
Asset integrity failures and compromised reliability at South African operations (13)
•
Operational disruption in West Africa resulting from outbreak of Ebola virus disease
4
(19)
Improve portfolio quality

- Adverse gold, commodity and currency movements (2)
- Inability to remain competitive impacting long-term investment case (8)
- Protracted labour-related strikes (5)
- Inability to develop projects to bring the Ore Reserve to account (3)
- Lack of strategic growth projects (18)
- Legacy occupational and community health compensation claims/litigation (7)
- Failure to successfully operationalise ATIC technology step-change (12)

Maintain long-term optionality

- Adverse gold, commodity and currency movements (2)
- Inability to remain competitive impacting long-term investment case (8)
- Inability to develop projects to bring the Ore Reserve to account (3)
- Failure to demonstrate and/ or realise business case for Obuasi redevelopment (14)
- Lack of strategic growth projects (18)
- Elevated country risk in core production areas (9)

RISKS BY STRATEGIC OBJECTIVE
(Risk ranking as per page 31)

MANAGING AND MITIGATING RISKS continued
Strategically managing threats and capitalising on opportunities

1
>SDR: Implementing business strategy through people
2
>SDR
3
>SDR: Monitoring and respecting regulatory change
4
>SDR: Delivering a health value proposition to communities

STRATEGY

Effective engagement is a prerequisite to our establishing mutually-beneficial relationships with stakeholders. These relationships, we believe, are essential in maintaining our social licence to operate.

AngloGold Ashanti has a wide range of stakeholders. Relationships with communities, government and regulators, employees, both individually and through affiliations such as organised labour, community-based organisations (CBOs) and non-governmental organisations (NGOs) are some of the most critical to our business.

Engagement takes place at a group level with stakeholders whose interests require them to have an overview of the business as a whole, such as investors, employees, organised labour unions, the media, regulatory authorities and certain government and civic organisation representatives. At an operating level, each site is responsible for defining its stakeholders and for understanding the impact of operations on these stakeholders and of their potential influence on the business. Engagement begins from early stages of exploration and continues through to closure.

CRITICAL AREAS OF ENGAGEMENT

We have identified a range of stakeholders with whom we engage in respect of their diverse issues and inputs. We aim to be continuously proactive in our engagement with stakeholders and responsive to their issues and concerns as they arise. Our long-term objective is to create value for all our stakeholders including shareholders, employees, business and social partners by safely and responsibly exploring and mining as we work to deliver sustainable improvement in free cash flow and returns to all our stakeholders. As several operations approach the end of their operating lives, engagement around closure becomes increasingly important, as has happened at Yatela in Mali.

While much of our engagement with government and regulatory authorities takes place individually and on company-specific issues, AngloGold Ashanti has also been active in various industry bodies in all countries of operation, in support of industry positions on topics such as legislation and regulation surrounding the mining sector.

A key focus for mining companies in these discussions is to promote regulatory certainty in relation to the sector. Uncertainty regarding the regulatory or legislative horizon fuels negative media comment, damages investor sentiment, and is ultimately harmful to the industry.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Our stakeholders

We define our stakeholders as persons or groups who are directly or indirectly affected by our operations or projects or whose interests in our operations or projects can influence their outcome. These include:

- Locally-affected communities and individuals and their formal and informal representatives as well as civic, non-governmental and religious organisations and other groups with special interests
- Government, politicians and regulatory authorities
- Employees and their families, and labour unions

- The media
- Suppliers, joint venture partners and business peers
- The investment community, including shareholders, current investors, potential investors and financiers

Engagement

Stakeholder engagement is a two-way process, involving communication by the company to stakeholders and by stakeholders to the company. The icons alongside represent the flow of communication.

Stakeholders

AngloGold Ashanti

Inward

Outward

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Summary of critical areas of stakeholder engagement

Stakeholder group and engagement

Issues raised

Impact on stakeholder group and impact on company

Locally affected communities and individuals and their formal and informal representatives as well as civic and religious organisations and other groups with special interests

Detailed mapping of stakeholders is being undertaken at sites where information is not currently available, inaccurate or outdated. We are gathering and organising data relating to our interactions with communities (commitments, complaints and grievances, resettlement processes and socio-economic baseline assessments) and improving measures for evaluating the effectiveness of community engagement processes.

We frequently build our own capacity and strive to build that of communities, local and national authorities. We allocate financial and human resources to working with communities to ensure that they are empowered with information, consulted on operational issues that may affect them and can effectively provide input on their concerns and expectations in relation to mining sector development.

Refer to the section titled Analysis of our external environment (pages 22 – 25) for more information on active engagements conducted in 2014.

- Community investment
- Local procurement
- Infrastructure development and benefit sharing
- Impact of restructuring and closures
- Environmental and health impacts
- Resettlement and compensation
- Competition for land use, water and energy
- ASM and illegal mining

Outward: Unregulated and unplanned impacts on communities could result in loss of temporary and permanent access to land and heritage as well as livelihoods, and could have a negative impact on health and well-being. Through engagement, our operations could have an immediate and long-term positive impact on the socio-economic development and sustainability of communities and livelihoods.

Inward: Conflict with communities could delay or impede access to projects and operations, resulting in financial and other losses, and reputational damage. Through engagement, the company earns its licence to operate.

Government, politicians and regulatory authorities

We continually engage with governments on an ongoing basis in all of the regions in which we operate. Substantial direct payments are made to governments including taxes and royalties. In 2014, payments made in the form of taxes and royalties totalled $355m. We strive for transparency in all payments to government, in support of the objectives of the Extractive Industry Transparency Initiative (EITI) and in line with our values. In October 2014, a revised policy relating to political party donations was implemented. The policy seeks to ensure that the process of making donations to political parties is supported by a strong business case. During 2014, AngloGold Ashanti contributed $800,000 towards the democratic elections in Brazil and just under $300,000 to elections in Colombia. All donations are governed by AngloGold Ashanti's values and compliance policies, including its Policy on Anti-Bribery and Anti-Corruption, and comply with any and all currently applicable laws and regulations in the jurisdictions in which the donations are made, including the US Foreign Corrupt Practices Act, and any other regulatory requirements to which the company may be subject.

- Safety and environmental performance
- Regulatory compliance
- Taxes
- Security of tenure
- Benefits of mining
- Labour relations
- Local development

- Housing and living conditions
- Wage negotiations and industry's economic position
- Safety, security and stability

Outward: A key concern of governments is the need to ensure that the benefits of mining flow through to the state at national, local and community levels. In addition to jobs, taxes, royalties and investment, the benefits of mining at a local level include employment, skills development, local procurement and infrastructure and service development.

Inward: Engagement is aimed at establishing regulatory certainty so as to create an environment conducive for mining sector investment and development.

Stakeholder group and engagement
Issues raised
Impact on stakeholder group and impact on company

Employees and their families, and labour unions

Engagement with employees is a two-way platform of communication and is critical to ensuring increased productivity, to maintaining a strategic focus and to motivating employees to give of their best. Engagement is undertaken on a wide range of issues, many of which are specific to the local context. In South Africa, for example, employee indebtedness is a continuing priority, while in Ghana, the focus has been to invest in employee education and training to empower retrenched employees.

In late 2014, a global employee engagement survey was conducted. Areas highlighted included a firm belief in the company's values while those requiring attention and possibly intervention were ethics, managerial effectiveness in developing trust, as well as senior leadership practices, where employees would like to see greater consistency between what is said and what is done. Feedback on the survey results has been shared with employees. Areas requiring improvement are being addressed.

Union representation at AngloGold Ashanti operations is high – between 60% and 100% – with the exception being those in Australia and in the United States, where organised labour structures are not commonplace at our operations. Where organised labour structures are in place, we engage positively with the relevant union structures to seek mutually-beneficial outcomes to issues raised. We comply with local legal and regulatory frameworks as well as with international codes, including those of the International Labour Organization (ILO).

In South Africa, we continued to bring our employees' organised labour representatives into a more meaningful dialogue on key business issues, with a particular emphasis on the economics of the industry and specific operations, the gold market and the legal framework for the country's industrial relations. We have agreed with all union leadership for a core leadership team from each union to undertake an entry-level management course at a local university during 2015. In addition to these initiatives, we identified the need for a more direct dialogue between our employees in South Africa and senior management. To this end, the CEO, the COO: South Africa and various general managers undertook mass meetings at each of the South Africa business units for the first time in the company's history, an exercise that took over a week to complete and covered several thousand employees at each mine, plant and support business.

- Employee safety and health
-

Wages and benefits

•

Accommodation and living conditions

•

Employee indebtedness

•

Job security

Outward: Improved safety, health and well-being have marked impacts on employees and their families. By understanding and aligning with the corporate strategy, employees have access to development and career fulfilment, as well as job security. Unprotected industrial action may have negative consequences as the company will not compromise on ensuring the safety of its employees and its assets.

Inward: Improved safety and health performance has a positive impact on the company. Employee engagement has a positive impact on productivity. Good labour relations reduces the potential for industrial action and promotes a collaborative approach to problem solving in the workplace.

Stakeholder group and engagement
Issues raised
Impact on stakeholder group and impact on company

Employees and their families, and labour unions continued

This was done not only to thank our colleagues for an exemplary safety performance and to apprise them of operational and strategic developments in the business, but also to open the floor to all questions in an exchange that in each case lasted several hours. Informal feedback received to date shows that the exercise was useful for all concerned and will be continued in the new year to help improve communication and ensure a clear and consistent picture of the business – with its opportunities and challenges – is shared by everyone in the region.

The labour relations climate at Obuasi in Ghana remained peaceful through the retrenchment process that preceded the transition to limited operations. This was due in large part to the extensive and open dialogue with all stakeholders, including employees, their families, their organised labour representatives, community and religious leaders, civic organisations and elected officials at local and national government level. We were at pains to provide an unvarnished picture of the state of the Obuasi mine, the issues that had led to its poor operational and financial performance over the past decade, and the plan to restore it to its place as an important economic engine for the Ashanti region, and for Ghana as a whole.

No days were lost to labour relations disputes across the portfolio. This was a significant achievement, given the challenges of the labour relations environment in South Africa in particular, as well as the business challenges posed by the low gold price environment.

The media

We seek to engage regularly (at least quarterly) and transparently with local and international media.

- Operational performance and business sustainability
- Labour relations
- Safety and health performance
- Gold market

Outward: Engagement can enhance understanding of the company, and promote accurate reporting and constructive relationships.

Inward: Successful engagement will enhance the company’s reputation.

Suppliers, joint venture partners and business peers

We seek collaborative and mutually beneficial relationships.

- Impact of restructuring and closures
- Ongoing financial commitments
- Modernisation and innovation
- Local procurement

Outward and Inward: Stable, long-term and mutually beneficial relationships. Development and support of local suppliers.

Stakeholder group and engagement
Issues raised
Impact on stakeholder group and impact on company

Financiers, investors and potential investors

We communicate regularly with our shareholders, investors, potential investors and the providers of capital, in person and by email, at our quarterly and annual results presentations, conference calls, site visits, investor conferences and at one-on-one meetings.

Underscoring this communication is compliance with the regulations of the various exchanges on which we are listed.

- Operational performance and business sustainability
- Financial performance
- Labour relations
- Safety performance
- Regulatory issues
- Shareholder returns
- Rehabilitation provision

Outward: Engagement can enhance the valuation and credit rating of our company and our access to cost-efficient capital.

Inward: During 2014, successfully arranged new facilities with extended maturity profiles and the easing of banking covenants. A proposed corporate restructuring and capital raising transaction were cancelled after extensive engagement with and feedback from shareholders.

For further information on our stakeholder engagement see **>SDR** at www.aga-reports.com/14/sdr/.

MATERIALITY AND REPORTING

Selecting the issues for inclusion in our reporting is challenging in a company of the size and diversity of AngloGold Ashanti. Our approach to content selection builds on an understanding of the major challenges faced during the year and includes a reflection on what we seek to achieve through our reporting and who we see as the primary audience. For the **>IR**, this primary audience is the providers of capital.

The materiality process adopted is based on guidance provided by the International Integrated Reporting Council (IIRC), of which AngloGold Ashanti is a pilot member, and of the Global Reporting Initiative's (GRI) G4 guidelines, as well as the AccountAbility AA1000 Stakeholder Engagement Standard. The process involved gathering data from stakeholder engagements which have taken place across the organisation to identify the issues of greatest concern. Surveys within the company and with external stakeholders provided insight into their views of our reporting.

The Audit and Risk Committee and the Social, Ethics and Sustainability Committee have reviewed the issues identified, as well as the final report, to determine whether:

- the material issues for reporting represented a balanced and comprehensive view of the critical areas of concern for the business and for stakeholders
- there were additional or emerging issues not identified but which should be included

See also the **>SDR** at www.aga-reports.com/14/sdr/material-issues.

STRATEGY

* These committees are the Audit and Risk and the Social, Ethics and Sustainability committees.

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A DECISIVE STRATEGIC RESPONSE TO A LOWER GOLD PRICE

In this section, senior members of the organisation review AngloGold Ashanti’s performance for the year and the steps taken to achieve our strategic objectives. Also discussed is the outlook for the company.

CEO'S REVIEW AND STRATEGIC OUTLOOK

Fellow shareholders and stakeholders,

After another eventful year, it is useful to reflect on how far we have come in the past two years in particular, and how well AngloGold Ashanti has responded to the immense challenges faced by our industry.

I write this year's letter with optimism for what the coming years have in store for our company's fortunes, and trust you will share these sentiments after reflecting on an impressive slate of achievements.

Our strategy that was built on five pillars namely – a strong foundation of safety, people and sustainability; financial flexibility; optimising expenditure; improving the quality of the portfolio; and preserving long-term optionality – continues to enable us to improve sustainable free cash flow and returns. We are on course to become a stronger, more cost focused and responsive company that can provide the gold price leverage that investors in the sector are seeking.

Operating in a business fighting a downturn, caused by a sharp fall in the price of its outputs, is always challenging. After the drop in the gold price in 2013 we needed to take quick, decisive action to reduce spending and increase not only the quantity, but also the quality of our production. We did just that, while maintaining our long-term potential and improving our industry-leading safety record. This team's achievements of the past two years – to name only a few – are significant:

- In safety and across all sustainability disciplines, we delivered our best ever two years in the company's history, with strong gains across all metrics. We reduced fatal accidents by two-thirds in 2013 and by a further 25% in 2014, creating new milestones across all mines and regions. Year-on-year we had 20% fewer injuries, which is a remarkable achievement. In addition, we ended 2014 with the fewest number of reportable environmental incidents recorded in the company's history and we have continued to improve our relationships with host communities and governments.
- After a decade of shrinking production, our team has delivered the first two consecutive years of production growth of some 12% when compared to our 2012 base and 8% when compared to 2013. We also delivered two significant growth projects on time and on budget. While this growth was encouraging, it bears repeating that our ongoing focus will be to enhance margins of a quality production base.
- We have delivered a sustainable step reduction in costs, regardless of which metric one views – whether it be operating costs, overheads, capital expenditure or expensed exploration. Our all-in sustaining costs for 2014 at $1,026/oz dropped 13% from $1,174/oz in 2013. All-in costs fell 22% to $1,148/oz over the same period.
- Turning to portfolio improvement, we commissioned two new projects on time and on budget and sold Navachab (one of our non-core mines). Importantly, we successfully planned for, and implemented the transition of Obuasi to limited operations phase, a much needed and bold decision to stem significant cash outflows and start in earnest the process to reposition that operation as a potential future growth engine of our group.
- We delivered the maiden Mineral Resource from the 23Moz (gold equivalent) Nuevo Chaquiro deposit in Colombia.
- For eight consecutive quarters, we have delivered on our production, cost and capital expenditure guidance presented to the market. This is unprecedented.

- Finally, we have, despite a 10% fall in the gold price, turned around the free cash flow of the business from a significant cash outflow in 2013 to a positive cash flow (before certain once-off payments) in 2014.

Srinivasan Venkatakrishnan (Venkat)
Chief Executive Officer

LEADERSHIP

“
I write this year’s letter with optimism for what the coming years have in store for our company’s fortunes, and trust you will share these sentiments after reflecting on an impressive slate of achievements.”

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Particulars		**2014**	**2013**	**Change**
Gold price received	$/oz	1,264	1,401	(10%)
Gold production	000oz	4,436	4,105	8%
Total cash costs	$/oz	787	830	(5%)
Corporate and marketing costs	$m	92	201	(54%)
Exploration and evaluation costs	$m	144	255	(44%)
Capital expenditure (1)	$m	1,209	1,993	(39%)
All-in sustaining costs	$/oz	1,026	1,174	(13%)
All-in costs (2)	$/oz	1,148	1,466	(22%)
Cash inflow from operating activities	$m	1,220	1,246	(2%)

Adjusted EBITDA
$m
1,665
1,667
0%
Free cash outflow
$m
(112)
(1,058)
89%
Free cash inflow/(outflow)
(3)
$m
142
(1,058)
113%
(1)
Includes equity-accounted investments.
(2)
World Gold Council standard, excludes stockpiles written off.
(3)
Excluding Obuasi redundancies and Rand Refinery loan.

These results show rigorous cost management, disciplined capital allocation and, above all, expert operational management by our teams on the ground with good support from other disciplines. In achieving these outcomes we have honoured commitments to our longstanding supporters and investors and defied the sceptics who believed this performance could not be sustained. In this regard, I would like to thank our Chairman, Board of Directors, my colleagues on the Executive Committee and especially every employee in AngloGold Ashanti for the hard work that resulted in these remarkable achievements and consistency.

We bid a fond farewell to Richard Duffy who left us as CFO in 2014 after a long and distinguished career with AngloGold Ashanti and wish him well in all his future endeavours. At the same time, we are pleased to welcome Christine Ramon as CFO. Christine comes with an impressive pedigree in senior professional and executive positions, both in South Africa and abroad.

You will recall our announcement on 10 September 2014 of our intention to engage shareholders in a plan to split the company into separate South African and international components (the latter to be listed in London). The plan was to have been facilitated by a $2bn rights offer which would have left the South African vehicle debt free and the international vehicle with a level of borrowings it could sensibly service, albeit with residual debt guarantees from the South African company. (Details of the plan and its rationale can be read here http://www.anglogoldashanti.com/en/Media/Special/CountryCheck.html). This was one of a range of strategic options that were open to us, and was one we believed would liberate significant value over the long term by creating two investment vehicles, each with distinct qualities and asset portfolios. Following consultations with our investors we withdrew the proposal given that the equity injection required to facilitate the split was deemed too onerous. We remain a unified entity with a diverse portfolio of gold-producing assets and exploration prospects, and have in place a strategy to reduce debt, principally from internal sources.

As we now look to 2015 and beyond, I am optimistic of what we can deliver as a company to our colleagues, shareholders and the broader stakeholder group. Despite our defensive approach in the last two years, let us not forget that we have not only grown production for the first time, but also increased margins. We now need to position the group on this strong foundation to show

visibility both in terms of further quality long-term growth and value creation – and we will do that.
As we start 2015, our priorities over the next few years will include:

- Safety and health: Improving safety and health at every level in order to achieve our ultimate goal of zero harm and, in so doing, eliminating the disruptions that poor safety records bring to affected operations. We remember our colleagues who passed away during the year and remain committed to employing all effort and technology as we strive to achieve zero harm.
- Environment and communities: Continuing to forge closer partnerships with our host communities and improving our environmental performance and compliance to ensure we maintain our licence to operate for our mutual benefit.

"I would like to thank our Chairman, Board of Directors, my colleagues on the Executive Committee and especially every employee in AngloGold Ashanti for the hard work that resulted in these remarkable achievements and consistency."

- People: Developing our team of top talent across all disciplines, so that we have the right people, and in some cases new entrants to inject fresh thinking into certain roles, to help deliver the value creation needed. I remain acutely aware of the retrenchments undertaken over the past two years, a necessary action in the market environment in which we found ourselves, and I realise how difficult these were for all concerned. For those that remain, we are focused on fostering cohesion and developing our teams across the business.
- Production and costs: Realising our planned production and cost targets for 2015 and beyond, which will require everyone in this business to remain vigilant in keeping productivity and efficiency at the forefront of everything we do. Achieving our cost and production budgets, every month and every quarter, remains critical.
- Balance sheet flexibility: As we have mentioned since the latter part of 2014, we will work actively to reduce our net debt levels over the next two to three years to provide the company with greater financial flexibility. But in doing so, we will not act in haste nor compromise long-term value. As one of a number of options in this regard, we have initiated a plan to identify a joint venture partner or purchaser in respect of our interests in the CC&V mine in the United States.
- Providing clearer visibility to longer-term growth and value creation: We will build on the production and margin growth that we have delivered, and continue to focus on key differentiating characteristics of our portfolio, including:
- South Africa: Our South African assets need to deliver to their full potential. We will need to show that our sustainable cash generation ability from these assets will continue to outpace our peers, given the superior quality and unique long-life nature of our asset base. Our South African reef-boring technology also provides us with a strong positive differentiator which we aim to ramp up to show value creation from our asset base.
- CC&V expansion: With the high-grade mill spinning for the first time in early 2015, the mine life extension for this mine is firmly on the horizon, consolidating a much sought after tier-one asset in a prized geography.
- Obuasi: Despite its disappointing history, we should not underestimate what this asset has to offer as a growth engine for the group. Having moved the asset to limited operating phase and having begun to shed legacy cost structures that crippled the mine, our focus now has moved into delivering a feasibility study that will position the underground mine to being a more focused, efficient, mechanised, high-grade operation with an attractive cost structure and returns. The coming years will represent a critical inflection point for this mine as it attempts to transition into a tier-one asset.
- Other life-extension opportunities in our international portfolio: The 2014 planning process showed us what levers we could pull to generate value regarding investment in value-creating mine-life extensions at our other operations, particularly those in Australia, Tanzania, the DRC, Ghana, Guinea and Brazil. We will continue to explore these options and view them through the prism of capital discipline.
- Optionality from Colombia: 2015 remains a critical year for us and further opportunities will be explored in developing the Colombian portfolio.
-

Exploration: Over the last two years we have had to cut our spending and land holding significantly, focusing on the most prospective geology and jurisdictions in the portfolio. It is a necessary trade-off in prevailing market conditions. Against the back drop of our improved operating portfolio, we will continue to refine our exploration programme with a sharper focus and strict return requirements in our key operating countries.

Clearly, there remains much for us still to do. The team here is well placed to deliver on our vision of creating a focused portfolio of lower-cost, long-life, high-quality assets that will enable us to achieve sustainable cash flow improvements and returns. We will continue to keep you apprised of important developments throughout the course of the year.

Best regards

Srinivasan Venkatakrishnan
Chief Executive Officer
19 March 2015

“
Clearly, there remains much for us still to do, but the team here is well placed to demonstrate again that it can deliver excellence.”

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CFO'S REPORT

Delivered on consistent production and cost guidance amidst continuing adverse market conditions. Our focus remains on strengthening the balance sheet in the medium term and creating a prudent buffer for volatility.

HIGHLIGHTS

- Production of 4.436Moz – up 8% year-on-year
- Total cash costs of $787/oz – 5% lower year-on-year
- All-in sustaining cost of $1,026/oz – 13% lower year-on-year
- Capital expenditure of $1.2bn – 39% below 2013
- Exploration and evaluation costs $144m – 44% lower year-on-year
- Adjusted EBITDA stable at $1,665m despite a 10% drop in gold price
- Self-help measures progressed to deleverage in medium term
- Free cash outflow shows strong improvement to $112m from $1,058m

EXECUTIVE SUMMARY

The year under review was marked by a further fall in the gold price, which decreased by $137/oz or 10% over the course of the year. The impact of the drop in the gold price has been proactively managed and the 2014 results reflect consistent operational and cost performance. It is the second consecutive year of growth in gold production, with an overall 8% increase being recorded year-on-year. At the same time, all-in sustaining costs per ounce improved by 13% year-on-year.

Significantly lower year-on-year total cash and all-in sustaining costs were achieved through the combination of production and overall cost improvements reflecting the first full year of operations at our two new low-cost mines (Kibali and Tropicana). In addition, our efforts to tackle costs across a broad front underpinned the improvement in margins, through the Project 500 (P500) initiative, reductions in direct operating costs, corporate overheads and exploration costs, and strict capital allocation.

We continue to focus on 'self-help measures' in three areas:

- Review of the asset portfolio while actively seeking joint-venture partnerships in Colombia and at Obuasi as well as pursuing the potential sale or joint venture of an operating asset
- Cash flow improvements through the optimisation of business plans and consolidation of regional hubs
- Leverage to exploit weaker currencies, and the consequently higher price in terms of these currencies, and lower fuel prices.

Christine Ramon
Chief Financial Officer

LEADERSHIP

One of our five core strategic focus areas is to 'ensure financial flexibility' which means structuring our balance sheet to allow us to meet our core funding requirements and to provide a reasonable buffer for gold price volatility as well as other adverse unforeseen events. To ensure continued flexibility in the debt maturities schedule, refinancing of the group's revolving credit facilities (RCFs) was completed mid-year. The new $1bn RCF and A$500m RCF were agreed during July 2014 for a further five-year period. In addition, a looser financial covenant was concluded, with the net debt to adjusted EBITDA covenant at 3.5 times (previously 3 times), with one six month period waiver of up to 4.5 times, subject to certain conditions. The $ and A$ RCFs have also been priced tightly, to reflect the current financial market conditions. The looser covenant is also applicable to the ZAR RCF.

AngloGold Ashanti's credit rating was reviewed by both Moody's Investor Service and Standard and Poor's (S&P), to Baa3 with a negative outlook and BB+ with a negative outlook, respectively. The Moody's rating places the company at the lowest level of investment credit grade and S&P has the company at the top level of sub-investment credit grade. These ratings remained unchanged.

The group's balance sheet is highly geared and efficiently structured and the debt has long-dated maturities. Apart from the R750m bond maturing in 2016 and the R1.5bn RCF which matures in December 2018, the earliest international bond maturity date is in April 2020. The high-yield bond ($1.25bn: 8.5%) issuers' call can only be exercised from July 2016 onwards, at the group's discretion, allowing sufficient time for the group to explore any 'self-help measures' ahead of any options around refinancing or early redemption being assessed. The conclusion of a potential asset sale and joint venture partnerships should help the group determine whether or not to exercise the high yield bond call option.

Net debt and gold price

($bn)($/oz)

•

Kibali/Tropicana – developed

•

MWS/Serra Grande – acquired

0.0

0.5

1.0

1.5

2.0

2.5

3.0

3.5

3.13

3.11

2.06

0.61

1.29

10

11

12

13

14

500

1,000

1,500

2,000
Net debt
Gold price
0.0
0.5
1.0
1.5
2.0
2.5
3.0
0
1
2
3
1.22
1.25
1.97
2.81
1.67*
10
11
12
13
14
Cash flow from operating activities
Capital expenditure
Cash flow from operating activities
and total capital spend
($bn)
* Excludes hedge buy-back costs
47

CFO'S REPORT continued

Our medium term leverage target is 1.5 times net debt to adjusted EBITDA. We would like to reduce our debt by approximately $1bn to take us to our comfort threshold which would include a reasonable buffer for volatility, including the gold price risk and production disruptions. Our aim is to achieve this debt reduction through a variety of 'self-help measures' as elaborated above. Importantly we are under no external pressure to achieve this. This is an aspirational target that can be achieved over the next few years.

Delivery against 2014 financial objectives

Continue to maintain sufficient balance sheet liquidity and flexibility in a lower gold price environment

The temporary relaxation of the banking covenant of 4.5 times net debt to adjusted EBITDA expired with the June 2014 testing period, while the $ and A$ revolving credit facilities are set to mature within the next five-year period. The group therefore moved prudently and proactively to manage its financial flexibility and steps taken in this regard included:

- Successful re-financing in July 2014 of the group's RCFs for another five years, including the $1bn RCF (which was due to mature in July 2017) and the A$500m RCF (replacing the previous A$600m RCF which was due to mature in December 2015)
- Improved financial flexibility – the new banking covenant of 3.5 times – previously 3 times net debt to adjusted EBITDA (with a one six month period waiver of up to 4.5 times subject to certain conditions) – is applicable to all of the group's RCFs. This adds further flexibility to the balance sheet liquidity especially in the light of the ongoing gold price volatility and prevailing labour uncertainty in South Africa

International debt facilities US$m*

Debt type	**Maturity date**	**Base currency**
A$ RCF*	Jul 2019	AUD
US$ RCF	Jul 2019	USD
ZAR RCF*	Dec 2018	ZAR
5.375% bond	Apr 2020	USD
8.500% bond	Jul 2020	USD
5.125% bond	Aug 2022	USD
6.50% bond	Apr 2040	USD

Drawn amount Facility amount

*

Excludes DMTNP and local bond amounts outstanding at 31 December of $80m, ZAR calculated at R11.6/$, A$ facility calculated at A$0.8/$.

408
257
1,000
700
1,250
750
300
130
100
700
1,250
750
300
43

LEADERSHIP

- Managed net debt levels in 2014 – the group's net debt to adjusted EBITDA covenant ratio was 1.88 times at year end and was in line with the 1.86 of a year earlier, despite the reduction in the gold price, additional funding required for the Obuasi redundancies and a loan to Rand Refinery. Subsequent to year end, external audit procedures confirmed that the gold gap at Rand Refinery has not increased. Therefore any additional loan funding requirements from shareholders are not envisaged at this stage.

Maintaining our focus on the management of costs to deliver competitive all-in sustaining and all-in costs and continuing to target sustainable cash generation

Management's initiatives to deliver on competitive all-in sustaining and all-in costs included:

- The initial stated purpose of P500 was to deliver specific targeted cost reductions. These have now been achieved and exceeded, and are reconciled with the financial reporting systems
- The organisational redesign was completed and corporate costs as well as exploration costs were significantly reduced from 2013's levels
- Capital expenditure has reduced by 39% compared to 2013 reflecting project completion and capital prioritisation
- We delivered free cash flow of $142m for 2014 which excludes the proceeds of $105m from the sale of Navachab, despite a 10% drop in the gold price compared to 2013, before taking into account the once-off non-operational cash outflows relating to the Obuasi redundancy payments and the Rand Refinery loan funding.

Our 2015 objectives

Looking ahead to 2015, the key financial objectives are to:

- Continue to focus on self-help measures (including the potential sale or joint venture of an operating asset) to deleverage the balance sheet in order to maintain sufficient liquidity and flexibility in a lower gold price environment
- Focus on financial and project risk mitigation by seeking joint venture partners for Colombia and Obuasi
- Review the asset portfolio with a view to rebalancing the portfolio with more-profitable ounces
- Maintain our focus on cost and capital discipline to deliver competitive all-in sustaining costs and all-in costs
- Continue to target sustainable cash generation. For 2015, significant cost reductions have been included in the annual business plans.

We are expecting our debt levels to remain steady at the end of 2015, taking into account our estimated production, planned expenditures at budgeted exchange rates and commodity and fuel price assumptions, although it may increase slightly in the first half due to free cash flow profiling in South Africa from production and capital expenditure fluctuations. This excludes any proceeds from asset sales or joint venture partnerships that we may consider pursuing or the impact of any operational or other disruptions.

In addition to a strong leverage to the gold price, our group's operations also leveraged to both the weaker average global currencies and the lower average oil price, which benefits our cash costs. In 2014, the drop in the gold price was partially offset by weaker global currencies and the lower average oil price. In addition, the combination of just over 70% of the group's adjusted EBITDA from our international operations emphasises our geographical diversification and resilience to unforeseen production disruptions in the South African region.

Events subsequent to year end

AngloGold Ashanti currently considers joint venturing or selling its interest in the CC&V mine

The company has initiated a plan to identify a joint venture partner or a purchaser in respect of its interest in the CC&V mine in Colorado in the United States for full value. The CC&V gold mine is a surface mining operation which provides oxidised ore to a crusher and valley leach facility, one of the largest in the world. It is included in the Americas reporting segment and was acquired by AngloGold Ashanti in 1999. The mine produced 211,000 ounces of gold in 2014. There can be no assurance, however, that a sale and purchase agreement for this transaction will be entered into or that any sales transaction will be completed.

AngloGold Ashanti currently considers selling its interests in Société d'Exploitation des Mines d'Or de Sadiola S.A. (Sadiola) and Société d'Exploitation des Mines d'Or de Yatela S.A. (Yatela)

The company currently intends to dispose of its 41% stake in Sadiola and its 40% stake in Yatela. The mines are both situated in western Mali and are included in the Continental Africa reporting segment. The Sadiola and Yatela mines produced 85,000 and 11,000 attributable ounces of gold, respectively, in 2014.

Management was approached by a potential buyer for both mines who meets management's qualifying criteria and has asked for a binding bid. There can be no assurance, however, that a sale and purchase agreement for these transactions will be entered into or that any sales transactions will be completed.

ACKNOWLEDGEMENT

I took over the role of Chief Financial Officer at AngloGold Ashanti with effect from 1 October 2014. The transition from my predecessor Richard Duffy was seamless, thanks to a strong and diligent financial team in the group. Our team, through their understanding of the challenging economic and financial pressures, has helped us proactively manage the financial position of the company. In addition, we have been able to deliver quality financial information to our stakeholders which reflects our objectives and values for long-term success. I would like to thank our strong and enthusiastic financial team in the group for their ongoing support and look forward to the year ahead.

Best regards

Christine Ramon

Chief Financial Officer

19 March 2015

LETTER FROM CHAIRMAN OF THE AUDIT AND RISK COMMITTEE

On behalf of the Audit and Risk Committee of AngloGold Ashanti, I am pleased to recommend to shareholders and other stakeholders our **>IR**.

It is the Audit and Risk Committee's principal regulatory duty to oversee the integrity of the group's internal control environment and to ensure that financial statements are appropriate and comply with International Financial Reporting Standards (IFRS) and fairly present the financial position of the group and company and the results of their operations.

This committee also monitors the integrity of the group's integrated reporting and annual financial statements and all factors and risks that may impact on reporting and is satisfied that these do not conflict with the financial results.

This report has been produced in line with the recommendations contained in King III and has been guided by the framework published by the International Integrated Reporting Council (IIRC) in December 2013. AngloGold Ashanti supports the work done by the IIRC and has been a member of the group of pilot companies that have sought to implement integrated reporting. This report subscribes to the principles embedded within the IIRC framework.

The company has continued to make progress in its journey towards integrated reporting.

In the year ahead we will continue to focus on the effectiveness of our risk management processes. We will also continue with the integration of the combined assurance process within AngloGold Ashanti to ensure value is derived through the various assurance processes.

Rhidwaan Gasant
Chairman: Audit and Risk Committee
19 March 2015

Rhidwaan Gasant
Chairman: Audit and Risk Committee

BOARD OF DIRECTORS

AngloGold Ashanti has a unitary board comprising 11 directors – nine independent, non-executive directors and two executive directors. The board's overall aim is to provide strategic leadership in ensuring the long-term sustainability and success of the business.

BOARD COMMITTEES

INDEPENDENT
NON-EXECUTIVE
DIRECTORS

SM Pityana (Chairman)
LW Nkuhlu (Deputy Chairman)
A Garner *
R Gasant
DL Hodgson
NP January-Bardill
MJ Kirkwood
M Richter *
RJ Ruston

AUDIT AND RISK
COMMITTEE

R Gasant **
A Garner
LW Nkuhlu
MJ Kirkwood
M Richter
RJ Ruston

ASSURANCE

Internal Audit
Combined Assurance

RISK MANAGEMENT

GLOBAL IT STEERING
COMMITTEE

External Audit
SOX Compliance
Ore Reserve and
Mineral Resource

SOCIAL, ETHICS AND
SUSTAINABILITY
COMMITTEE

NP January-Bardill **
DL Hodgson
SM Pityana
S Venkatakrishnan

INVESTMENT
COMMITTEE

RJ Ruston **
A Garner
R Gasant
DL Hodgson
LW Nkuhlu
KC Ramon

REMUNERATION AND
HUMAN RESOURCES
COMMITTEE
MJ Kirkwood **
NP January-Bardill
LW Nkuhlu
SM Pityana
M Richter
NOMINATIONS
COMMITTEE
SM Pityana **
MJ Kirkwood
LW Nkuhlu
EXECUTIVE
COMMITTEE
S Venkatakrishnan **
KC Ramon
I Boninelli
CE Carter
GJ Ehm
RW Largent
DC Noko
MP O'Hare
ME Sanz
EXECUTIVE DIRECTORS
S Venkatakrishnan
Chief Executive Officer
KC Ramon
Chief Financial Officer
BOARD OF DIRECTORS
** Denotes committee chairman
* Appointed on 1 January 2015
Membership of the board and its committees

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Sipho Pityana (55)

BA (Hons), MSc, Dtech (Honoris)

Initially appointed an independent non-executive director on 13 February 2007. Appointed Chairman on 17 February 2014

Chairman:

- Nominations Committee

Member:

- Remuneration and Human Resources Committee
- Social, Ethics and Sustainability Committee

Sipho Mila Pityana is the Chairman of the Board of Directors, having assumed this role in February 2014. Sipho has extensive business experience having served in both an executive and non-executive capacity on several JSE listed boards of companies as well as running his own company, Izingwe Capital Proprietary Limited, which he chairs. He is chairman of the JSE-listed Onelogix and of Munich Reinsurance of Africa and a director of a number of manufacturing companies including Aberdare Cables. He also served on the boards of Bytes Technology Group, Afrox, SPESCOM the Old Mutual Leadership Group and Scaw Metals. He previously worked as an executive director of Nedcor Investment Bank and managing director of Nedbank.

In addition to his private sector track record, Sipho has extensive public sector experience and international exposure. He was the first Director General of the Department of Labour in a democratic South Africa. As the Foreign Affairs Director General he represented South Africa in various international fora including the United Nations, African Union, Commonwealth and the International Labour Organization. He was one of the founding members of the governing body of the Commission for Conciliation, Mediation and Arbitration (CCMA) and Convenor of the South African government delegation to the National Economic Development and Labour Council (Nedlac). He is a member of the Advisory Council of the Council for the Advancement of the South African Constitution (CASAC).

DEPUTY CHAIRMAN AND LEAD INDEPENDENT DIRECTOR

Wiseman Nkuhlu (70)

BCom, CA (SA), MBA

Appointed to the board on 4 August 2006, resigned on 30 April 2009 and re-appointed on 1 June 2009

Member:

- Audit and Risk Committee
- Investment Committee
- Nominations Committee
- Remuneration and Human Resources Committee

Wiseman Nkuhlu was first appointed to the board on 4 August 2006 and resigned on 30 April 2009. He was re-appointed to the board on 1 June 2009, appointed Lead Independent Director from February 2014 and Deputy Chairman from March 2014.

BOARD OF DIRECTORS continued

Prof Nkuhlu, a respected South African academic, educationist, professional and business leader, served as Economic Adviser to the former President of South Africa, Mr Thabo Mbeki, and as Chief Executive of the Secretariat of the New Partnership for Africa's Development (Nepad) from 2000 to 2005. From 1989 to 2000, he served as a director on a number of major South African companies or subsidiaries, including Standard Bank, South African Breweries, Old Mutual, Tongaat, Hulett, BMW and JCI. Prof Nkuhlu was president of the South African Institute of Chartered Accountants from 1998 to 2000 and principal and vice chancellor of the University of Transkei from 1987 to 1991. He is currently a member of the Board of the Ethics Institute of South Africa, Datatec Limited, the Nepad Business Foundation and the Chartered Director Governing body of the Institute of Directors in South Africa. He was elected president of the Geneva-based International Organisation of Employees (IOE) in May 2008 and served for two years. Lastly, he is a trustee of the International Financial Reporting Standards Foundation which provides oversight of the accounting standard setting operations of the International Accounting Standards Board (IASB).

EXECUTIVE DIRECTORS

Srinivasan Venkatakrishnan (Venkat) (49)

BCom, ACA (ICAI)

Chief Executive Officer

First appointed to the board on 1 August 2005 and as CEO on 8 May 2013

Member:

•

Social, Ethics and Sustainability Committee

Venkat was appointed CEO on 8 May 2013, after holding the position of joint acting CEO from April of that year. He was previously Chief Financial Officer (CFO) at Ashanti Goldfields until its merger with AngloGold in May 2004, creating what is now AngloGold Ashanti. Venkat became CFO of the combined entity shortly after the merger and joined the board on 1 August 2005. He is chairman of the Executive Committee and also a member of the Social, Ethics and Sustainability Committee.

In his role as CFO, he oversaw funding for all of AngloGold Ashanti's operating activities, giving him a detailed knowledge of all of our mines and operating jurisdictions. He is a member of the Financial Reporting Investigation Panel, an advisory panel of the JSE. He was the executive responsible for eliminating a 12Moz hedge book, generating significant value for the company, and was the key executive behind rebuilding the balance sheet through a series of successful debt financings that introduced long-term tenor and more favourable funding terms to the company's credit profile. During Venkat's first year as CEO of AngloGold Ashanti, two new mines were commissioned on time and ahead of budget, the company achieved its best ever safety performance and a significant restructuring was undertaken of operating and overhead costs in order to focus the business on delivery of sustainable free cash flow and returns. Venkat was also previously a director of corporate reorganisation services at Deloitte & Touche in London.

BOARD

CHARACTERISTICS

Composition by HDSA* status

•

HDSA

45

• Non-HDSA

10

•

Non-South Africans
45
%
* Historically disadvantaged South African as
defined in terms of the Mining Charter
Length of service on the board
•
Less than two years
36
• Between two and six years
46
•
More than six years
18
%
Nationality
•
South African
55
• North American
27
•
British
9
•
Indian/British
9
%

Christine Ramon (47)
BCompt (Hons), CA (SA), Senior Executive Programme
Chief Financial Officer
Appointed to the board as CFO on 1 October 2014
Member:

- Investment Committee

Christine joined AngloGold Ashanti as CFO and executive director with effect from 1 October 2014, in compliance with the JSE Listings Requirements. Christine has held senior financial management and executive positions in various companies, in particular as CFO and executive director of Sasol Limited from 2006 to 2013. Prior to this, she was CEO of Johnnic Holdings Limited, having previously served as its financial director. Currently, she is a non-executive director on the boards of MTN Group Limited and Lafarge (France). She previously served on the boards of Transnet SOC Limited and Johnnic Communications Limited.

Christine is a member of the South African Institute of Chartered Accountants and the Association for the Advancement of Black Accountants of South Africa. She served previously as a member of the Standing Advisory Committee to the International Accounting Standards Board and currently serves as Deputy Chair of the Financial Reporting Standards Council of South Africa.

Christine's current portfolio includes finance and treasury, insurance services, internal audit, taxation and information technology.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Albert Garner (59)
BSE, Aerospace and Mechanical Sciences
Appointed to the board on 1 January 2015
Member:

- Audit and Risk Committee
- Investment Committee

Albert Garner has extensive experience in capital markets, corporate finance and mergers and acquisitions having worked with Lazard Frères & Co., LLC for 35 years in various leadership positions. He is one of the most senior bankers at Lazard, currently leading their special committee practice and chairing their fairness opinion committee. He formerly led Lazard's corporate finance practice. Albert became a general partner in 1989 and is now Vice Chair – US Investment Banking. Over the past 10 years he has advised and acted as lead adviser to more than 50 companies and their boards of directors on transformative transactions.

Rhidwaan Gasant (55)
CA (SA)
Appointed to the board on 12 August 2010
Chairman:

- Audit and Risk Committee

Member:

- Investment Committee

Rhidwaan Gasant is the former Chief Executive Officer of Energy Africa Limited, and sits on the boards of international companies and chairs the Audit and Risk Committees of international companies in the MTN Group. He is currently Chief Executive Officer of Rapid African Energy Holdings, a start-up oil and gas exploration company, focused on Africa.

LEADERSHIP
Industry sector experience

•
Executive management
37
• Mining
27
•
Finance
27
•
Mining/finance
9
%
Gender
•
Male
73
• Female
27
%
55

BOARD OF DIRECTORS continued

Dave Hodgson (67)

MSc (Civil Engineering), MSc (Mining) (Hons), BComm, Advanced Management Programme

Appointed to the board on 25 April 2014

Member:

- Investment Committee
- Social, Ethics and Sustainability Committee

Dave Hodgson formerly held a series of senior and executive positions over three decades with the Anglo American and De Beers group of companies, and also held the post of Chief Operating Officer of AngloGold Ashanti from November 2001 through to his retirement in April 2005. In addition, he has held non-executive directorships at Moto Gold Mines Limited, Uranium One Inc., Goliath Gold Mining Limited, Auryx Gold Corporation, Montero Mining and Exploration Limited, and Acacia Mining.

Nozipho January-Bardill (64)

BA, MA Applied Linguistics, Dipl Human Resources Development

Appointed to the board on 1 October 2011

Chairman:

- Social, Ethics and Sustainability Committee

Member:

- Remuneration and Human Resources Committee

Nozipho January-Bardill was an Executive Director, Corporate Affairs and spokesperson of the MTN Group where she also served on the boards of a number of operations in the MTN footprint. She is a former South African Ambassador to Switzerland, Lichtenstein and the Holy See, and former Deputy Director General, Human Capital Management and Head of the Foreign Service Institute in the then Department of Foreign Affairs (now DIRCO).

She is currently the founder and executive director of Bardill & Associates, a consulting company focusing on strategic communications, high-level government relations, stakeholder management and gender equality in the workplace. She serves on the board of Credit Suisse Securities, Johannesburg and is also a member of the United Nations Expert Committee on the Elimination of Racial Discrimination and was recently appointed Interim Chief of Staff of UN Women in New York.

Michael Kirkwood (67)

AB, Economics & Industrial Engineering

Appointed to the board on 1 June 2012

Chairman:

- Remuneration and Human Resources Committee

Member:

- Audit and Risk Committee
- Nominations Committee

Michael Kirkwood is a highly experienced and respected former international banker, having worked at the highest levels of Citigroup during his 30-year career with the bank. He is currently chairman of Circle Holdings PLC and a senior adviser (former chairman) of Ondra Partners LLP. He formerly served on the boards of Kidde plc, UK Financial Investments Ltd, Eros International plc and as deputy chairman on PwC’s Advisory Board. He also previously served as chairman of British American Business Inc., as president and a fellow of The Chartered

Institute of Bankers and as deputy chairman of the British Bankers Association.

Maria Richter (60)

BA, Juris Doctor

Appointed to the board on 1 January 2015

Member:

- Audit and Risk Committee
- Remuneration and Human Resources Committee

Maria Richter is an experienced FTSE 100 non-executive director who has served on a diverse range of UK and International boards. She previously served on the board of National Grid plc in the UK from 2003 to July 2014 where she was the chairperson of the finance committee and member of the audit and nominations committees. She currently sits on the boards of Rexel Group, France, a global leader in the professional distribution of energy products and services, and Bessemer Trust, a US wealth management company, and is a member of the audit and compensation committees of Rexel and the remuneration committee of Bessemer Trust. She also serves on the board of Pro Mujer International, a women's microfinance network and is chairman of the board of trustees of Pro Mujer UK. Maria's professional career spanned 1980 to 2002 during which time she served in various positions at the former Dewey Ballantine, Prudential, Salomon Brothers Inc. and Morgan Stanley & Co.

Rodney Ruston (64)

MBA Business, BE (Mining)

Appointed to the board on 1 January 2012

Chairman:

- Investment Committee

Member:

- Audit and Risk Committee

Rodney Ruston holds a degree in mining engineer and an MBA and has over 35 years of business experience during which he has led private and publicly-listed companies in the resources, oil and gas and construction industries. His international experience as the chief executive of a heavy construction supply contractor coupled with chief executive roles with operating resource companies provides the board with a broad based director, who can provide insight and advice on the full range of domestic and international activities in the AngloGold Ashanti business. Rodney is currently the chief executive of County Coal Limited, a start-up Australian listed company, which he joined in July 2012. He was previously chief executive officer and President of North American Energy Partners Inc., a large Canadian mining and construction contracting company, which he took public with a listing on the NYSE and the TSX. Prior to that he was managing director of Ticor Ltd, an Australian-based titanium producer with operations in Australia and South Africa.

COMPANY SECRETARY

Maria Sanz Perez (49)

BCom LLB, H Dip Tax, Admitted Attorney

Executive Vice President: Legal, Commercial and Governance and Company Secretary

Refer to page 123 for a description of the responsibilities of the company secretary.

AngloGold Ashanti's executive management team (Executive Committee) comprises nine members of whom two are executive directors. This committee oversees the day-to-day management of the group's activities and is supported by country and regional management teams as well as by group corporate functions.

EXECUTIVE DIRECTORS

Srinivasan Venkatakrishnan (Venkat) (49)

BCom, ACA (ICAI)

Chief Executive Officer

Venkat was appointed as CEO in May of 2013, having been joint CEO (with Tony O' Neill) from April of the same year. He had previously been CFO since 2005. Venkat reports to the board and is responsible for creating, communicating and implementing the organisation's vision, mission and strategy. His extensive knowledge of the company and its international portfolio of assets serves him well in this capacity.

Christine Ramon (47)

BCompt (Hons), CA (SA), Senior Executive Programme

Chief Financial Officer

Christine was appointed an executive director and CFO with effect from 1 October 2014. Her far-reaching experience in senior financial management and executive positions in various companies, including having been the CFO and an executive director of Sasol Limited from 2006 to 2013, stand her in good stead in the management of her current portfolio which includes overseeing finance and treasury, insurance services, internal audit, taxation and information technology.

SENIOR MANAGEMENT

Mike O'Hare (55)

BSc (Min. Eng.)

Chief Operating Officer – South Africa

As the Chief Operations Officer – South Africa, Mike's portfolio includes three operating areas (West Wits, Vaal River and Surface Operations). He also leads the company's innovative technology project in South Africa. He has 38 years' experience in mining, having joined Anglo American in 1977, and has knowledge and skills of deep underground mining that are highly regarded globally.

Italia Boninelli (58)

MA (Psychology), Post Graduate Diploma in Labour Relations

Executive Vice President – People and Organisational Development

Holding the portfolio of Human Resources, Italia is responsible for the global people strategy at AngloGold Ashanti where it is well recognised that 'people are the business, and our business is people'. With more than 25 years' experience in human resources across a variety of industries, including mining, manufacturing, healthcare and banking, Italia brings a wealth of knowledge, particularly in the labour field, which is crucial to domestic and international operations. She joined the group in 2010 and is responsible for building a highly engaged and productive workforce.

EXECUTIVE MANAGEMENT

EXECUTIVE
MANAGEMENT
CHARACTERISTICS

Nationality

- South African
56
- American
11

•
Australian
11
•
Spanish
11
•
Indian/British
11
%
Length of service at AngloGold Ashanti
•
Less than three years
22
• Between three and 15 years
33
•
More than 15 years
45
%

Charles Carter (52)
BA (Hons), DPhil, EDP
Executive Vice President – Strategy and Business Development
Charles is responsible for group strategy, business development, corporate finance, investor relations and communications portfolios. He has worked in the mining industry in South Africa and the Americas for more than 24 years and has had responsibility for a range of additional portfolios that include human resources, risk management, business planning and executive responsibility for the company's business in Colombia.

Graham Ehm (58)
BSc Hons, MAusIMM, MAICD
Executive Vice President – Planning and Technical
Graham, who has multi-commodity experience, has held senior leadership positions in AngloGold Ashanti in Tanzania and Australia. His current portfolio entails safety, business process framework (BPF), risk, asset optimisation, capital investment optimisation and monitoring of projects, studies and exploration. The Planning and Technical portfolio is his accountability.

Ron Largent (54)
BSc (Min. Eng.), MBA
Chief Operating Officer – International
Ron has more than 30 years' experience in international mining operations and project management. He joined the organisation in 1994 as Manager, Gold Operations for Cripple Creek & Victor, and was promoted to Executive Vice President – Americas in 2007. He was subsequently promoted to Chief Operations Officer – International in 2013, and his portfolio was extended to include Continental Africa. Effective January 2014, Australia was also included in his remit. He is currently accountable for overall strategic and operational responsibilities for production at the company's mining operations across four continents and nine countries. In addition, he leads a team mandated to remove $500m from the group's operating cost base within an 18-month period ended December 2014.

David Noko (57)
MBA, Post Graduate Diploma in Company Direction; Higher National Diploma – Engineering
Executive Vice President: Sustainability
David leads the sustainability portfolio which comprises the disciplines of health, the environment, social and community affairs, corporate social investment, human rights, global security, stakeholder engagement and government relations. In this role he sets the company sustainability direction and strategy and positions the company externally as a leader within the global sustainability landscape. He has extensive experience both within the mining industry and beyond, having been in leadership roles at South African Breweries, Pepsi Cola, Air Chefs and De Beers Consolidated Mines Limited prior to joining AngloGold Ashanti in 2012.

Maria Sanz Perez (49)
BCom LLB, H Dip Tax, Admitted Attorney
Executive Vice President: Legal, Commercial and Governance and Company Secretary
Maria partners with the company's business leaders to ensure AngloGold Ashanti complies with legal requirements across the group. Other responsibilities are compliance, company secretarial functions, integrated reporting and corporate cost reduction. She is also accountable for the legal and commercial aspects of global procurement. Maria has been with the group since 2011 and has worked in similar positions for leading South African companies in her career including Investec, Sappi and Afrox.

Industry sector experience

- Mining

45

- Finance

22
•
Executive management
22
•
Human resources
11
%
Gender
•
Male
67
• Female
33
%
LEADERSHIP
59

MANAGING OUR HUMAN RESOURCES

Our employees are key stakeholders in our business. We recognise that the sustainability of our business includes/encompasses on our providing wages, benefits, working conditions and development opportunities that will attract and retain the right people with the right skills.

It is one of our core values to treat each other with dignity and respect, believing that individuals who are treated in such a way respond by giving of their best, which in turn creates both personal and organisational advantages. To achieve this we seek to ensure that employees are placed in appropriate roles and are equipped with the right skills and the means to deliver on goals, as entrenched in the System for People and the groups' business strategy.

SUSTAINING EMPLOYMENT

In 2014, AngloGold Ashanti employed on average 58,057 people (43,073 permanent employees and 14,984 contractors) (2013: 66,434 people; 48,159 permanent employees and 18,275 contractors). The dramatic decline in the gold price has led to a change in our business approach and business model with our business strategy aimed at improving the generation of sustainable free cash flow and returns by focusing on five key business objectives, namely: people, safety and sustainability; ensuring financial flexibility; actively managing all expenditures; improving the quality of the portfolio; and maintaining long-term optionality. This required some refocusing on core business and costs, and the restructuring of operations.

We embarked on cost improvements at every level of our business. In re-basing our company, we started at the top of the organisation – rationalising management structures and removing unnecessary intermediaries and layers.

The greatest impact has been at our corporate offices across the group, in the South Africa and Continental Africa regions. In consultation with employees, an organisational design review was conducted and completed at corporate head office and the Continental Africa region's office and certain regional and organisational structures located outside of these, aimed at reducing unnecessary costs by, inter alia:

- Potentially removing any duplicated roles and accountabilities
- Potentially eliminating activities that do not provide sufficient value to the business
- Enhancing cross-functional and divisional activity co-ordination and effectiveness

Employee wages and benefits make up a significant component of our cost base amounting to 39% in 2014 (39% in 2013). In 2014, payments to employees of wages and benefits amounted to $1,588m (2013: $1,593m).

As part of the P500 initiatives to reduce costs across all operations, all labour plans and productivity improvement initiatives have been reviewed. New labour modules based on ideal structures per discipline and utilising analytics on skills profiles and other demographic factors are being developed, and tested on several mines in the Continental Africa, Americas and Australasian regions. The interim results of this exercise were presented to the Remuneration Committee in August 2014 and work is continuing on the practical implementation of the revised labour plans.

Average number of employees
(employees and contractors)

10
11
12
13
14
13,192

48,854
15,176
46,066
17,993
47,829
18,275
48,159
14,984
43,073
Employees
Contractors
“
In 2014, AngloGold
Ashanti employed
– on average –
58,057 people
(43,073 permanent
employees and 14,984
contractors).”

PEOPLE MANAGEMENT

Our System for People (SP) which provides leadership and supporting management processes has helped us ensure employees are placed in the right roles, with clearly defined responsibilities, so that they are able to deliver against our goals.

During 2014, we focused on further integrating the principles governing the SP into our human resources practices at all levels. These principles reinforce the central role of people in achieving our business objectives and the value we place on treating one another with dignity and respect.

Our aim was to simplify our human resources approach, translating it into practical action which could be easily applied, which emphasised engagement focusing on relationships and interaction at all levels of the business and which harnessed technology to improve and streamline people management functions.

Improving engagement processes with all stakeholders has been identified as a key component of our sustainability strategy and employees are no exception. Several key employee engagement initiatives were undertaken in 2014, including a group-wide survey and a series of 'town hall' meetings with the CEO in the South Africa region.

DIVERSITY

AngloGold Ashanti's operations span many different regions in a broad range of countries and, in line with our values, we are committed to creating and preserving diversity in our workplaces.

During 2014, to emphasise and embed the diversity initiatives, a transformation policy was put in place at a group level with the following objectives:

- To create an underlying all-inclusive culture based on shared values
- To put in place the necessary corporate policies and to ensure legislative compliance in promoting transformation
- To put in place targeted initiatives to address regional transformation imperatives, for example, initiatives on issues such as equity ownership and employment equity that are relevant in the South African regulatory context and localisation programmes in Continental Africa.

Initiatives focusing on increasing local employment and skills development are addressed in the context of the group's transformation policy.

In the South African context, the five-year targets for the Mining Charter were met, and this was achieved through the appropriate talent management initiatives.

TALENT MANAGEMENT AND CAREER DEVELOPMENT

Talent management is embedded in the group's human resources policies, which allocate specific roles for mentoring and career development through the organisational structure.

Career development is undertaken in alignment with personal development objectives, which in turn are consistently with company's business needs and strategy.

LEADERSHIP

61

MANAGING OUR HUMAN RESOURCES continued

Given the corporate restructuring undertaken to reduce labour overheads at the corporate office during 2013 and 2014, there was little scope for talent acquisition. However, much emphasis was placed on succession planning to retain talent and develop employees for more senior roles.

Succession plans for the senior and executive levels of the organisation were prepared and presented to the board in November 2014. These plans were developed to address skills gaps and transformation targets, by putting together individual development plans for each employee.

An extensive succession planning and talent pool review exercise was carried out in 2014 and a full set of talent profiles for the extended talent pool was presented to the board in February. Analytics were developed to report cover ratio and other turnover stats.

The CEO conducted one-on-one discussions with all Executive Committee members and his subordinates once-removed (SORs). In line with this initiative all Executive Vice Presidents assisted by their regional HR heads conducted talent discussions with all senior staff, and this will be cascaded to all levels in 2015. The Long Term Incentive Plan (LTIP) metrics have been revised to include succession and talent retention measures.

In addition, a development model for growing future general managers was finalised and the Chairman's Young Leaders Programme was initiated. This programme will see top technical talent receiving executive and top management mentoring while they are exposed to multi-disciplinary projects across our operations internationally, including exchange placements for exposure in the different regions.

PERFORMANCE MANAGEMENT AND CAPACITY DEVELOPMENT

In line with our aim to harness technology so as to improve and streamline our people management systems, a new online performance system is currently being introduced. It was rolled out at the AngloGold Ashanti corporate office in January 2014, prior to its global implementation during 2015, when it will replace legacy or paper-based systems in all regions. Some of the benefits we believe will arise from the implementation of the online system are:

- Enhanced strategic alignment – a common understanding of the organisation's goals and how each employee's work contributes towards the achievement of these common objectives

- Reduced role ambiguity – clarity regarding the accountabilities of each employee's role and a focus on meeting specific performance expectations
- Increased communication and engagement – with managers offering regular feedback to subordinates and providing opportunities for them to share their views on how their work is carried out
- Improved performance and results – as subordinates are coached by their respective managers to help them identify ways to improve their own performance as well as the output of the team
- Better retention – increasing engagement levels as effective performers are recognised and rewarded for their contribution to organisational performance.

This new performance management system will enable a more focused approach to development plans, and the implementation of learning and development activities to address specific developmental needs.

LABOUR AND HUMAN RIGHTS

We respect fundamental labour rights, including the right to organise and collective bargaining. With the exception of Australia and the United States, where collective bargaining is not common in the resources sector, collective bargaining structures are in place at all operations. In South Africa in particular, collective bargaining is a significant feature of our socio-economic landscape, and initiatives to sustain and strengthen our collective bargaining structures have been a priority during the year – see pages 39 and 40.

In 2014, we continued to implement the UN Guiding Principles on Business and Human Rights to meet our obligations to respect human rights throughout our activities and in our business relationships. In line with that commitment, we undertook to implement the three key requirements set out in the Guiding Principles, namely:

- development of a strong human rights framework anchored around a human rights policy
- establishment of a process of human rights due diligence which is embedded in our business processes and risk management framework
- establishment of operational level grievance mechanisms to address and manage community complaints and grievances effectively.

FOCUS ON
QUALITY
OUNCES WITH
LONG-TERM
OPTIONALITY
This section reviews our
historical performance
from operational,
financial and sustainability
perspectives.

Gold production by region
(000oz)
2014
2013
•
South Africa
1,223
1,302
• Continental Africa
1,597
1,460
•
Australasia
620
342
•
Americas
996
1,001
Capital expenditure* by region
($m)
2014
2013
•
South Africa
264
451
•
Continental Africa
454
839
•
Australasia
91
285
•
Americas
394
410
•
Other
6
8
* Includes equity-accounted investments
2013
2014
All-in sustaining costs* by region
($/oz)
1,120
1,064
968

986
1,010
1,202
1,376
970
South Africa
Continental Africa
Australasia
Americas
2013 2014
2013 2014
Water use intensity by region
(kL/t)
0.69
0.71
0.56
0.84
0.45
0.67
1.03
0.44
South Africa
Continental Africa
Australasia
Americas
Energy use intensity by region
(GJ/t)
0.30
0.29
0.29
0.58
0.23
0.38
0.60
0.23
South Africa
Continental Africa
Australasia
Americas
South Africa
Continental Africa
Australasia
Americas
Greenfields exploration
AIFR by region
(per million hours worked)
11.85
1.56
10.73
3.81
3.57

Community investment by region
($m)
2014
2013
•
South Africa
8.1
8.4
• Continental Africa
3.9
13.3
•
Australasia
0.2
0.5
•
Americas
3.7
5.8
•
Equity-accounted
investments
(1.1)
(5.3)
* Excluding stockpile write-offs
Group:
4.4Moz
Group:
$14.8m
Group:
Group:
$1,026/oz
Group average:
(7.15 adjusted for effect of earthquake)
7.36
Environmental
incidents:
5
PRODUCTION
COSTS
CAPITAL
EXPENDITURE
ENVIRONMENT
COMMUNITY
SAFETY
$1.2bn
*****
(2013: 4.1Moz)
(2013: $1,174/oz)
(2013:
$22.5m)

(2013: 10)
(2013: $2.0bn)
(2013: 7.48)
HIGHLIGHTS OF THE YEAR
Gold production increased for the second consecutive year, boosted by the contributions of new mines, Kibali and Tropicana, which had their first full year of production in 2014. The rationalisation of corporate structures and marginal production continued with a range of initiatives – including mine closure and asset sales – to improve the overall quality of the portfolio. Active management of overhead and operating costs, to generate free cash flow, remained a priority.
PERFORMANCE REVIEW
65

FIVE-YEAR SUMMARIES: FINANCIAL

Summarised group financial results – income statement

US dollar million	**2014**	**2013**	**2012**	**2011**	**2010**
Gold income	5,218	5,497	6,353	6,570	5,334
Cost of sales	(4,190)	(4,146)	(3,964)	(3,892)	(3,550)
Gain (loss) on non-hedge derivatives and other commodity contracts	15	94	(35)	(1)	(702)
Gross profit	1,043	1,445	2,354	2,677	1,082
Corporate administration, marketing and other expenses	(92)	(201)	(291)	(278)	(220)
Exploration and evaluation costs	(144)	(255)	(395)	(279)	(198)
Other operating expenses	(28)	(19)	(47)	(31)	

(20)
Special items
(260)
(3,410)
(402)
163 (126)
Operating profit (loss)
519
(2,440)
1,219
2,252
518
Dividends received
–
5
7 –
–
Interest received
24
39
43
52
43
Exchange (loss) gain
(7)
14
8
2
3
Finance costs and unwinding of obligations
(278)
(296)
(231)
(196)
(166)
Fair value adjustments on convertible bonds
(17)
307
245 188 (56)
Share of equity-accounted investments' (loss) profit
(25)
(162)
(30)
72 63
Profit (loss) before taxation
216
(2,533)
1,261
2,370
405
Taxation

(255)
333
(346)
(737)
(276)
(Loss) profit for the year
(39)
(2,200)
915 1,633
129
Allocated as follows:
Equity shareholders
(58)
(2,230)
897
1,587
76
Non-controlling interests
19
30
18
46
53
(39)
(2,200)
915 1,633
129
Summarised group financial results – statement of financial position
US dollar million
2014
2013
2012
2011
2010
Assets
Tangible and intangible assets
5,088
5,082
8,091
6,755
6,374
Cash and cash equivalents
468
648
892
1,112
575
Other assets
3,578
3,944
3,756

2,882
2,583
Total assets
9,134
9,674
12,739
10,749
9,532
Equity and liabilities
Total equity
2,871
3,107
5,494
5,120
4,113
Borrowings
3,721
3,891
3,583
2,488
2,704
Deferred taxation
567
579
1,084
1,148
900
Other liabilities
1,975
2,097
2,578
1,993
1,815
Total equity and liabilities
9,134
9,674
12,739
10,749
9,532

Summarised group financial results – statement of cash flows

US dollar million	**2014**	**2013**	**2012**	**2011**	**2010**
Cash flows from operating activities					
Cash generated from operations	1,373	1,392	2,350	3,081	1,714
Dividends received from equity-accounted investments	–	18	72	111	143
Net taxation paid	(153)	(164)	(453)	(379)	(188)
Cash utilised for hedge buy-back costs	–	–	–	–	(2,611)
Net cash inflow (outflow) from operating activities	1,220	1,246	1,969	2,813	(942)
Cash flows from investing activities					
Capital expenditure	(1,018)	(1,569)	(2,004)	(1,567)	(973)
Net proceeds (payments) from acquisition and disposal of subsidiaries, associates and joint ventures	40	(464)	(684)		

(117)
(44)
Net (payments) proceeds from disposal and
acquisition of investments, associate loans, and
acquisition and disposal of tangible assets
(11)
(8)
(70)
(62)
95
Interest received
21
23
36
39
32
Decrease (increase) in cash restricted for use
24
(20)
(3)
(19)
25
Other
1
(2)
(50)
4
(6)
Net cash outflow from investing activities
(943)
(2,040)
(2,775)
(1,722)
(871)
Cash flows from financing activities
Net proceeds from share issues
–
–
2
9
778
Net (repayments) proceeds from borrowings
(150)
858
1,215
(159)
648
Finance costs paid
(245)
(200)
(145)

(144)
(115)
Dividends paid
(17)
(62)
(236)
(169)
(117)
Acquisition of non-controlling interest
–
–
(215)
–
–
Other
(9)
(36)
(30)
–
–
Net (outflow) inflow from financing activities
(421)
560
591 (463)
1,194
Net (decrease) increase in cash and cash equivalents
(144)
(234)
(215)
628
(619)
Translation
(16)
(30)
(5)
(102)
105
Cash and cash equivalents at beginning of year
628
892
1,112
586
1,100
Cash and cash equivalents at end of year
(1)
468
628
892
1,112
586
(1)

The cash and cash equivalents balance at 31 December 2010 includes cash and cash equivalents included in the statement of financial position as part of non-current assets held for sale of $11m. The cash and cash equivalent balance at 31 December 2013 includes a bank overdraft included in the statement of financial position as part of other liabilities of $20m.

FIVE-YEAR SUMMARIES: FINANCIAL continued
Ratios and statistics
Units
2014
2013
2012
2011
2010
Earnings
Adjusted gross profit (loss)
$m
1,028
1,351
2,389
2,678
(1,191)
Adjusted gross margin
%
20
25
38
41
(51)
Headline (loss) earnings
$m
(79)
78
1,208
1,519
122
Adjusted headline (loss) earnings
$m
(1)
599
988
1,332
(1,758)
Adjusted headline (loss) earnings
excluding hedge buy-back costs
$m
(1)
599
988
1,332
787
Adjusted EBITDA
(1) (2)
$m
1,665
1,667
2,529

3,134
1,897
Adjusted EBITDA margin
(1)
%
32
30
40
48
38
Interest cover
times
7
7
14
22
16
(Loss) earnings per ordinary share
Basic
US cents
(14)
(568)
232
411
20
Diluted
US cents
(14)
(631)
177
355
20
Headline
US cents
(19)
20
312
394
33
Adjusted headline
US cents
0
153
255
345
(473)
Dividends per ordinary share
US cents
–
5
35

49
20
Asset and debt management
Equity
$m
2,871
3,107
6,082
5,880
4,987
Net capital employed
$m
6,640
5,519
8,420
7,444
7,017
Net debt
$m
3,133
3,105
2,061
610
1,288
Net asset value – per share
US cents
711
770
1,580
1,528
1,299
Net tangible asset value – per share
US cents
655
704
1,498
1,473
1,248
Market capitalisation
$m
3,515
4,727
12,025
16,226
18,767
Return on equity
(1)
%
0
18
19

26
20
Return on net capital employed
(1)
%
4
12
15
20
15
Net debt to equity
%
104
100
34
10
26
Gold price
Closing price at year-end
$/oz
1,266
1,411
1,668
1,572
1,227
Average gold price received
$/oz sold
1,264
1,401
1,664
1,576
561
Other
Weighted average number of shares
million
408
393
387
386
372
Issued shares at year-end
million
404
403
385
385
384
Exchange rates
Rand/dollar average
10.83
9.62

8.20
7.26
7.30
Rand/dollar closing
11.57
10.45
8.45
8.04
6.57
Australian dollar/dollar average
1.11
1.03
0.97
0.97
1.09
Australian dollar/dollar closing
1.22
1.12
0.96
0.97
0.98
Brazilian real/dollar average
2.35
2.16
1.95
1.68
1.76
Brazilian real/dollar closing
2.66
2.34
2.05
1.87
1.67
(1)
Excludes hedge buy-back costs in 2010.
(2)
The adjusted EBITDA calculation is based on the formula included in the revolving credit agreements for compliance with the debt covenant formula
as specified in the revolving credit agreements.

ECONOMIC VALUE-ADDED STATEMENT

For the year ended 31 December

US dollar millions		**%**	**2014**	**%**	**2013**
Economic value generated					
Gold sales and by-product income	(1)	99	5,350	99	5,646
Interest received		1	24	1	39
Royalties received		–	4	–	18
Profit from sale of assets	(2)	–	23	–	2
Income from investments		–	–	–	7
Total economic value generated		100	5,401	100	5,712
Economic value distributed					
Operating costs	(3)	46	2,464	43	2,484
Employee salaries, wages and other benefits		30	1,588	28	

1,593
Payments to providers of capital
5
278
6
336
– Finance costs and unwinding of obligations
5
278
5
296
– Dividends
–
–
1
40
Corporate taxation
– Current taxation
(4)
3
165
2
134
Community and social investments
(5)
–
14
1
27
Loss from investments
(6)
–
20
–
–
Total economic value distributed
84
4,529
80
4,574
Economic value retained
(7)
16
872
20
1,138
(1)
Gold sales decreased by 5% year-on-year due to a 10% lower average price received of $1,264/oz, partially negated by a 9% increase in the ounces sold.
(2)
Includes a loss on sale of Navachab mine of $2m.

(3)
Includes retrenchment costs at Obuasi of $210m in 2014 (2013: nil).
(4)
Current tax charge (credit) by country is as follows:

US Dollar millions	**2014**	**2013**
South Africa	*30*	*(18)*
Argentina	*24*	*36*
Australia	*–*	*(2)*
Brazil	*31*	*56*
Ghana	*2*	*1*
Guinea	*31*	*22*
United States of America	*(5)*	*–*
Tanzania	*65*	*32*
Other	*(13)*	*7*

(5)
Community and social investments exclude expenditure by equity accounted joint ventures.
(6)
Includes $21m loan impairment and $45m net equity losses from Rand Refinery (Pty) Limited.
(7)
Economic value retained excludes impairments and impairment reversals.

REGIONAL REVIEWS

South Africa

AngloGold Ashanti's five South African deep-level mines and surface production facilities are divided into three areas of operation: Vaal River, West Wits and Surface Operations. At present, these three areas comprise the following operations:

Vaal River

The Vaal River mining operations comprise three mines located around 170km to 180km from Johannesburg, near the Vaal River on the Free State-North West Province border. These three mines, which share a milling and treatment circuit, are:

- Great Noligwa, a mature operation nearing the end of its life, adjoins Kopanang and Moab Khotsong in the Free State. The mine primarily exploits the Vaal Reef by means of scattered mining via a twin-shaft system over three main levels at an average depth of 2,100m.
- Kopanang is located to the west of neighbour Great Noligwa and bound to the south by the Jersey Fault. Gold is the primary output, with uranium oxide produced as a by-product, from a single shaft system to a depth of 2,600m. It almost exclusively exploits the Vaal Reef.
- Moab Khotsong is AngloGold Ashanti's newest gold mine in South Africa. Stoping operations began in November 2003 with full production achieved in 2010. Given the geological complexity of the Vaal Reef, scattered mining is employed.

West Wits

The two West Wits operations, situated southwest of Johannesburg, on the border between Gauteng and North West Province, are:

- Mponeng, the world's deepest gold mine and our flagship operation in the South Africa region, exploits the Ventersdorp Contact Reef (VCR) at depths of between 2,400m and 3,900m via a twin-shaft system. Ore is treated and smelted at the mine's gold plant.
- TauTona exploits both the Carbon Leader Reef (CLR) and the VCR via a three-shaft system, supported by secondary and tertiary shafts sinking to depths of between 1,850m and 3,450m. TauTona's infrastructure is to be used to access the remaining Ore Reserve at the former Savuka mine. A link between the two mines reduces dependency on a single infrastructure system, including ore passes. The integration of Savuka into TauTona has been completed and is expected to extend TauTona's life of mine. The hoisting of Savuka ore via TauTona is planned to start in the second quarter of 2015.

Surface Operations

- Surface Operations extracts gold from marginal ore dumps and tailings storage facilities on surface at various Vaal River and West Wits operations. The hard rock business processes hard rock material from underground as well as from marginal ore dumps. Surface Operations also includes Mine Waste Solutions (MWS) which operates independently and processes slurry material reclaimed hydraulically from the various tailings storage facilities. Uranium is produced as a by-product, as is backfill that is used as mining support in underground mined out areas.

Good progress is being made with the consolidation of the individual operations in each of these areas into three operating entities so as to eliminate any duplication of services and management. This consolidation will have both cost and efficiency benefits. As an initial step in this process, Great Noligwa mine employees have been successfully incorporated with those of Moab Khotsong. The consolidation of the West Wits mines and of Surface Operations is

expected to follow in due course.
Contribution to regional production – 2014
•
West Wits
45
• Vaal River
37
•
Surface Operations
18
%
Contribution to group production – 2014
•
South Africa
28
• Rest of AngloGold Ashanti
72
%

Key statistics

Units

2014

2013

2012

Operational performance

Tonnes treated/milled

Mt

38.4

39.2

22.2

Pay limit

(1)

oz/t

0.39

0.36

0.40

g/t

14.35

13.37

12.41

Recovered grade

(1)

oz/t

0.239

0.204

0.219

g/t

8.19

7.00

7.50

Gold production

000oz

1,223

1,302

1,212

Total cash costs

$/oz

849

850

873

Total production costs

$/oz

1,087

1,070

1,097

All-in sustaining costs

(2)

$/oz

1,064

1,120

1,189
Capital expenditure
$m
264
451
583
Productivity
oz/TEC
4.40
4.47
4.19
Safety
Number of fatalities
4
6
11
AIFR
per million hours worked
11.85
12.63
13.24
People
Average no of employees: Total
29,511
32,406
34,186
– Permanent employees
26,056
28,526
29,740
– Contractors
3,455
3,880
4,446
Employee turnover
%
10
12
8
Training and development expenditure
$m
37.5
45
63
Environment
Total water consumption
ML
27,219
27,228
23,813
Total water use per tonne treated

kL/t
0.71
0.69
1.07
Total energy usage
PJ
11.31
11.80
11.65
Total energy usage per tonne treated
GJ/t
0.29
0.30
0.52
Total greenhouse gas (GHG) emissions
000t CO
2
e
2,981
(3)
3,025
(3)
3,009
Total GHG emissions per tonne treated
t CO
2
e/t
0.08
0.08
0.13
Cyanide used
t
10,100
9,688
6,129
No. of reportable environmental incidents
1
3
10
Total rehabilitation liabilities:
$m
83.5
78.1
148.8
– restoration
$m
12.2
10.0
43.7
– decommissioning
$m

71.3
68.1
105.1
Community and government
Community expenditure
(4)
$m
8.1
8.4
7.7
Payments to government
$m
144
157
251
– Dividends
$m
–
–
–
– Taxation
$m
16
12
81
– Withholding tax (royalties, etc.)
$m
18
12
29
– Other indirect taxes and duties
$m
–
–
1
– Employee taxes and other contributions
$m
100
122
131
– Property tax
$m
5
5
3
– Other (includes skills development)
$m
5
6
6
(1)

Refers to underground operations only.
(2)
Excludes stockpile write-offs.
(3)
The Eskom grid emission factor was revised by the National Business Initiative in consultation with Eskom, leading to a change in the electricity-
related emissions reported for 2012 and 2013. The figure reported for 2012 included Nufcor.
(4)
Includes corporate social investment expenditure.

OPERATIONAL PERFORMANCE

Production

Production declined by 6%, predominantly a consequence of safety-related stoppages, the aftermath of the earthquake experienced on 5 August 2014, and unscheduled shaft maintenance at Mponeng.

The 5.3 magnitude earthquake affected the Vaal River mines. Production was halted at these operations for five to ten days to allow for the aftershocks to subside and to undertake repairs before production resumed. At Mponeng, production was adversely affected by safety-related stoppages as well as an incident that occurred during shaft slinging, suspending operations for seven days to allow for significant repair work on damaged shaft steelwork and to return the shaft to safe levels of service.

Production from Surface Operations was negatively affected by the decreased grade of the material sourced from the marginal ore dumps. Mining flexibility has been improved to enable more active blending.

The region's contribution to group attributable gold production declined to 28% from 32% in 2013. In addition, the Vaal River operations produced 1.3Mlb of uranium.

Costs

The intense focus on cost containment continued in 2014, in line with the Project 500 initiative to reduce overall group costs by $500m in the 18 months to end 2014, cost reduction initiatives were undertaken in the region. The emphasis on the management of labour costs, reef mining-related activities, power consumption, contractors and the implementation of service-optimisation strategies as well as a robust critical review of commodity- and services-related contracts all contributed to lower operating costs. Inflationary pressures, which included increases in electricity tariffs that exceeded inflation, were partially compensated for by cost savings from the Project 500 initiatives and also a weaker local currency. All-in sustaining costs for the year declined for the second consecutive year, 5% to $1,064/oz.

Growth and improvement

Project Zaaiplaats at Moab Khotsong, which was temporarily halted in 2013, remains on hold. Additional geological information gathered in the interim reflected a deterioration in the grade of the project, making it economically unviable at current gold prices.

At Mponeng, phase 1 of the deepening project to access the VCR progressed well. Although safety stoppages following a shaft incident led to some delays, stoping and ledging operations have begun. The emphasis in the coming year will be to increase the volume of ore reserve development so as to open up the high-grade Ore Reserve. Given the slump in the gold price, phase 2 of this project to access the CLR was delayed slightly in 2014. Critical-path work continued and included the installation of ventilation and refrigeration infrastructure to enable the ramp-up to full project execution in 2015, should the capital budget be approved. This project will also investigate the viability of optimised shift schedules with a view to improving productivity and speeding up access to the higher-grade areas.

The uranium plant at Mine Waste Solutions (MWS) was successfully completed with the first deliveries in the fourth quarter of the year. The recovery in the uranium price during the year was encouraging.

REGIONAL REVIEWS continued

South Africa

KEY PERFORMANCE INDICATORS

Production

(000oz)

10

11

12

13
14
1,785
1,624
1,212
1,302
1,223
Productivity
(oz/TEC)
10
11
12
13
14
5.63
5.85
4.19
4.47
4.40
AIFR
(per million hours worked)
10
11
12
13
14
16.69
15.57
13.24
12.63
11.85
Total cash costs
All-in sustaining costs
(excluding stockpile write-offs)
Total cash costs and all-in
sustaining costs
(S/oz)
598
1,189
1,120
849
1,064
694
873
850
10
11
12
13
14

72

Mineral Resource and Ore Reserve

As at 31 December 2014, the total Mineral Resource (inclusive of the Ore Reserve) for the South Africa region was 85.63Moz (2013: 94.27Moz) and the Ore Reserve 27.45Moz (2013: 30.9Moz). This is equivalent to around 37% and 48% of the group's total attributable Mineral Resource and Ore Reserve respectively.

SUSTAINABILITY PERFORMANCE

People

The South Africa region's workforce averaged 29,511 people in 2014 – 26,056 full-time employees and 3,455 contractors – as compared to 32,406 in 2013 and 34,186 in 2012 – a decline of 14% in two years. This decline in the workforce was a result of various cost rationalisation initiatives implemented across the group over the past two years. Productivity declined to 4.40oz/TEC in 2014 (2013: 4.47oz/TEC).

In the South Africa region, 94% of our workforce is represented by the four industry unions. Union representation in the South African gold mining industry as a whole is as follows: AMCU (27%), NUM (54%), Solidarity (2.5%) and UASA (6.5%).

During 2014, work continued with the incorporation of organised labour representatives in dialogue on business issues. In particular, we have engaged with them on the economics of our industry, the gold market and on the legal and statutory framework regulating industrial relations in South Africa. Employee engagement included quarterly briefs by the chief operations officer on the company's financial and operational performance. In addition, to effectively engage on the restructuring processes, the region established a central restructuring plenary committee and a transformation committee, both aimed at achieving consensus on various issues and forging improved relations between management and the unions. AMCU signed a formal recognition agreement with AngloGold Ashanti in the fourth quarter of the year, and has been fully integrated in all statutory labour committees.

The second year of the current wage agreement became effective on 1 July 2014 with increases of 6.5% to 7% in wages. In line with the Deputy President's Stability Agreement (Framework Agreement for a Sustainable Mining Industry entered into by Organised Labour, Organised Business and Government) and other items included in the 2013 wage agreement, we began work on related matters, particularly employee indebtedness. This is a concern at all levels. According to an audit conducted at mid-year, 1,900 employees in the South Africa region had at least one garnishee order in force against their wages and salaries. In terms of the indebtedness initiative, *Masidibanise Izandla* ('let's put our hands together') the services of legal firms have been retained to assist employees in their dealings with often dubious business practitioners, especially credit providers. In addition, dedicated financial consultants have been employed by the company to provide financial advice and to assist with debt consolidation and management, and ultimately to eliminate debt altogether. Every garnishee order in place is being scrutinised as are any instructions for new ones, prior to their implementation.

The next round of wage negotiations is due to begin early in 2015 as the current wage agreement comes to an end on 30 June 2015.

PERFORMANCE REVIEW

Capital expenditure

Capital expenditure declined by 41%, in line with the group-wide cost optimisation and rationalisation programme and the resultant scaling back of project investment. Capital expenditure in 2014 was again predominantly on ore reserve development across all underground operations and on the Mponeng deepening project, as well as stay-in-business items and activities across all underground operations.

73

Given the increasing need for improved communication with employees in the region, three employee surveys were conducted during the year to identify specific needs and areas of concern. The results of these surveys highlighted several key requirements:

- Improved employee communication, in terms of the frequency, quality and the quantity of information
- Detailed investigations into unethical behaviour
- Improved supervisor/management training as well as engagement

In response, engagement by senior management has been stepped up. Large group meetings (town hall type meetings) have been held. These initiatives were supplemented by mass meetings across all mines, hosted by the CEO, COO: South Africa and business unit general managers. Refer to page 39 for further related information. A communication programme, *Your voice matters*, to engage with employees via a digital platform, has been implemented. This programme, which involves two-way communication between the company and its employees in the South Africa region, will enable the company to communicate with those employees who register to participate in the programme and for these employees to share their views with the company.

Safety

Despite the region recording its best safety performance ever, there were tragically four fatalities during 2014 (2013: six) – one at the Vaal River operations and three at the West Wits operations. Three of these were caused by falls of ground and one was the result of an incident involving piping and construction work.

All mines and plants in the region achieved 1 million fatality-free shifts and Kopanang, most notably, has recorded three million fatality-free shifts. This was achieved despite the impact of the 5.3 magnitude earthquake which resulted in minor injuries to 30 employees and the evacuation and safe return to surface of 3,300 people in all at the Vaal River operations.

While work remains to be done to achieve our target of zero harm, much of the improved safety performance can be attributed to the very successful visible felt leadership drive and the observable steps taken (installation of bolts and netting, training and technological improvements such as electronic systems to monitor the various aspects of underground working areas) to make the working environment safer. Employee surveys conducted during the year confirmed that *'Safety is our First Value'* is embedded in the psyche of employees.

Group-wide, safety efforts concentrated on expanding our understanding of how safety risks arise and why safety incidents occur so as to develop a critical control methodology. Given the higher frequency of safety incidents at the South African operations, the focus in 2014 was on embedding this methodology at these operations, with the emphasis on the two major safety risks: falls of ground and vertical transport.

Technology initiative

The Technology Innovation Consortium continued to make significant progress towards the development of the new deep-level mining technology. The aim, ultimately, is to develop a cost-efficient, safe, mining method to implement at our deep-level underground operations in South Africa to extract stability pillars and areas that might otherwise not be safe or viable to mine.

In 2015, the final element of work will be to compile a deep-level mining method based on this mining style. Key to maximising the efficacy of this method will be enhanced machine efficiencies. This in turn will entail increasing machine availability and a 24-hour mining cycle. While such working arrangements are still to be negotiated with labour, they would increase the global competitiveness of the South African mining industry.

Health

Health statistics in the region have improved significantly. One of the region's major health challenges, occupational lung diseases (OLD), particularly silicosis, are managed primarily by reducing the level of exposure of employees to silica-bearing dust. During 2014, implementation continued of multi-stage filtration systems at ore transfer points as well as footwall treatment to prevent the infiltration of dust into working areas. The progressive introduction of improved controls has led to reduced exposure by South African employees to silica-bearing dust – 201 new cases were diagnosed in 2014 compared to 293 in 2013. Given the legacy of silicosis in the industry as a whole, AngloGold Ashanti, together with four South African mining companies, embarked on a joint collaboration to establish a process together with other stakeholders – government, labour, employees – to address related compensation and medical care in the South African gold mining industry.

The incidence of pulmonary tuberculosis (TB), another OLD, which has decreased substantially over the past 10 years, has begun to plateau (see the **>SDR** for further details): 1.57% for 2014 compared to 1.50% in 2013 and a national average of 1%. Over the past decade, the incidence of TB has improved by around 60%. Initiatives to combat TB, which apply to both employees and contractors, are aimed at addressing the wide range of underlying contributing factors to the disease and are being extended to communities around operations to further underpin their effectiveness.

Noise-induced hearing loss (NIHL) is prevented by the silencing of equipment, the wearing of hearing protection by employees and administrative controls. The incidence of NIHL continued to decline in South Africa, with 30 cases diagnosed in 2014 (2013: 38 cases).

Environment

There was only one reportable environmental incident in 2014 – a threefold improvement year-on-year. This performance exemplifies the ongoing operational improvements in process water containment, stormwater control and tailings pipeline management over the last five years. Also commendable is the work done at MWS in response to in-plant spillages and their containment, as well as the incorporation of MWS into the environmental management system of the South Africa region's Surface Operations.

The risk of inter-mine flooding and the associated costs remains a high priority:

- The Vaal River operations continue to monitor closely and pursue all avenues to reduce the potential financial burden of the intended closure of neighbouring mines in the Vaal River area. AngloGold Ashanti continues to use excess water from underground at its Vaal River operations for hydraulic tailings reclamation at MWS.

05
06
07
08
09
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14

Milestone compliance

Silica dust in samples

(%)

10.17

9.00

7.40
2.80
2.20
1.20
0.74
0.92
1.00
1.31
75

REGIONAL REVIEWS continued
South Africa

- The West Wits operations continue to pump and discharge water at Blyvooruitzicht mine's 4 and 6 shafts. Currently, the pumping of water is being conducted in terms of a directive to pump and discharge water pending the final issuing of a water use licence, the application of which has been submitted to the regulatory authorities.

Since a carbon tax on greenhouse gas emissions for South Africa was first proposed in 2010, AngloGold Ashanti has actively engaged with government, industry partners and other experts to ensure that when introduced, the tax is appropriately tailored to the South African business context. Our financial models have been revised to include the potential impact of such a tax, currently scheduled to be introduced from the beginning of 2016. Almost 98% of AngloGold Ashanti's emissions in South Africa are Scope 2 emissions, that is emissions resulting from the purchase of electricity from Eskom, the national power utility, which uses coal in its energy-generation process.

In the interim, the focus remains on reducing energy usage at our energy intensive, deep-level South African operations, from the perspective of both cost and emissions. These operations account for approximately 65% of the group's greenhouse gas emissions and 36% of its energy usage. For more detail on the proposed carbon tax, see the **>SDR**.

The region's strategic environmental focus areas remain integrated water management, closure planning, waste management, knowledge management, legal compliance and the dust mitigation programme for tailings storage facilities.

Stakeholder engagement and communities

The delivery of community development projects is informed by the Social and Labour Plans (SLPs) compiled in accordance with the requirement of the South African Mining Charter and its accompanying scorecard targets. The initial SLPs were for the period 2010 – 2014 and the company's performance against these plans and the targets set was audited during the course of 2014. The Moloto audit, concluded in November 2013, confirmed that by the end of 2014 AngloGold Ashanti would have met all its targets as required. Indeed, by December 2014 we had met all the Mining Charter Targets and exceeded some.

The second set of SLPs, for the period 2015 – 2019, has been submitted to the DMR and is available on our website under the Sustainability tab, (www.anglogoldashanti.com/en/sustainability/MiningCharter/Pages/default.aspx). The community development projects and targets detailed in these plans were compiled and agreed in discussions and negotiations with the communities involved and other significant stakeholders. The initial SLPs included board-approved commitments amounting to \$46.4m (R418m) for local economic and enterprise development and community and human resources projects.

In 2014, \$6.5m (R71.3m) was spent completing local economic development and on community and human resources projects. The region delivered several such projects in

2014 which were officially launched in Merafong, including a library and a science laboratory for schools in the Matlosana municipality as well another science laboratory for a school in Lusikisiki, one of our labour-sending areas.

In addition to these infrastructure projects, income-generating local-economic development projects began with the implementation of the social and labour plans (SLPs) for the Vaal River and West Wits operations. One of these projects, the Merafong Agricultural Project, employs 20 people and has already planted sugar bins on 2ha of land. This project is a partnership between AngloGold Ashanti, which funded the project, and the Merafong Local Municipality, which donated the land. Other partners are the departments of Agriculture and of Social Services. This is a true demonstration of how public-private partnerships can contribute meaningfully to local economic development and towards poverty reduction by creating and supporting sustainable livelihoods.

During the year work continued in the labour-sending areas in remote villages of the Eastern Cape. Employment was created through the support of a sheep-shearing project in Mthata, a cattle farm in Lusikisiki, and piggeries in Libode and Ngqeleni. These projects are run by co-operatives and the women in these villages who have unlocked value in the agriculture and farming fertile Eastern Cape to generate income and derive disposable income.

Two youth business hubs in Merafong, also funded by AngloGold Ashanti, became operational in the reporting period. The hub located in Matlosana created 35 jobs almost immediately. The hubs were modelled around formalising what are traditionally informal businesses, such as hair salons and car washes, among others, and situating them in one central, high-traffic location.

The Social and Institutional Development Fund, which finances approved projects requested by communities and NGOs which are beyond the scope of the SLPs and our Mining Charter commitments, addresses social challenges relating to the Millennium Development Goals such as helping to eradicate poverty, promote gender equality and sponsor youth development, among others. This fund spent a total of $1.3m in 2014 (2013: $1.4m), bringing the total spent to date to $4.4m, of which $1.5m was spent in labour-sending areas.

Illegal mining is of growing concern, particularly at the operations close by to those where mining has been suspended. See the section in this report entitled Analysis of our external environment for discussion on this.

External communication has also been improved with the *This is Gold* initiative, (www.thisisgold.co.za) which has been undertaken in collaboration with three other South African gold producers. This initiative provides insight into the local gold industry, its history, processes, its contribution to the South African economy and its role globally, as well as the work being done by the industry and the plans in place to improve its future prospects.

PERFORMANCE REVIEW

OUTLOOK

The emphasis in 2015 will remain on cost containment, including the consolidation of regional and mine services, with benefits expected to be derived from reduced capital expenditure, labour rationalisation and efficiency improvements, among others.

In 2015, attributable production from the South Africa region is expected to be between 1.18Moz and 1.27Moz at a total cash cost of between $797/oz and $849/oz (all-in sustaining cost of between

$1,024/oz and $1,075/oz).
Capital expenditure of $272m to
$299m is estimated.
77

REGIONAL REVIEWS continued

Continental Africa

AngloGold Ashanti has six producing mines and processing operations – of which the group manages four – in five countries in the Continental Africa region, following much activity in 2014 with the sale of the Navachab mine in Namibia, the transition to limited mining at Obuasi in Ghana and the cessation of mining at Yatela in Mali.

Democratic Republic of the Congo

- Kibali, which began commercial production in October 2013 is steadily ramping up production. The mine is adjacent to the town of Doko and 180km from Arua on the Ugandan border. The project is co-owned by AngloGold Ashanti (45%), Randgold Resources Limited (45%) and Société Minière de Kilo-Moto (SOKIMO) (10%), a state-owned gold mining company. Randgold Resources manages and operates the mine. It is expected that Kibali will be one of the largest mines of its kind in Africa.

Ghana

- Iduapriem, which comprises the Iduapriem and Teberebie properties in a 110km2 concession, is located in the Western Region of Ghana, some 70km north of the coastal city of Takoradi and 10km southwest of the Tarkwa mine. Iduapriem is an open-pit mine and its processing facilities include a carbon-in-pulp (CIP) plant.
- Obuasi is located in the Ashanti Region, approximately 60km south of Kumasi. Mining operations have primarily been underground, to a depth of 1,500m. Following a two-year review of operational efficiencies, mining operations were significantly curtailed. A feasibility study investigating options to modernise and improve the life-of-mine plan is underway. The focus of the study is not only on the economic and technical aspects but also security, environmental obligations and community relations.

Guinea

- Siguiri is a multiple open-pit oxide gold mine in the relatively remote district of Siguiri, around 850km northeast of the country's capital, Conakry. The area has significant potential for gold mining and has long been an area of traditional artisanal mining. The gold processing plant treats about 30,000t daily. AngloGold Ashanti holds an 85% interest in Siguiri, with the remaining 15% held in trust for the nation by the Government of Guinea.

Mali

- Morila is a joint venture between AngloGold Ashanti and Randgold Resources, which manages the mine, and in which each has a 40% interest. The Government of Mali owns the remaining 20%. Morila is situated 180km southeast of Bamako, the country's capital. The operation ceased mining operations in 2009 and currently treats low-grade stockpiles and marginal waste. The plant, which incorporates a conventional carbon-in-leach process with an up-front gravity section to extract the free gold, has an annual throughput capacity of 4.3Mt. In 2014, 18.4Mt of material from the pit and 3.2Mt of stockpile material were processed.
- Sadiola is a joint venture between AngloGold Ashanti (41%) and IAMGOLD (41%). The Government of Mali owns the remaining 18%. The Sadiola mine is situated in south-western Mali, some 77km south-southwest of the regional capital Kayes. Mining takes place in five open-pits. On-site surface infrastructure includes a 4.9Mt per annum carbon-in-leach (CIL) gold plant where the ore is eluted and smelted.

Contribution to regional production
by country – 2014

- Tanzania
30
- Ghana
26
- Guinea
18
- DRC
15
- Mali
9
- Namibia
2
%

Contribution to group production – 2014

- Continental Africa
36
- Rest of AngloGold Ashanti
64
%

Key statistics

	Units	**2014**	**2013**	**2012**
Operational performance				
Tonnes treated/milled	Mt	29.9	26.9	27.8
Pay limit	oz/t	0.039	0.049	0.041
	g/t	1.345	1.669	1.273
Recovered grade	oz/t	0.054	0.054	0.055
	g/t	1.66	1.69	1.70
Gold production (attributable)	000oz	1,597	1,460	1,521
Total cash costs	$/oz	783	869	830
Total production costs	$/oz	977	1,086	1,060
All-in sustaining costs (1)	$/oz	968	1,202	1,235
Capital expenditure				

$m
454
839
925
Productivity
oz/TEC
14.36
9.97
10.97
Safety
Number of fatalities
0
2
5
AIFR
per million hours worked
1.56
1.97
2.26
People
Average no of employees: Total
16,070
16,625
16,621
– Permanent employees
8,739
10,778
10,014
– Contractors
7,331
5,847
6,607
Employee turnover
(2)
%
64
11
5
Training and development expenditure
$m
2
11
NR
Environment
Total water consumption
ML
17,582
21,031
(3)
19,132
Total water use per tonne treated

kL/t
0.56
0.67
0.60