STRATEGIC AND OPERATING SUCCESS

Christine Ramon / Interim Chief Executive Officer

It is an honour for me to review our 2020 performance and provide information on the exciting prospects for AngloGold Ashanti in the coming years.

The start to the year was unexceptional. We provided the market our guidance for 2020 and outlined our key priorities as normal, but this was quickly overtaken by events, and the need to refocus our efforts on managing through a virus outbreak unprecedented in recent times.

COVID-19

We will likely be counting the cost of this COVID-19 pandemic for generations to come, in both the loss of human life and the massive economic toll that it has taken. As of writing this letter, the global death toll had reached 2.5 million and new cases continue to edge – and sometimes leap – ever higher across every country in the world. Whole economic sectors have been decimated by the steps taken to check its spread, with unprecedented lockdowns, border closures and social distancing.

The manner of our response to COVID-19 highlighted the best of AngloGold Ashanti and its people. Daily calls in the months following the first government lockdown orders brought together dozens of experienced professionals from every corner of our Company. These were the centrepiece of our crisis response and allowed our teams to provide the latest news from their sites and communities, to discuss the cascade of new challenges that seemed to arise almost by the hour, and – importantly – to offer encouragement and share solutions. We were able to work together seamlessly as a global organisation across nine countries, ensuring we protected our people while working towards our business objectives. We continued to pay our employees throughout this period, despite COVID-19 related lockdowns in certain jurisdictions.

We continued to manage the business focusing on risk mitigation and maintaining a tight rein on costs. Inventories of critical spares have been built to cover between three and six months at operations. We also implemented contingency plans early in 2020 to counter potential disruptions and built ore stockpiles to provide additional operating flexibility where possible. We ensured the continued transport and refining of our gold doré across our operations through accredited private charters when commercial airlines had suspended operations.

This business continuity ensured we were able to pay $1.1bn in royalties and taxes, $508 million in salaries, wages and benefits and more than $1.6 billion in procurement expenditures, of which 82% is spent in our operating jurisdictions. Those numbers will take on a particular significance for governments as they survey a devastated economic landscape and see pockets of resilience around mines, and as they see the continued inflows into the fiscus from mineral exports. We're immensely proud of that contribution.

From the outset, our guiding principle was to do the right thing by our employees, their families and our surrounding communities. We appreciated the need to work closely with the authorities, civil society and community leadership at each step of the way, with the clear understanding that our fortunes and those of our host societies, are inextricably linked. That principle drove our own response internally and informed the external assistance we provided in the form of equipment and infrastructure.

We learnt valuable lessons along the way that will stand us in good stead as this public health emergency remains with us for some time yet. There are also learnings that will stay with us well beyond that, particularly around information sharing, cooperating more effectively across our global footprint, and in creating a more resilient organisation.

Safety

Regrettably our safety performance – the pride of our 2019 report back – took a major step backward during the first half of 2020, with six operating fatalities on our mines. Tragically three of our colleagues were killed at Mponeng mine in March, when a seismic event hit immediately behind the workface. A fourth was killed in a locomotive incident in the TauTona area barely three weeks later.

At Obuasi, in June 2020, an experienced equipment operator was hit by an underground load-haul dumper, while in July a security guard was hit and killed by a car driven by a private citizen, at the gate to one of Obuasi's housing estates. See *In memoriam* in the <SR>.

Each one of these deaths is a terrible tragedy for the families, loved ones and colleagues, and a tough reminder that our work to banish injury and death from our sites, is never done. We have taken a decision to implement a revitalised safety strategy across the business, a process that will unfold over the coming two years. We

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will continue to learn from high potential incidents, or 'near misses', which are invaluable leading indicators for the high consequence, low frequency incidents that claim lives on heavy industrial worksites.

Notwithstanding these setbacks, overall injury rates at our mines continued their downward trend, ending the year at 2.39 injuries per million hours worked. Looking at our existing portfolio, without the South Africa and Mali assets sold last year, the number falls to 1.68. Both numbers are significantly below the 2019 ICMM member average of 3.14. These injury rates are a good indicator of the strength of the safety culture across our business, underscored by the fact that our managed operations in Africa (excluding Kibali operated by Barrick, and Obuasi, which was in project phase last year), went the entire second half of the year without a single injury. It's an astonishing feat, especially given the COVID-19 backdrop.

Strategic and operating success

The fundamental performance of the business was strong in 2020, which was a pivotal year for us.

From a strategic perspective, we made solid progress across several fronts; we met guidance for the eighth year in a row and succeeded in our aim of streamlining the portfolio by exiting operations in South Africa and Mali. The asset sale proceeds were applied to debt reduction, further strengthening the balance sheet. The trimmed down portfolio allows us to focus our capital on high return, longer life opportunities.

Operating performance was solid, particularly given the COVID-19-related mine closures in Brazil, Argentina, and South Africa, at different points during the year. We ended the year with production of 3.047Moz, which included a nine-month contribution from South Africa before completion of its sale to Harmony Gold. Production from continuing operations was 2.806Moz. All-in sustaining costs, including South Africa, were $1,059/oz, which included $55/oz for COVID-19 impacts, linked in part to the production losses from the pandemic of 140,000oz.

The financial performance of the business was especially strong. All-in sustaining cost margins from continuing operations widened to 40%, helped on one end by conscientious cost management and the other by the higher gold price, which averaged 27% higher year-on-year. While the higher gold price is welcome, we continue to apply conservative long-term assumptions in our planning, well below the spot price. We believe this is the best way to protect our balance sheet over the long term and ensure that we don't get carried away by a bullish consensus.

The business generated $1.0bn in headline earnings for the year – around three times the level in 2019 – while free cash flow before growth capital, the measure on which we calculate dividends, also came in at just over $1bn.

That figure would have been considerably higher if not for cash lock-up challenges we faced in the DRC, where our attributable share of the cash totalled $424 million in the Kibali joint venture's local US dollar-bank accounts at the end of December, and Tanzania, where value added tax receivables, accumulated over more than three years, were $139 million. We remain in close dialogue with Tanzania's revenue authorities regarding offsetting those tax balances against future corporate tax payments. In the DRC, our partner and the operator of the Kibali mine, Barrick Gold, continues to work diligently to have the cash released.

Performance was also competitive from a shareholder return perspective. We reported a fivefold increase in our final dividend year-on-year, with the total payment at just over $200m, supported by stronger cash flows and a more competitive dividend policy. Crucially, we achieved those returns and kept all our projects funded, without any equity funding top-up for the tenth consecutive year. This tight rein on our share capital continues to set us apart in our peer group, as a true, self-funded gold producer.

Our ability to maintain that record depends on a strong balance sheet, and once again we ended the year with a lower net debt than what we started with. At 31 December 2020, our adjusted net debt was $597m, and our leverage from continuing operations (adjusted net debt to adjusted EBITDA ratio), was 0.24 times. That's well below both our covenant ratio of 3.5 times, and our through-the-cycle target of 1.0 time. We also had strong liquidity of $2.8bn, including $1.3bn in cash and $1.4bn in undrawn facilities, a position boosted by our successful issuance of a 10-year, $700m bond in September, at the lowest-ever coupon for AngloGold Ashanti at 3.75%.

CEO'S REVIEW AND OUTLOOK CONTINUED

Ore Reserve increases and five-year outlook

Another plank of our strategy is the increase in the Ore Reserve across the portfolio. You'll remember that 12 months ago we started a focused plan to increase investment in brownfields exploration and Ore Reserve development. The aim there was to improve mining flexibility and orebody knowledge, to increase the Ore Reserve and extend mine life. I'm pleased to say that we got off to a promising start in 2020, with 6.1Moz added to the Ore Reserve on a gross basis, which more than offset our depletion and extended the operating mine life of the portfolio to about 11 years. We saw Ore Reserve additions at key assets – notably adding 1.4Moz at Geita, opening a new, surface deposit and 1.8Moz at Obuasi. We see this programme continuing through to 2023 as we push out our Ore Reserve runway ahead of us.

Another benefit of this enhanced orebody knowledge is our ability to provide a longer-term outlook for the business, a first in several years for AngloGold Ashanti as we try to provide shareholders with a view into how we think about the business, the exciting potential that resides in our base of operating assets, and the world-class pipeline of projects we are considering taking to development.

We are at an exciting inflection point in our growth strategy primed to generate returns and unlock latent resource potential. Over the next five-years, we expect to see c.5.0% compound annual growth in gold production, with growth in the first four years coming mainly from brownfields options in our existing portfolio. Obuasi makes big additions in the first two years, while the Australia, Brazil and African operations each make valuable contributions through the period before Colombia kicks in from years four and five.

Over the same period, we see costs improving, as this year's investment in tailings compliance in Brazil comes to an end, followed by the completion of deferred-stripping programmes at Tropicana and Iduapriem. Also, at the end of 2022, the current intensive investment programme in Ore Reserve development tapers off, taking further pressure off margins.

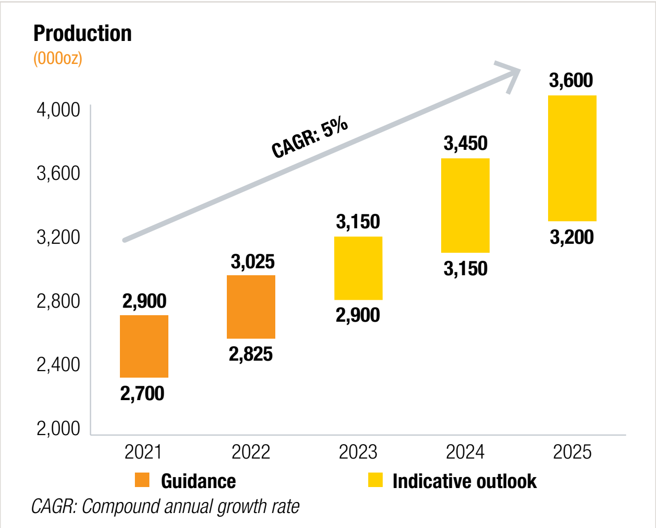
So, while we see an increase in all-in sustaining costs in the short term, we believe that bringing in new ounces to our Ore Reserve base and existing production profile – at a competitive cost – is the highest-return capital we can spend. The added benefit is the longer valuation runway for the assets, as we start to stretch their lives out further ahead of them.

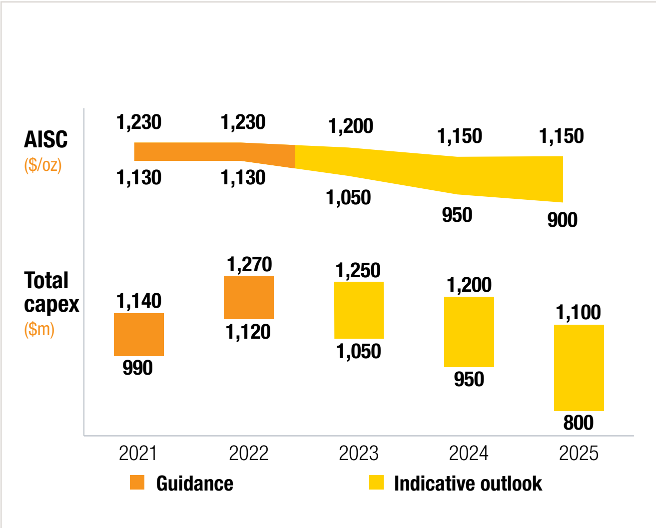
In short, after years of rationalising our portfolio by selling and closing mines, we have a clear and credible path back to disciplined, high-return and low-risk growth.

Closing the value gap

We are alive to the valuation gap that exists with some of our peers, and aware that closing it will not be down to any single measure.

We have a clear strategy so execution is key. We have three world class projects in our portfolio, in Obuasi – which was 90% complete at the end of 2020 – and two Colombian projects, the Gramalote





Economic assumptions for 2021 are as follows: $/A$0.72, BRL5.00/$, AP98.00/$, ZAR16.95/$; and Brent $50/bbl.

Production, cost and capital expenditure forecasts include existing assets as well as the Quebradona and Gramalote projects that remain subject to approval, Mineral Resource conversion and high confidence inventory. Cost and capital forecast ranges are expressed in nominal terms. In addition, both production and cost estimates assume neither operational or labour interruptions, or power disruptions, nor further changes to asset portfolio and/or operating mines (except as described above) and have not been reviewed by our external auditors. Other unknown or unpredictable factors could also have material adverse effects on our future results and no assurance can be given that any expectations expressed by AngloGold Ashanti will prove to have been correct. Measures taken at our operations together with our business continuity plans aim to enable our operations to deliver in line with our production targets; we, however, remain mindful that the COVID-19 pandemic, its impacts on communities and economies, and the actions authorities may take in response to it, are largely unpredictable. Accordingly, actual results could differ from guidance and/or indicative outlook and any deviation may be significant. Please refer to the Risk Factors section in AngloGold Ashanti's annual report on Form 20-F which has been filed with the United States Securities and Exchange Commission (SEC). Furthermore, our five-year indicative outlook assumes that AngloGold Ashanti proceeds with the Quebradona and Gramalote projects. However, the board has not yet made a final decision on those projects and there can be no assurance that they will materialise. A negative decision or other discontinuation of those projects may have a material adverse impact on our indicative outlook.

joint venture and the wholly-owned Minera de Cobre Quebradona, which will come to the board of directors for approval during 2021. Ramping up Obuasi to full production by the end of 2021, amidst the challenges presented by the COVID-19 pandemic, is an important catalyst to release value. Similarly, the positive finalisation of two key feasibility studies, that will bring two additional low-cost, long-life assets into our portfolio, will create significant value. That will need to be followed by flawless execution.

Solving our cash conversion challenges, by creating a smoother mechanism to release cash flows from the DRC, and a reliable manner of offsetting VAT balances from Tanzania, will also lift the value of two key assets, Kibali and Geita.

Then there is the bread and butter work of ensuring that our existing mines – ten in all – deliver to their budgets, and reach their potential with the capital investments that we plan to make in them over the coming years. Each of our mines has real potential and each has a plan to improve in the coming years, whether it be through the addition of life, production, or increased efficiencies. Our top-class operators, backed by an industry leading exploration team and excellent support staff across each of our operating jurisdictions will ensure operational excellence.

The true measure of success will be to meet these development, operational and financial milestones, while creating sustainable value for our shareholders and other stakeholders. This means maximising the direct benefit our host countries and communities receive – through taxes, royalties, jobs and procurement – while limiting our impact on the environment, by further lowering greenhouse gas emissions and reducing the amount of scarce natural resources we use.

Climate

Later this year we plan to complete an updated Climate Strategy, with new, medium-term goals, and to publish our inaugural report in line with the Task Force on Climate-related Financial Disclosures, or TCFD. Bottom-up work from each site, starting with climate risk assessments, have been done, and our initial steps to mitigate the risks we will face in several aggressive climate scenarios, has begun.

Of course, we are not newcomers to this field. We have reduced the greenhouse gas (GHG) intensity of our portfolio, measured in tonnes of CO_2 per tonne of ore treated, by 43% since 2008. Absolute emissions are 48% lower. These improvements are the result of selling and closing high GHG-emitting assets and implementing a host of efficiency measures over the past decade, leaving our portfolio considerably improved from a climate perspective.

Once these new targets are set, we will start to chart a pathway to net zero emissions from our portfolio, in line with the Paris Agreement on Climate Change. We are firmly committed to this course, as are the governments in our operating jurisdictions.

Conclusion

I am honoured to have been requested by our board to lead AngloGold Ashanti as Interim Chief Executive Officer from 1 September 2020, following the resignation of Kelvin Dushnisky at the end of July 2020. I am grateful for the unwavering support received from our board, from my colleagues in the executive, from senior leaders across our sites and corporate disciplines, our business partners and countless others during this time. My trips to Geita, Obuasi and Iduapriem during the last quarter of the year were enormously inspiring as I saw first-hand the dedication and commitment of our teams who continue to make this Company the great business it is. In these people, 36,952, all across our business, lies the true key to unlocking the latent value that lies in our portfolio.

Keeping our people safe and well and supporting our host communities through this incredibly difficult time, is a top priority. That includes finding innovative – and effective ways – to help our host governments in their vaccination efforts, so we can work together to find a return to a more normal life.

We continue to follow a very clear strategy endorsed by our board. It's about being prudent and disciplined, in line with our commitment to remain a self-funding gold producer, which benefits a range of stakeholders and drives improving shareholder returns over the long term.

Across all of this is our commitment to ESG. A great ESG performance often equals overall business performance.

We've seen in countless ways how this mutually reinforcing cycle creates value for a wide range of stakeholders. It makes our communities stronger, makes our jobs more fulfilling, and is good for shareholders, too. The product of this equation is clear -- more efficient operations, with lower risk profiles, more supportive communities, and increased access to growth opportunities. We aim to be leaders in this area, and we're making real, measurable progress towards our goals, goals that we know will push us to do better and strive for more.

We have an exciting growth story – and the building blocks to unlock value are already in place. We're taking a long-term view, and we've already demonstrated a track record of delivery. Our commitment to our shareholders is unwavering, and we have and will continue to assess all options to improve shareholder value.

We'll remain disciplined and steadfast in our approach and in delivering on the strategy through the cycle, within the guardrails of our balance sheet. We'll maintain this discipline even as we benefit from a suite of visible catalysts in the short, medium, and long term to unlock value. Our investment case is indisputable, and I look forward to AngloGold Ashanti's next chapter as we build on our momentum to unlock the value of our unique portfolio.

Finally, I would like to express my deep gratitude to the entire AngloGold Ashanti leadership team and to our global employees for their exceptional commitment and efforts in delivering on our business priorities, despite all the challenges during this past year. I would like to thank our shareholders and all stakeholders for your continued support and trust in our Company. Our aim remains – very clearly – to build a solid, predictable business that delivers value for all stakeholders through the cycle.

Christine Ramon
Interim Chief Executive Officer
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