



DESCRIPTION

Sadiola, the largest of the three operations in Mali, is a joint venture operation by AngloGold Ashanti (41%), IAMGOLD (41%) and the government of Mali (18%). The mine began operating in 1996 and is located in southwestern Mali, near the Senegal border and 77km southwest of the regional capital Kayes. The mine is managed by AngloGold Ashanti.

Mining activities take place in five open pits. On-site surface infrastructure includes a 4.9Mtpa carbon-in-leach (CIL) gold plant where the ore is eluted and smelted. Sadiola's future is tied to the expansion of the Sadiola main pit and a new sulphide plant, for which the feasibility study has been completed.

Highlights of the year

In 2012, Sadiola produced an attributable 100,000oz, a decline of 16%. This was equivalent to 2.5% of group production and almost 7% of the Continental Africa region's production.

The mine employed, on average, 1,891 people in total in 2012, 863 permanent employees and 1,028 contractors (2011: average permanent employees: 846; average contractors: 998; total employees: 1,844). Productivity measured in ounces per total employee costed was 12.27 in 2012 (2011: 15.53oz/TEC).

Capital expenditure in 2012 amounted to \$92m, of which \$38m was attributable to AngloGold Ashanti. This brings expenditure over the past five years by AngloGold Ashanti on Sadiola to \$67m, principally on the Sadiola Sulphide Project (SSP).

As at 31 December 2012, Sadiola had a total Mineral Resource of 3.79Moz (2011: 4.40Moz), and an Ore Reserve of 2.14Moz (2011:2.30Moz).

PERFORMANCE IN 2012

Operational performance

The year under review was a difficult one for Mali and for Sadiola. The team dealt with a myriad of challenges during the period, some prompted by the political coup which toppled the government early in the year, with a counter coup in July; flooding; the transition between different ore types; and evolving labour relations that resulted in unprotected strikes.

Operational challenges, such as declining grades in the FE3 and FE4 pits, ore losses in the eastern wall of the FE4 pit and an extended mill shut-down, contributed to the decline in production and an increase in costs.

The rainy season started two months early in May and in a single rainfall event during August, 135mm fell in eight to 10 hours, flooding the pits, placing two trucks out of commission and limiting pit access for an extended period. Protracted wet conditions and muddy material also affected the crushers at the front end of the plant, which caused belt stoppages and a shortfall in feed throughput.

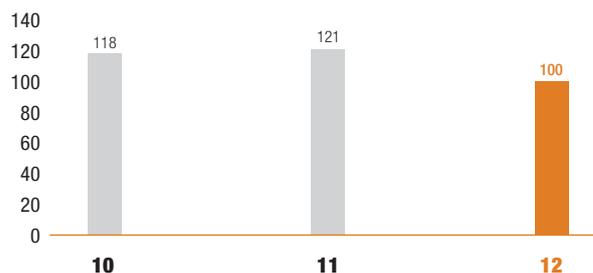
Contribution to group production

(%)



Sadiola – annual attributable production

(000oz)



Failure of the mill pinion gear also resulted in a premature maintenance shutdown. The coup followed a week later, shutting borders and limiting access to reagents and other chemicals for sulphide treatment.

Business improvement initiatives were hampered given the restricted site visits in April, May and June.

The President stepped down after the 22 March coup and an interim President, Dioncounda Traore, was named. Mining continued uninterrupted but employee morale suffered given difficult conditions and concern for families evacuated from site. While political uncertainty persists along with the conflict in Mali's northern region – albeit a considerable distance from site – workforce morale continues to be affected, as has the company's ability to attract and retain appropriate skills.

The coup initially slowed the progress of the SSP through the necessary government channels. These delays have been resolved following constructive discussions with some key government ministers. Power purchase contracts and fiscal concessions have been agreed. The project, which will access the deeper sulphide material, will absorb skilled and experienced personnel from the neighbouring Yatela operation, which is reaching the end of its life, as Sadiola moves from contractor to owner mining.

As a result, attributable gold production for the year was 17% lower than in 2011 and total cash costs for 2012 up 36% at \$1,081/oz. Plant throughput declined by 4% to 4.6Mtpa while operating at 96% capacity.

Growth and improvement

The SSP will treat hard sulphide ore from the main pit through a new plant, in parallel with the current oxide plant, increasing overall processing capacity from 4.6Mtpa to 7.4Mtpa. completed the feasibility study with resource modelling and mining input from AngloGold Ashanti. Board approval for the project has been deferred to 2013. Management is closely monitoring the political and security situation in Mali.

Anticipated efficiency gains from Project ONE's Business Process Framework (BPF) component, which went live in the fourth quarter of 2011, were affected by limited site access due to travel restrictions in 2012.

Exploration

The Sadiola exploration strategy is to build a comprehensive understanding of the remaining oxide potential in the short term and to extend the sulphide potential in the longer term. Oxide exploration on the Sadiola concession is reaching maturity and exploration work focussed primarily on follow up drilling at various prospective targets and identifying new targets. The work included 47,418m of reverse circulation and 10,043m of diamond drilling drilled, termite sampling, an IP (induced polarisation) survey and outcrop mapping.

Existing Sadiola oxide targets were reviewed and additional targets were identified. Of the 31 targets, seven were defined as high priority, five as medium priority and the remainder as low priority. These targets will be explored in the next two years as part of the business planning aim to add oxide resource to the life of mine production profile.

Assay results from the SSP exploration demonstrated the continuity and width of the mineralisation and a potential underground resource.

Sustainability performance

In line with AngloGold Ashanti's sustainability strategy, a comprehensive and transformative sustainability strategy has been compiled for the region in order to enable it to reach its growth potential while contributing to broader regional social and economic development. Key components of this strategy include alignment with the United Nations Millennium Development Goals.*

Within this transformation model, the Mali business unit team began development of a new mine-based five-year sustainability strategy which should be completed in 2013. In 2013 the Sustainability Department will continue to drive

* 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.

Sadiola – key statistics

	Units	2012	2011	2010
Operational performance				
Volume treated/milled – 100%	Mt	4.6	4.8	4.4
– 41%	Mt	1.9	2.0	1.8
Pay limit	oz/t	0.05	0.02	0.04
	g/t	1.44	0.53	1.28
Recovered grade	oz/t	0.048	0.055	0.060
	g/t	1.64	1.90	2.04
Gold production – 100%	000oz	245	295	287
– 41%	000oz	100	121	118
Total cash costs	\$/oz	1,081	792	650
Total production costs	\$/oz	1,096	830	698
Capital expenditure – 100%	\$m	90	34	20
– 41%	\$m	37	14	8
Productivity	oz/TEC	12.27	15.53	15.82
Safety				
No. of fatal accidents		0	0	1
All injury frequency rate (AIFR) – 41%	per million hours worked	2.21	2.44	1.65
People				
Total average number of employees – 41%		783	756	726
– permanent employees		863	846	790
– contractors		1,028	998	981
Environment				
Total water consumption	ML	6,866	5,992	5,777
Water usage intensity	ML/oz	0.028	0.203	0.201
Total energy usage	million GJ	2.17	2.00	1.84
Energy usage intensity	GJ/oz	8.86	6.75	6.41
Total greenhouse gas (GHG) emissions (CO ₂ e)	000t	161	148	137
GHG emissions per ounce	tCO ₂ e/oz	0.657	0.502	0.477
Cyanide used	t	2,570	1,860	2,143
No. of reportable environmental incidents ⁽¹⁾		1	0	1
Total rehabilitation liabilities	\$m	24.0	24.6	19.3
– restoration	\$m	12.9	14.0	
– decommissioning	\$m	11.1	10.6	

a transformation and integration agenda across the safety, health, environment, community and security units of the operation. The programme will be guided by AngloGold Ashanti's organisational frameworks.

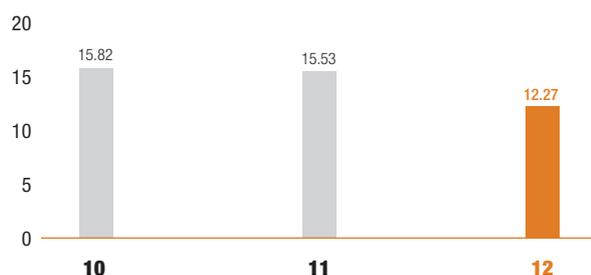
Some successes have already been achieved. Various community projects, including the Mali African Mining School, have helped to develop a constructive relationship with the government, an important group stakeholder.

The SSP has been granted a five-year corporate tax exemption. This followed successful negotiations with the government of Mali which granted the SSP the advantages of the fiscal and custom duties that are applicable to the 1991 mining code. These important developments follow on an agreement reached to extend the life of the Sadiola mine.

On 22 March 2012, the National Committee for the Return of Democracy and the Restoration of the State (CNRDR) took over leadership of Mali. During this difficult period of political

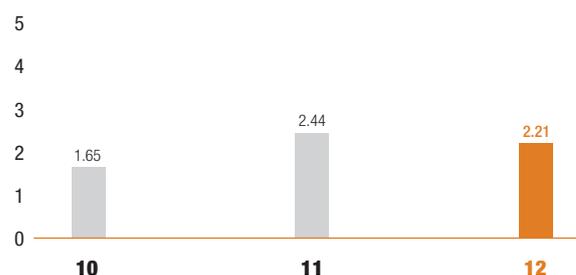
Sadiola – productivity

(oz/TEC)



Sadiola – AIFR

(per million hours worked)



unrest, AngloGold Ashanti has been co-operating with the ruling government to ensure employee safety and security.

Safety

Safety programmes at Sadiola are conducted in line with AngloGold Ashanti's goal of eliminating all occupational injuries and as a result, the operation, for the second consecutive year, was fatality-free.

An AIFR of 2.21 per million hours worked was recorded for 2012, an improvement on the 2.44 recorded in 2011 owing mainly to various campaigns undertaken during the year including training in defensive driving, continuous communication and visibility of front-line supervisors. 60% of the operational standard operating procedures were also translated from English into French to make them more user friendly to the target population.

Sadiola maintained its OHSAS 18001 certification in 2012.

Health

HIV/Aids: HIV/Aids remains an area of focus. During 2012, 1,207 (2011: 700) employees attended voluntary counselling and testing (VCT) programmes, with 14 employees receiving antiretroviral treatment (ART) (2011: 15).

Malaria: A total of 515 malaria cases were reported in 2012, a regression on the 141 reported cases in 2011. This was as a result of the higher than normal rainfall in the area.

Stakeholder engagement

Stakeholder engagement is the process through which the company stays connected with:

- stakeholders (those groups of people who are directly or indirectly affected by the business; those who may have an interest in projects or operations, and those with the ability to influence the outcomes, both positively or negatively);
- the company's social partners (stakeholders with whom it seeks to build mutually beneficial relationships), and
- AngloGold Ashanti's neighbours.

AngloGold Ashanti's approach to multi-stakeholder engagement, anchored by an annual multi-stakeholder forum (MSF), which was held in the first quarter of 2012, has been

recognised as a best practice by National Authorities, the Continental Africa region and peers. This integrated (local-regional-national) model for promoting transparency, dialogue and participation in mine sustainability and local development planning is recognised as having a pivotal role to play in future efforts to maximise shared opportunities, go beyond zero harm and leave AngloGold Ashanti host communities in Mali better off. The annual MSF was followed throughout the year by monthly and quarterly MSF committee meetings with Sadiola communities where questions such as safety, employment, water, cyanide, and extension projects were discussed.

Also vital to AngloGold Ashanti's engagement strategy in Mali is the Integrated Development Action Plan (IDAP) which is pivotal in engaging with communities regarding the socio-economic development of areas affected by mining. The IDAP aims to improve the living conditions of surrounding communities by implementing appropriate sustainable development activities which are likely to survive once the mines have ceased operating, supporting and consolidating civil society organisations in promoting sustainable development initiatives, and planning capacity building among beneficiaries. Since the inception of its programme, IDAP has been well received by the communities and the positive effects of its activities are being felt.

In 2012, engagement with government representatives was on-going during the year, in particular around permitting for the SSP, the creation of working relations with the new Government of Mali appointed after the coup, and all related issues.

Community

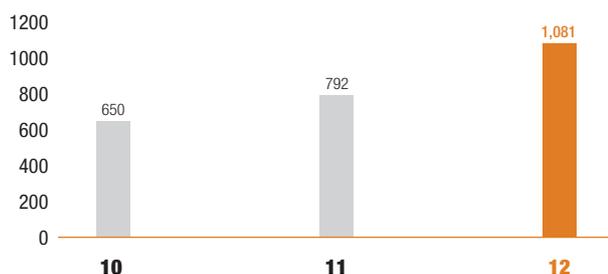
Political instability in Mali had a negative impact on AngloGold Ashanti's sustainable development initiatives in the country. Nevertheless, Sadiola did contribute towards temporary structures in Medine village before the completion of the school and donated some 50 tables for school pupils.

The KEKAYES "Foire Exposition Internationale de Kayes 2012", an artistic and cultural event, was sponsored by Sadiola and Yatela. Sadiola and Yatela received an award from the Kayes Governor in recognition for their participation in the event.

In Mali, the Kayes region was among the worst affected by a poor 2011 rainy season and the resulting poor harvest, lack of pasture, crop deficits, very low water levels in rivers and

Sadiola – total cash costs

(\$/oz)



high food prices. These conditions had a profound effect on the surrounding rural communities and the most vulnerable households, which cannot meet their essential needs. In order to support its surrounding communities, AngloGold Ashanti, in partnership with its joint venture partners IAMGOLD and the Malian State contributed \$60,000 to relief efforts in the communes of Diamou and Sadiola. AngloGold Ashanti's financial contribution was added to a \$49,000 fund jointly set up in the communes of Diamou and Sadiola in a bid to meet essential needs of households threatened with drought and severe food insecurity. The grant was used to purchase and distribute rice and millet in all the villages in their respective jurisdictions. All 24 villages in Diamou and 46 villages in Sadiola benefited from food distribution.

AngloGold Ashanti also contributed a \$150,000 grant towards Africare's Assistance Project to Vulnerable Groups in Sadiola Commune. The project aimed to reduce food insecurity and increase self-sufficiency through improved availability of food and management of the food supply.

AngloGold Ashanti donated \$100,000 in emergency funding to avert an interruption of the Mass Drug Administration (MDA) programme fighting a range of neglected tropical diseases

(NTDs) endemic to Mali. A donation was made to The End Fund, a non-governmental organisation committed to providing access to treatment for these NTDs.

AngloGold Ashanti also continued its support of the IDAP.

Environment

AngloGold Ashanti remains committed to environmental management and a number of initiatives are in place to control dust and emissions and to ensure compliance with all relevant Malian legislation. One environmental incidence was reported in 2012, compared to the previous year when no incidents were recorded. The operation received ISO 14001 certification in 2012.

Cyanide: Sadiola was recertified and therefore remained International Cyanide Management Institute (ICMI) compliant and demonstrated their continued commitment to the safe management of cyanide.

Closure and rehabilitation: With the SSP, the Sadiola mine is expected to close in 2028 and, without the SSP, in 2019. In line with company policy, rehabilitation liability costs have accrued over the life of mine. In 2012, \$656m was provided for closure costs.

Forward-looking statements

Certain statements contained in this document, other than statements of historical fact, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, cash costs and other operating results, return on equity, productivity improvements, growth prospects and outlook of AngloGold Ashanti's operations, individually or in the aggregate, including the achievement of project milestones, commencement and completion of commercial operations of certain of AngloGold Ashanti's exploration and production projects and the completion of acquisitions and dispositions, AngloGold Ashanti's liquidity and capital resources and capital expenditures and the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental issues, are forward-looking statements regarding AngloGold Ashanti's operations, economic performance and financial condition. These forward-looking statements or forecasts involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements and forecasts are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic, social and political and market conditions, the success of business and operating initiatives, changes in the regulatory environment and other government actions, including environmental approvals, fluctuations in gold prices and exchange rates, the outcome of pending or future litigation proceedings, and business and operational risk management. For a discussion of such risk factors, refer to the document entitled "Risk Factors related to AngloGold Ashanti's suite of 2012 reports" on the AngloGold Ashanti online corporate report website at www.aga-reports.com. These factors are not necessarily all of the important factors that could cause AngloGold Ashanti's actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Consequently, readers are cautioned not to place undue reliance on forward-looking statements. AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this operational profile or to reflect the occurrence of unanticipated events, except to the extent required by applicable law. All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein. This communication may contain certain "Non-GAAP" financial measures. AngloGold Ashanti utilises certain Non-GAAP performance measures and ratios in managing its business. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies may use. AngloGold Ashanti posts information that is important to investors on the main page of its website at www.anglogoldashanti.com and under the "Investors" tab on the main page. This information is updated regularly. Investors should visit this website to obtain important information about AngloGold Ashanti.

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