



AngloGold Ashanti Limited
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("AngloGold Ashanti" or the "Company")

NEWS RELEASE

AngloGold Ashanti Weathers COVID-19 Disruptions to Post Surge in Free Cash Flow

(JOHANNESBURG - PRESS RELEASE) – AngloGold Ashanti withstood COVID-19-related disruptions to deliver a solid first half production performance and a surge in free cash flow generation to \$177m, most of it coming in the three months to June 2020.

Free cash flow rose to an inflow of \$177m for the first six months of the year, compared to an outflow of \$31m in the same period last year. Of that amount, \$173m was generated in the second quarter of the year. Free cash flow before growth capital, the metric on which dividends are calculated, rose 376% - or nearly fivefold - to \$324m.

"The business is in excellent shape - cash flows are extremely robust, demonstrating the significant operating leverage we have to this strong gold price," Kelvin Dushnisky, outgoing Chief Executive Officer (CEO) of AngloGold Ashanti, said. "While the recent rally in the gold price is welcome, tight cost and capital management will continue to be the key focus areas for us as we work to capture this widening margin and increase reserves."

AngloGold Ashanti is investing in the redevelopment of its Obuasi Gold Mine, as well as exploration and ore reserve development to increase its operating flexibility and increase reserves. Interim CEO Christine Ramon will continue to focus on the inward investment programme, with rigorous capital allocation guidelines including leverage and return targets.

Operating Performance

Production in the six months ended 30 June 2020 was 1.469Moz at a total cash cost per ounce of \$810/oz, compared to 1.554Moz at \$792/oz for the first six months of last year. Geita delivered an outstanding performance, Serra Grande posted a strong recovery from the first quarter while Kibali, Iduapriem, Tropicana and AGA Mineração delivered steady production.

All-in sustaining costs (AISC) were \$1,031/oz for the first six months of 2020, compared to an AISC of \$1,002/oz for the corresponding period last year.

The adverse impacts of COVID-19 on production in the first half of the year was limited to an estimated 85,000oz, of which 63,000oz related to the South African operations. AISC were impacted by \$53/oz.

Second quarter production increased 5% over the first quarter of 2020, rising to 753,000oz from 716,000oz. Quarter-on-quarter production improvements were recorded at Sunrise Dam, Serra Grande, Iduapriem, Obuasi, Geita, Siguiri and Cerro Vanguardia (CVSA).

Adjusted EBITDA for the first six months of the year increased by 59% to \$1.096bn compared to \$689m during the first half of last year, helped by a 26% year-on-year increase in the gold price received and weaker local currency impacts.

The Obuasi Redevelopment Project continued to ramp up, delivering 50,000oz in the first half of 2020 despite delays in receiving equipment and the arrival of certain critical skills to the site as a result of lockdowns in various jurisdictions, with Phase 2 ramp-up expected by the end of the first quarter of next year.

Free cash flow before growth capital – the metric on which dividends are calculated – increased significantly to \$324m in the first half of 2020, compared to \$68m for the same period in 2019. Cash flows were impacted by VAT that continues to be locked up at Geita and Kibali, with balances owing at the end of June 2020 of \$131m and \$71m respectively. At the end of June 2020, the Company's attributable share of the outstanding cash balances awaiting repatriation from the Democratic Republic of the Congo (DRC) amounted to \$293m. Barrick Gold Corporation (Barrick), the operator of the Kibali joint venture, continues to engage with the DRC government regarding the 2018 Mining Code and the cash repatriation.

The sale processes related to South Africa and Mali continue to progress, with final conditions precedent to be fulfilled, and the decision was taken to retain CVSA.

The first production stope in Tropicana's Boston Shaker underground mine was fired in June 2020 and the project remains on track to achieve commercial production in the second half of 2020. The work on the Feasibility Study at the Quebradona project is progressing and is now expected to be completed in the first half of 2021. At the Gramalote project, our joint venture partner, B2Gold Corp expects to complete the Feasibility Study in the first quarter of 2021.

Balance Sheet

The balance sheet continues to improve as stronger cash flows helped with the continued reduction in debt. The ratio of Adjusted net debt to Adjusted EBITDA at the end of June 2020 was 0.67 times, well below the targeted level of 1.0 times through the cycle.

Adjusted net debt decreased by 18% to \$1.428bn at 30 June 2020, from \$1.739bn at 30 June 2019. In order to safeguard the balance sheet during the COVID-19 pandemic, the Company took proactive steps to further bolster liquidity. As at 30 June 2020, the Company's liquidity remained strong with approximately \$2.47bn available, including cash and cash equivalents of \$1.29bn.

Safety

Regrettably, there was one fatality in the second quarter, involving a Long-haul Dump operator who was fatally injured in a Heavy Mobile Equipment related incident at Obuasi. Subsequent to the end of the second quarter, a security guard was fatally injured at the Obuasi mine when he was struck by a private vehicle that veered off the road. In addition, we have previously reported four fatalities in the first quarter, which occurred in two separate safety incidents in March at the Mponeng mine. The tragic occurrence of these fatal incidents remains a stark reminder that we must continue to redouble our efforts to make sure our employees return home safely each day.

CEO Change and Executive Team Update

On 30 July 2020, AngloGold Ashanti announced that Mr. Kelvin Dushnisky decided to step down as Chief Executive Officer (CEO) and Executive Director, effective 1 September 2020.

The Board of Directors of the Company (Board) thanks Kelvin for his role in advancing AngloGold Ashanti's strategy and wishes him the very best in the future. Kelvin will remain in Toronto to spend time with his family but will be available to assist the group with a smooth handover until 28 February 2021.

"Kelvin has done an excellent job in delivering on the Company's strategy and leaves AngloGold Ashanti in solid shape, with an improving portfolio, robust cash flows and ongoing debt reduction," Sipho M. Pityana, AngloGold Ashanti's Chairman, said.

The Board is also pleased to announce the appointment of Ms. Christine Ramon, currently Chief Financial Officer (CFO) and Executive Director, as Interim CEO. Christine will assume the role from 1 September 2020, while the Board embarks on a comprehensive recruitment process to find a new permanent CEO. Mr. Ian Kramer, currently Senior Vice President: Group Finance, will assume the role of Interim CFO for the duration of the transition period.

The information contained in this announcement has not been reviewed or reported on by the Company's external auditors.

The figures and results contained in this announcement include continuing and discontinued operations, unless otherwise stated.

ENDS

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JSE Sponsor: The Standard Bank of South Africa Limited

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