



Highlights of the year

In 2012, attributable production at SiguiRI declined marginally to 247,000oz, equivalent to 6% of total group production and 16% of the Continental Africa region's production.

There was an average of 3,643 employees for the year at SiguiRI – 1,902 permanent employees and 1,741 contractors – with a productivity rate of 6.64oz/total employee costed (TEC) (2011: 12.03oz/TEC).

Capital expenditure at SiguiRI in 2012 was \$32m (attributable: \$28m), an increase of 87% on the \$18m spent in 2011 and bringing total capital expenditure for the five years 2008 – 2012 to \$93m.

As at 31 December 2012, SiguiRI had a total Mineral Resource of 5.17Moz (2011: 5.18Moz) and a total Ore Reserve of 2.20Moz (2011: 2.31Moz), equivalent to 2% and 3% respectively of group resources and reserves.

DESCRIPTION

AngloGold Ashanti holds an 85% interest in SiguiRI, with the government of Guinea holding the remaining 15%.

SiguiRI is situated in northeast Guinea, 850km from Conakry, the capital of Guinea, and covers a total area of 1,495km².

The SiguiRI operation, which comprises multiple open-pits containing oxide gold, is mined by contractors, using conventional open-pit techniques. SiguiRI's carbon-in-pulp (CIP) surface gold processing plant treats about 32,400t daily or approximately 11.8Mt annually.

The region has a long history of gold mining and artisanal mining is by far the dominant livelihood activity, with agriculture only a poor second. With the increase in the gold price, artisanal and small-scale mining (ASM) has developed considerably over the past decade. Since the late 1970s, gold has also been produced in the region by a variety of industrial operators.

PERFORMANCE IN 2012

Operational performance

Following the slump in performance in 2011, the SiguiRI operation maintained a steady performance during 2012 in a difficult environment of dwindling plant feed grades. Key to this performance was a substantial improvement in monthly plant throughput tonnages which were maintained at close to one million tonnes a month.

Total cash costs for the year were \$884/oz, a 3% increase on the prior year (2011: 34% increase to \$862/oz), mainly a result of: 31% increase in labour costs; 20% increase in the cost of services; 34% increase in aircraft transport expenses (given the unrest in Mali, employees and contractors travelled via Dakar in Senegal rather than Bamako in Mali), 49% increase in gold refining costs and 8% in fuel and power costs.

Contribution to group production

(%)



Siguiri reported record plant performance in December 2012. These improvements at Siguiri were largely as a result of the implementation of the Business Process Framework (BPF) component of Project ONE. While this process, which started in 2009, has had the desired effect throughout the operation, in 2012 its effects were particularly significant in the mining operations. The improvements flowed from engineering and processing work reviews and manifested in improved planning and scheduling, the optimisation of the use of equipment, and effective and timeous grade control. Previous mining flexibility problems have largely been resolved.

In the area of labour relations, meaningful strides have been made with the implementation of early engagement channels and by providing assistance with capacity building within the labour union. What was previously a fairly adversarial relationship has matured into one which is more constructive and collaborative.

Growth and improvement

The growth strategy shows that by expanding the current plant, Siguiri could increase production. Current annual milling capacity is 11.8Mt and work is underway to test the viability of increasing this by 18.6% to 14Mt by 2022. Enhanced mill capacity will facilitate an increase in production from current levels to approximately 400,000oz. Related studies are expected to be completed by the end of 2016.

Exploration work to find new reserves in this highly prospective area is underway. Additional drilling will also increase the knowledge base of the sulphide ore body in Block 1. Expansion planning is underpinned by the revision of land access and compensation procedures.

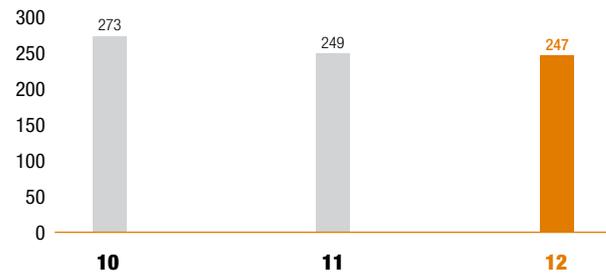
The integration of Project ONE into all aspects of the operation, so as to improve productivity, has been very effective and has resulted in a 1Mt increase in annual throughput. Another valuable enhancement was the fitting of a modular mining fleet-management system on all trucks and primary loaders to improve productivity and cut costs.

Exploration

Siguiri's expansion strategy is supported by exploration activities aimed at upgrading the oxide mineral resource and increasing the mine's Ore Reserve. The Ore Reserve development programme aims to have an Ore Reserve of more than 4Moz

Siguiri – annual production

(000oz)



by 2016, from current levels of 2.57Moz.

At Siguiri, total drilling of 144,907m was completed in 2012 with the focus being to upgrade the oxide Mineral Resource at the Eureka East, Kozan North, Soloni and Sokunu areas and to test geochemical anomalies that potentially overlie new orebodies, within a 15km radius of the existing processing plant. Limited drilling was conducted to test extensions of oxide material into the fresh rock below the Sanu Tinti and Bidini pits.

While the focus is on generating oxide resources in the near term, the 2013 exploration programme will allow for increased expenditure on fresh rock drilling and the evaluation of the potential mineralisation in the fresh rock. There are four major fresh rock targets below existing and previously mined pits, within a radius of 4km to 10km of the existing processing plant.

A new sample preparation building has been constructed and the daily sample throughput capability has increased from 1,000m to 1,500m. The second part of the expansion is in progress.

The emphasis on refining the current geological and structural model for the Siguiri complex continues, and studies by the Centre for Exploration Targeting, University of Western Australia, progressed well in 2012. A geophysical survey programme aimed at providing additional information for major geochemical targets gained traction in 2012, with three major grids covered over the southern, eastern and Seguelen extension portions of the Block 1 lease. This work will be used to refine the 2013 exploration drilling programme.

Sustainability performance

Safety

Safety is of the highest priority at Siguiri, with an emphasis on safety awareness training for all employees. AngloGold Ashanti has a long-term goal of achieving zero occupational injuries and illnesses.

Siguiri maintained its safety record of zero fatalities for 2012. The all injury frequency rate (AIFR) was 1.09 per million hours worked, an improvement on the 1.27 recorded for 2011. This improvement was as a result of a series of safety programmes aimed at promoting awareness that is conducive to safe operations and implementing measures to reduce mining

Sigiri – key statistics

	Units	2012	2011	2010
Operational performance				
Volumes treated/milled – 100%	Mt	11.9	10.5	10.1
– 85%	Mt	10.1	9.7	8.8
Pay limit	oz/t	0.01	0.01	0.02
	g/t	0.46	0.51	0.66
Recovered grade	oz/t	0.02	0.023	0.028
	g/t	0.76	0.79	0.97
Gold production – 100%	000oz	290	293	321
Gold production – 85%		247	249	273
Total cash costs	\$/oz	908	862	643
Production costs	\$/oz	1,035	984	701
Capital expenditure – 85%	\$m	28	15	10
Productivity	oz/TEC	12.10	12.03	14.75
Safety				
No. of fatal accidents		0	0	1
All injury frequency rate (AIFR)	per million hours worked	1.09	1.27	6.15
People				
Total average no. of employees		3,643	3,666	3,170
– permanent		1,902	1,718	1,531
– contractors		1,741	1,948	1,639
Employee turnover	%	0.80	0.60	1.36
Training and development expenditure	\$000	632	736	371
Environment				
Total water consumption	ML	4,650	6,097	5,265
Water usage intensity	ML/oz	0.016	0.021	0.016
Total energy usage	million GJ	2.34	2.43	2.37
Energy usage intensity	GJ/oz	8.07	8.34	8.17
Total greenhouse gas (GHG) emissions (CO ₂ e)	000t	177	184	179
GHG emissions per ounce	tCO ₂ e/oz	0.610	0.628	0.558
Cyanide used	t	2,736	2,993	1,550
No. of reportable environmental incidents		0	0	3
Total rehabilitation liabilities	\$m	70.7	53.1	28.2
– restoration	\$m	33.2	23.7	
– decommissioning	\$m	37.5	29.4	

related injuries. Ownership of key performance areas at all levels is designed to improve safety thought processes and result in more frequent 'safe' behaviour. The mine achieved a lost-time injury frequency rate (LTIFR) of 0.48 during 2012. This reflects four lost-time injuries with the last event occurring December 2012.

Health

In 2012, Sigiri implemented an inter-departmental voluntary counselling and testing (VCT) competition that resulted in a 90% increase in voluntary testing, bringing the total number of tests done on the mine to 4,300. An additional 101 individuals

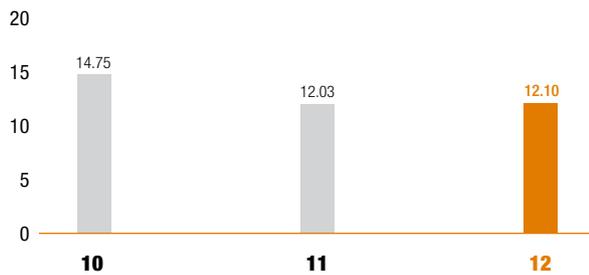
currently receive antiretroviral treatment (ART). Four individuals were diagnosed with tuberculosis (TB) in the past year. The malaria programme is currently being reviewed and will resume in 2013.

Sigiri currently has its OHSAS 18001 certification.

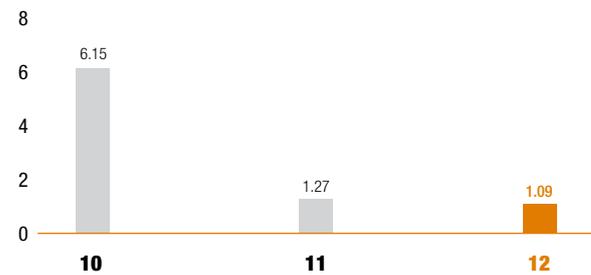
Stakeholder engagement

Considering the frailty of the political and institutional environment in Guinea, the success of Sigiri's expansion strategy will be governed largely by its ability to optimally manage stakeholder relations, particularly those with the authorities. Following publication of AngloGold Ashanti's

Sigiri – productivity (oz/TEC)



Sigiri – AIFR (per million hours worked)



blue-print on stakeholder engagement in 2011, a rapid assessment of key stakeholders was undertaken early in 2012. This led to greater understanding across the mine regarding the importance of structured engagement with key stakeholders and systems having been devised to regularly monitor engagement. In 2013, all significant expansion projects will be accompanied by a dedicated stakeholder engagement plan and more comprehensive mapping of all key stakeholders is to be undertaken in April 2013.

Furthermore, a new grievance mechanism was developed in 2012, as per the requirements set out in the relevant blue-print. The mechanism will be deployed across Block 1 during 2013.

Community

In 2012, Sigiri entered into a strategic partnership with the Millennium Promise Alliance to assist the local authorities in updating their local development plans and aligning these with measurable Millennium Development Goals*. During the process, the focus has shifted from infrastructure development to service delivery, from building schools and health centres to providing better education and health services to a growing share of the population. Agriculture, small and medium enterprise development, utilities and local government capacity will all be considered in this light, as will artisanal mining.

Following this planning process, Sigiri will be in a better position to channel its contributions to local development towards strategic projects supported by the wider community, to leverage these contributions with other development partners and third parties, and to measure their impact upon livelihoods and living conditions in the local community – thereby demonstrating that the communities are better off for AngloGold Ashanti having been there.

Environment

Environmental management remains a critical area of focus and on-going initiatives are in place to control dust and

emissions and also to ensure compliance with all relevant legislation.

A pipeline from the tailings facility, which had previously contributed to the bulk of spillage incidents reported on the mine, was replaced in 2012. The frequent pipe bursts resulted in the spillage of tailings material but the replacement ended such spillages and in 2012, no such incidents were reported.

In a sustained effort to optimise waste rock disposal and minimise closure liabilities pit backfilling at Sigiri continued during the year. However, the government’s request that all dormant pits be backfilled is being disputed by AngloGold Ashanti. Further studies will be conducted in 2013, with a view to reviewing and refining Sigiri’s closure strategy, taking into account backfilling and flooding.

Sigiri has had no reportable environmental incidents since 2010. An ISO 14001 external audit recertification was conducted during the year and no significant non-conformances were recorded. The mine’s ISO 14001 recertification is valid until July 2015. Environmental baseline assessments were conducted for the operation’s water, waste, air quality and rehabilitation management plans, in line with the respective group management standards.

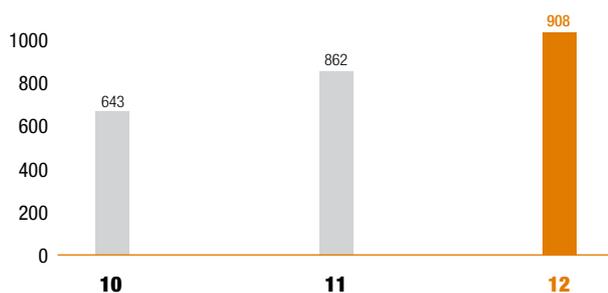
After completing resource economy studies on Santchoro and Kozan in 2011, these two mines were found to be economically unviable. Sanu Tinti has been identified as another possibly unfeasible mine and is currently being evaluated. Santchoro was backfilled last year and the re-vegetation process started in July 2012.

Rehabilitation was only 25% complete at year-end. Backfilling of Kozan began during the year and so far, except for some earthworks (levelling of deposited materials), backfilling of the pit was completed by year-end. Re-vegetation will start in 2013. In terms of the rehabilitation strategy, the remaining

* The Millennium Development Goals (MDGs) are eight international development goals, established in 2000, following the adoption of the United Nations Millennium Declaration. All 193 United Nations member states and at least 23 international organizations have agreed to achieve these goals by the year 2015. The goals are: eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality rates, Improving maternal health, combating HIV/AIDS, malaria, and other diseases, ensuring environmental sustainability, and developing a global partnership for development.

Sigiri – total cash costs

(\$/oz)



open pits will have environ bunds constructed around them to protect humans and animals from accidental falls and drownings in the pits.

Following upon an earlier request from government that dormant pits be backfilled, some backfilling has been undertaken and shown to be economically viable, on a case-by-case basis. Further studies are to be undertaken in 2013 in order to refine the closure strategy with regard to all the pits.

As part of the rehabilitation plan for 2011–2013, detailed earthworks requirements for some six backlog waste dumps have been completed. Once the tenders for this work have been finalised in 2013, re-vegetation will proceed. Initial rehabilitation of the Sintroko Central waste dump was completed.

Water: A \$430,000 proposed penalty for water abstraction (raw water use) was issued by the National Directorate of Hydrology. Although Sigiri acknowledged receiving this notice for a fine, the Guinean Chamber of Mines made representation on behalf of mining companies which had received similar notices. Consequently, the National Directorate re-issued a reduced fine of \$17,000.

The demand for water abstraction charges has highlighted the need to maximise the use of all water at the disposal of the company. It is recognised that there is a need to investigate

the possible integration of pit de-watering water into the main water use system, by developing a site-wide water balance. Such a move would reduce water intake from the Tinkisso River and future water charges.

Cyanide: Post year-end, Sigiri retained its certification for compliance with the International Cyanide Code following an audit held at the end of January 2013.

Dust: There were no official complaints of dust emissions from the ROM1 stockpile, haulage or from access roads during 2012, although dust emissions from these sources remained a challenge. Sigiri also contributed to the management of dust on both public and mine access roads by watering these linking roads between villages. These initiatives support the philosophy of good neighbourliness and also reduce third party accidents, caused as a result of poor visibility from dust emissions.

Planning for mine closure: A mine closure audit with respect to the group's mine closure standards was conducted at Sigiri during 2012, following which a series of corrective measures were implemented. The mine closure plan is currently compliant with AngloGold Ashanti's closure standard although there are a number of studies waiting to be conducted to confirm some of the initial assumptions made in the closure plan.

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Additional information from a country perspective can be obtained from the Guinea country fact sheet, which is available at www.aga-reports.com.